



Jiangsu Yueda Group Co., Ltd.'s ratings unaffected by proposed tap issuance

Hong Kong, 29 September 2020 -- China Chengxin (Asia Pacific) Credit Ratings (“CCXAP”) says Jiangsu Yueda Group Co., Ltd.’s (“Jiangsu Yueda” or the “Company”) (BBB_g-/Stable) proposed tap issuance on its existing USD100 million 5.7% senior unsecured bonds due 2023 will not affect the BBB_g- rating on the bonds. The rating of the bonds was previously assigned by CCXAP on 4 June 2020.

The proposed tap issuance will carry the same terms and conditions as the existing bonds. Net proceeds from the tap issuance will be used for onshore and offshore business development and refinancing of onshore indebtedness. The rating of the bonds is equal to the Company’s long-term credit rating.

The BBB_g- long-term credit rating of Jiangsu Yueda is underpinned by the Company’s (1) important status as one of the largest state-owned enterprises in Yancheng City; (2) moderate diversification benefiting from its broad lines of business and quality asset resources; and (3) diversified funding channels. However, the rating is constrained by the Company’s (1) business operations that are susceptible to the volatility of fundamental economic changes as well as policy changes of China; (2) modest financial profile with high debt leverage and low debt coverage; and (3) high refinancing pressure.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [Business and Customer Service Companies \(December 2019\)](#).

Regulatory Disclosures

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