

## **CCXAP assigns A<sub>g</sub>- to Yancheng Oriental Investment & Development Group Co., Ltd.'s proposed USD sustainability bonds**

Hong Kong, 15 August 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating of A<sub>g</sub>- to the proposed USD sustainability bonds to be issued by Oriental Capital Company Limited, which is an indirect wholly-owned subsidiary of Yancheng Oriental Investment & Development Group Co., Ltd. (“YOID” or the “Company”) (A<sub>g</sub>-/stable), and to be unconditionally and irrevocably guaranteed by YOID.

The bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of YOID, which will at all times at least rank pari passu with all other present and future unsecured and unsubordinated obligations of YOID. The Company intends to use the net proceeds for refinancing the principal of the medium to long term offshore bonds due in September 2025.

### **Corporate Profile**

Established in 2003, YOID is one of the major local infrastructure investment and financing companies (“LIIFCs”) for the Yancheng Municipal Government and is directly and wholly owned by the Yancheng Municipal Government. YOID is mainly responsible for infrastructure construction, and sales and construction of resettlement houses in the Yancheng Economic and Technological Development Zone (“ETDZ”). As a national-level development zone, Yancheng ETDZ occupies an important position in Jiangsu Province with its industrial base of the Internet plus advanced manufacturing. The Company is also engaged in property leasing and management, equity investment, trading, and financial services businesses such as finance leasing and guarantee loans. It reported total assets of RMB95.6 billion as of 31 March 2025.

### **Rating Rationale**

The rating of the senior unsecured bonds is equivalent to YOID's long-term credit rating. We believe that government support will flow through the Company given its important strategic position in the development of Yancheng ETDZ, thereby mitigating any differences in an expected loss that could result from structural subordination.

The A<sub>g</sub>- long-term credit rating of YOID reflects (1) the Yancheng Municipal Government's very strong capacity to provide support; and (2) the local government's high willingness to provide support, based on our assessment of the Company's characteristics. Our assessment of the local government's capacity to support reflects Yancheng City's growing economic and fiscal strengths, with good industrial development. Yancheng ETDZ is a national-level ETDZ in Yancheng City that mainly develops automotive, crystalline silicon photovoltaic, and power battery.

The rating also reflects the local government's willingness to support, which is based on the Company's (1) full ownership and ultimate control by the Yancheng Municipal Government; (2) strategic role in Yancheng City, particularly in the Yancheng ETDZ; and (3) good track record

of receiving government support. However, the rating is constrained by the Company's (1) high exposure to commercial activities; (2) high debt leverage and moderate asset liquidity; and (3) large external guarantee associated with local state-owned enterprises ("SOE").

### Rating Outlook

The stable outlook on YOID's rating reflects our expectation that the local government's capacity to support will remain stable, and the Company will maintain its important role in the economic and social development of Yancheng ETDZ.

### What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as improved debt management and reduced exposure to external guarantees.

### What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as reduced regional significance, weakened financing ability or material deteriorated contingent risks.

### Rating Methodology

The methodology used in this rating is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).

### Regulatory Disclosures

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