

Pingdu City Development Group Co., Ltd's ratings unaffected by proposed tap issuance

Hong Kong, 16 April 2024 -- China Chengxin (Asia Pacific) Credit Ratings (“CCXAP”) says Pingdu City Development Group Co., Ltd’s (“PDCD” or the “Company”) (BBB_g+ /Stable) proposed tap issuance on its existing CNY420 million senior bonds due 2026 will not affect the BBB_g+ rating on the bonds. The CNY bonds are issued by Wansheng International (BVI) Co. Ltd, a subsidiary wholly and indirectly owned by PDCD, and unconditionally and irrevocably guaranteed by PDCD.

Under the unconditional and irrevocable guarantee, the proposed bonds will constitute PDCD's direct, 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 proposed tap issuance will carry the same terms and conditions as the existing bonds. The Company intends to use the net proceeds for project construction, trading procurement and replenishment of working capital.

The BBB_g+ long-term credit rating of PDCD reflects Pingdu City Government's strong capacity and extremely high willingness to provide support based on our assessment of the Company's characteristics. The senior unsecured debt rating of the bonds is equal 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.

Regulatory Methodology

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

Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are available on its website at:

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