

Lianhe Global has assigned ‘BBB’ global scale Long-term Issuance Credit Rating to Pingtan Comprehensive Pilot Zone City Development Group Co., Ltd.’s proposed CNY Green Bonds

HONG KONG, 11 December 2023 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB’ global scale Long-term Issuance Credit Rating to the senior unsecured CNY Green Bonds (“the Bonds”) to be issued by Pingtan Comprehensive Pilot Zone City Development Group Co., Ltd. (“Pingtan CDG”; ‘BBB’/Stable).

Pingtan CDG intends to use the net proceeds from this offering to finance and/or refinance the eligible green projects in accordance with its green finance framework, and to use as working capital in connection with eligible green projects.

Key Rating Rationales

The Bonds are rated at the same level as Pingtan CDG’s global scale Long-term Issuer Credit Rating of ‘BBB’ as the Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of Pingtan CDG. The payment obligations of Pingtan CDG under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the de facto local government of Pingtan Comprehensive Pilot Zone (“PCPZ”), the Management Committee of PCPZ (“PCPZ MC”) would provide strong support to Pingtan CDG if needed, in light of its full ownership of Pingtan CDG, Pingtan CDG’s strategic importance as the most important local investment and development company responsible for infrastructure construction and city operation in PCPZ, and the linkage between PCPZ MC and Pingtan CDG, including appointment and supervision of the senior management, strategic alignment, major investment and financing decisions and ongoing operational and financial support. In addition, the local government may face significant negative impact on its reputation and financing activities if Pingtan CDG encounters any operational and financial difficulties.

The Stable Outlook on Pingtan CDG’s rating reflects our expectation that Pingtan CDG’s strategic importance would remain intact while PCPZ MC will continue to ensure Pingtan CDG’s stable operation.

Rating Sensitivities

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

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

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

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