

Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Weihai Wendeng District Bluesea Investment and Development Co., Ltd's USD Bonds

HONG KONG, 17 November 2023 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to USD98 million, 8.5% senior unsecured USD bonds due 2024 (“the Bonds”) issued by Rowen International Co., Limited. The Bonds are unconditionally and irrevocably guaranteed by Weihai Wendeng District Bluesea Investment and Development Co., Ltd (“WWBID”; ‘BBB-/Stable’).

WWBID intends to use the net proceeds from this offering for refinancing offshore debt.

Key Rating Rationales

The Bonds are rated at the same level as WWBID’s global scale Long-term Issuer Credit Rating of ‘BBB-’ as the Bonds are unconditionally and irrevocably guaranteed by WWBID, and WWBID’s obligations for the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

WWBID’s Issuer Credit Rating reflects a high possibility that the People’s Government of Wendeng District, Weihai City (“Wendeng government”) would provide strong support to WWBID if needed, in light of its full ownership of WWBID, WWBID’s strategic importance as the major local investment and development company (“LIDC”) that is responsible for infrastructure construction and affordable housing construction in Wendeng District, Weihai City (“Wendeng”), and the linkage between the Wendeng government and WWBID, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Wendeng government may face significant negative impact on its reputation and financing activities if WWBID encounters any operational and financial difficulties.

The Stable Outlook on WWBID’s rating reflects our expectation that WWBID’s strategic importance would remain intact while the Wendeng government will continue to ensure WWBID’s stable operation.

Rating Sensitivities

Any rating action on WWBID’s rating would result in a similar rating action on the Bonds.

We would consider downgrading WWBID’s rating if (1) there is perceived weakening in support from the Wendeng government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Wendeng

government's ownership of WWBID, or (3) there is a downgrade in our internal credit assessment on the Wendeng government.

We would consider upgrading WWBID's rating if (1) there is strengthened support from the Wendeng government, or (2) there is an upgrade in our internal credit assessment on the Wendeng government.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this WWBID's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

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