

Pingtang Comprehensive Pilot Zone City Development Group Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB’ global scale Long-term Issuer and Issuance Credit Rating of Pingtang Comprehensive Pilot Zone City Development Group Co., Ltd. (“Pingtang CDG”); Issuer Rating Outlook Stable

Summary

The Issuer Credit Rating reflects a high possibility that Management Committee of PCPZ, the de facto local government of Pingtang Comprehensive Pilot Zone (“PCPZ”), would provide very strong support to Pingtang CDG if needed. This mainly considers its full ownership of Pingtang CDG and Pingtang CDG’s strategic importance as the most important local investment and development company (“LIDC”) responsible for project development and city operation in PCPZ. In addition, the linkage between the local government and Pingtang CDG is strong, including management supervision, strategic alignment and ongoing operational and financial support. We believe the local government has a very strong willingness to prevent Pingtang CDG from encountering any operational or financial difficulties in order to safeguard its reputation and financing activities.

PCPZ is a prefecture-level zone directly under the administration of Fujian Province and equipped with special and favorable supporting policies to promote cross-strait cooperation. PCPZ’s GDP grew by 4.8% to RMB37.7 billion in 2025, while the budgetary revenue continued to dropped by 19.1% to RMB2.1 billion.

The Stable Outlook reflects our expectation that Pingtang CDG’s strategic importance would remain intact while the local government will continue to ensure Pingtang CDG’s stable operation.

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

Rating Rationale

Government’s Ownership and Supervision: The Investment Promotion Bureau of PCPZ (“PCPZ IPB”), as the actual controller, continues to hold a 100% stake in Pingtang CDG. The local government exercises strong oversight over the company, which includes the appointment and supervision of senior management, decisions regarding development strategy, and financial and investment planning. Additionally, the local government has established a performance assessment policy for the company and regularly appoints auditors to review its operating performance and financial position.

Strategic Importance and Alignment: As the largest local investment and development company in PCPZ by asset size, Pingtang CDG plays a central role in the development and operation of key projects in the zone. Its major responsibilities include urban infrastructure, public facilities, industrial parks and commercial complexes in Pingtang. The company undertakes and operates projects such as Taiwan Innovation Park and Taiwan Town, in line with the local government’s policy priorities for promoting cross-strait cooperation. In addition, the company invests in industrial projects, such as computing power, photovoltaic, wind power, EV charging facilities and cross-border logistics to support local economic development.

Summary

Issuer Rating	BBB
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	23 March 2026

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Applicable Criteria

[China Local Investment and Development Companies Criteria \(31 July 2025\)](#)

Strong Government Support: The local government continued to provide strong support to Pingtan CDG. In 2024, Pingtan CDG received cash capital of RMB445 million. The local government also provided project funds and operational subsidies to the company to support its project development and operation activities. We believe Pingtan CDG will receive prompt government support in the coming years, given its significant role and functions in PCPZ.

Pingtan CDG's Financial and Liquidity Position: Pingtan CDG's total assets declined 22.0% to RMB69.5 billion at end-September 2025 from RMB89.1 billion at end-2024, mainly reflecting the gratuitous transfer-out of certain subsidiaries, as directed by the local government. Meanwhile, total debt rose approximately 10% to RMB140.3 billion from RMB127.1 billion at end-2024, reflecting continued participation in PCPZ's project development and industrial investments. As a result, financial leverage, as measured by total debt/capitalization, increased to 29.6% from 25.7%, though it remained at a manageable level.

Pingtan CDG's asset liquidity remains weak, as project-related assets continue to dominate its balance sheet and typically require extended periods to monetize due to protracted construction and cash collection cycles. Short-term debt servicing pressure was elevated, with cash of RMB653 million (including RMB18 million in restricted cash) against short-term debt of RMB4,228 million at end-September 2025. Nevertheless, the company maintains access to multiple financing channels, including bank loans, onshore/offshore bonds and non-standard financing, with RMB21.4 billion in undrawn bank facilities at end-September 2025.

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, 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 government of PCPZ.

We would consider upgrading Pingtan CDG's rating if there is an upgrade in our internal credit assessment on the government of PCPZ.

