

CCXAP assigns BBB_g+ to Pingdu City Development Group Co., Ltd.'s proposed CNY bonds.

Hong Kong, 25 March 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating of BBB_g+ to the proposed CNY bonds to be issued by Wansheng International (BVI) Co., Ltd., an indirect wholly-owned subsidiary of Pingdu City Development Group Co., Ltd. (“PDCD” or the “Company”) (BBB_g+ /Stable), and unconditionally and irrevocably guaranteed by PDCD.

Under the unconditional and irrevocable guarantee, the proposed bond will constitute PDCD's direct, general, unconditional, unsubordinated and unsecured obligations, and shall at all times at least rank pari passu with all its other present and future unsecured and unsubordinated obligations. The Company intends to use the proceeds for refinancing existing offshore indebtedness.

Corporate Profile

Founded in June 2018, PDCD is one of the key local infrastructure investment and financing companies (“LIIFCs”) in Pingdu City. The Company is mainly responsible for infrastructure construction and maintenance, land consolidation, urban renewal in the southern new area and western new city of Pingdu City. The Company also provides essential public services in Pingdu City, such as water supply, heat supply, and bus operation. In addition, PDCD is involved in commercial businesses including industrial parks construction, property leasing, as well as trading. As of end-2025, the Company was directly and wholly owned by Pingdu State-owned Assets Management Service Centre.

Rating Rationale

The senior unsecured debt rating of the bonds is equivalent to PDCD's long-term credit rating, as PDCD will provide an unconditional and irrevocable guarantee to the bonds. We believe that government support will flow through the Company given its important role in infrastructure construction and state-owned asset operation of Pingdu City, thereby mitigating any differences in an expected loss that could result from structural subordination.

The BBB_g+ long-term credit rating of PDCD reflects Pingdu City Government's (1) strong capacity and (2) extremely high willingness to provide support, based on our assessment of the Company's characteristics. Our assessment of the local government's capacity to provide support reflects the status of Pingdu City as the advanced manufacturing base in northern part of Qingdao City and the continued economic growth of Pingdu City, but constrained by moderate fiscal metrics.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) pivotal role in infrastructure construction and state-owned asset operation in Pingdu City; (2) good track record of receiving government support; and (3) good access to funding. However, the rating is constrained by the Company's (1) moderate risk to commercial

activities; (2) increasing debt burden driven by capital expenditures on construction projects; and (3) relatively weak asset liquidity and profitability.

Rating Outlook

The stable outlook on PDCD's rating reflects our expectation that the local government's capacity to provide support will be stable, and that the Company will maintain its important role in infrastructure construction and state-owned asset operation of Pingdu City over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to provide support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to provide support, such as lowered the exposure to risky commercial activities, and improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to provide support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to provide support, such as reduced strategic significance, decreased government support, or weakened financing capabilities.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).

Regulatory Disclosures

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