

Lianhe Global has affirmed ‘BBB’ global scale Long-term Issuer and Issuance Credit Rating of Pingtan Comprehensive Pilot Zone City Development Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 23 February 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB’ global scale Long-term Issuer Credit Rating of Pingtan Comprehensive Pilot Zone City Development Group Co., Ltd. (“Pingtan CDG”) The Outlook is Stable.

Lianhe Global has also affirmed ‘BBB’ global scale Long-term Issuance Credit Rating of senior unsecured CNY Green Bonds issued by Pingtan CDG at the same time. A full list of affirmed issuance rating is included in this report.

Key Rating Rationales

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 (“Management Committee”) would provide very strong support to Pingtan CDG if needed, in light of its full ownership of Pingtan CDG, Pingtan CDG’s strengthened strategic importance as the most important local investment and development company (“LIDC”) responsible for infrastructure construction and city operation in PCPZ, and the linkage between the local government 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 reflects our expectation that Pingtan CDG’s strategic importance would remain intact while the local government will continue to ensure Pingtan CDG’s stable operation.

Rating Sensitivities

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 local government.

We would consider upgrading Pingtan CDG’s rating there is an upgrade in our internal credit assessment on the local government.

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

Full List of Issuance Rating

- CNY580 million 5.6% senior unsecured Green Bonds due 2026 affirmed at 'BBB'

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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