Full List of Issuance Rating

A full list of affirmed issuance rating is included below. Any rating action on Pingtan CDG's rating would result in a similar rating action on the bonds:

- CNY580 million 5.6% senior unsecured green bonds due 2026 affirmed at 'BBB'
- CNY926 million 5.9% senior unsecured bonds due 2027 affirmed at 'BBB'

Operating Environment

Economic Condition of PCPZ

PCPZ's economy rebounded in 2025, with GDP growing by 4.8% to RMB37.7 billion, after recording only 0.2% growth in 2024. Nevertheless, fixed asset investment fell by 15.5% in 2025. The local economic structure remained service-oriented, with the tertiary sector contributing 63.0% of GDP in 2025. PCPZ has gradually developed an industrial layout centered on cultural tourism and wellness, headquarters economy and shipping logistics, supported by its policy role as a pilot zone for cross-strait cooperation.

PCPZ's Economic Condition			
(RMB billion)	2023	2024	2025
GDP	37.0	36.2	37.7
-Primary industry (%)	11.8	11.9	11.6
-Secondary industry (%)	23.9	25.3	25.4
-Tertiary industry (%)	64.4	62.8	63.0
GDP growth rate (%)	3.0	0.2	4.8
Fixed asset investment growth rate (%)	3.8	0.1	-15.5
Population (million)	0.4	0.4	0.4

Source: Statistics Bureau and Lianhe Global's calculations

Fiscal Condition of PCPZ

PCPZ's budgetary revenue declined sharply by 19.2% to RMB2.0 billion in 2025, following a 2.1% drop in 2024. Yet the budget deficit narrowed slightly to -170.4%, due to a substantial cut in budgetary expenditure. The increase in government fund income to RMB3.6 billion helped offset the revenue decline and supported modest aggregate revenue growth to RMB7.8 billion. Nevertheless, the government debt ratio (total outstanding debt/aggregate fiscal revenue) continued to rise, reaching 751.2% at end-2025.

PCPZ's Fiscal Condition			
(RMB billion)	2022	2023	2024
Budgetary revenue	2.5	2.5	2.0
Budgetary revenue growth rate (%)	7.9	-2.1	-19.2
Tax revenue	1.8	1.5	1.3
Tax revenue (% of budgetary revenue)	69.1	59.1	66.1
Government fund income	1.1	1.5	3.6
Transfer payment	3.5	3.4	2.2
Aggregate revenue	7.3	7.5	7.8
Budgetary expenditure	6.7	6.9	5.4
Budget balance ¹ (%)	-164.5	-177.3	-170.4
Government debt ratio (%)	719.5	747.0	751.2

¹ Budget balance = (1 - budgetary expenditure / budgetary revenue) * 100%

Source: Statistics Bureau and Lianhe Global's calculations

Company Profile

Pingtian CDG was established by Finance Bureau of Pingtan County in December 1998. After an array of capital injections and equity transfers, its paid-in capital was RMB1,640 million at end-September 2025, fully owned by PCPZ IPB.

Pingtian CDG is the most important LIDC in PCPZ that is responsible for project development in PCPZ, carrying out major transportation and public facility development projects in the area. In 2025, the company has transferred out, on a gratuitous basis, the equity interests in certain subsidiaries mainly engaged in government-contracted construction activities. The restructuring was part of the local SOE reorganization and strategic transition.

As infrastructure development in Pingtan has become more mature, the company is shifting its focus toward more market-oriented operations, such as leasing and management of the city's commercial complex, apartments, office buildings and industrial parks in PCPZ as well as new energy industry investment.

Pingtian CDG's revenue grew steadily from RMB663 million in 2022 to RMB1,578 million in 2024 and RMB1,255 million in the first nine months of 2025. However, gross margin declined to 15.9% in the first nine months of 2025 from above 20% previously, owing to the rising weighting of low-margin trading activities.

Key Financial Data (RMB million)	2022	2023	2024	2025.9
Total Assets	82,326	87,689	89,060	69,463
Equity	35,934	36,547	36,846	33,400
Debt	11,221	13,802	12,714	14,031
Debt / (Debt + Equity) (%)	23.8	27.4	25.7	29.6
Unrestricted cash/ST Debts (x)	0.5	0.6	0.2	0.2
Debt/EBITDA (x)	30.7	32.6	32.2	-
Revenue	663	1,261	1,578	1,255
Operation Profit	149	134	110	31
Gross Margin (%)	42.7	23.8	21.3	15.9
Cash from sales or services/ revenue (%)	59.5	78.1	76.3	105.4

Source: The company and Lianhe Global's calculations

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