CREDIT ASSESSMENT AND METHODOLOGY DISCLOSURE STATEMENT

(1) OVERVIEW

The **Credit Benchmarking Rating Model (CBRM)** is a proprietary risk scoring system being developed by CP2P in collaboration with a team consists of highly experienced senior analysts, each with over 17 years of expertise in risk data analytics within local banks and a domestic credit rating agency. The CBRM is designed to assess the credit risk of potential issuers, helping to identify and highlight any associated risks. A summary of this assessment will be made available to investors.

The CBRM will serve as the first control mechanism to offer a reliable evaluation of an issuer's business survivability. In addition to financial assessments, it will also provide insights into the issuer's overall business standing and deliver a comparative rating.

A credit rating is the result of a multi-factor evaluation of an Issuer's ability to generate cash in benign periods and otherwise, and to meet its obligations to its Investors.

The model's analytical components comprise a mix of qualitative and quantitative assessments which combine to form the base Issuer rating:

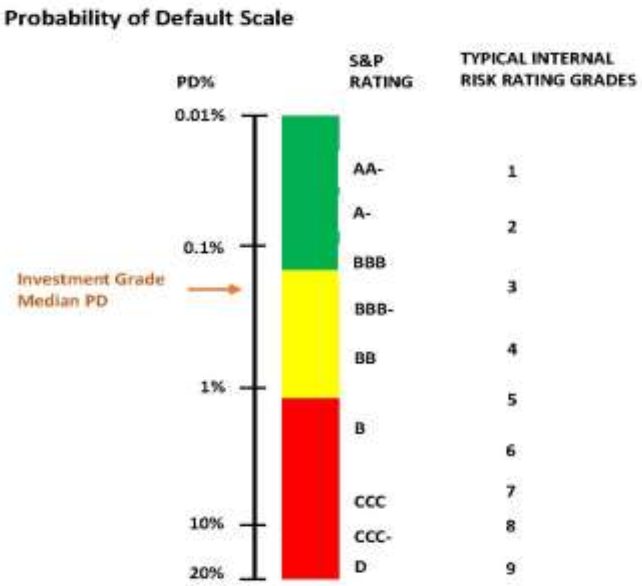
(i) Qualitative approach would include factors addressing sector cyclicality of revenue and profitability, competitive intensity (entry barriers, level, and trend of industry profit margins), sector trends (growth potential, threat of substitution), and diversification (product and geographic).

(ii) Quantitative approach will apply statistical methods including standard deviation, percentile, and regression analysis on empirical data pool(s) to assess credit risk.

(2) KEY RISK/RATING FACTORS

Rating Factor	Business Risk	Financial Risk	Management Risk	Covenant Quality & Restrictions
Rating Sub-Factor/ Factor Mapping	▪ Industry Cyclicality ▪ Industry Competitive Risk and Growth ▪ Business Sustainability and Strategic Positioning ▪ Market Presence and Competitive Ability ▪ Business Lines and Diversification	▪ Capitalisation ▪ Asset Quality ▪ Earnings Quality ▪ Liquidity & Funding ▪ Debt-to-Income Ration ▪ Leverage	▪ Management Depth and Succession ▪ Executive Management Track Record	▪ company's financial condition and circumstances ▪ normal market practice ▪ likely permanence of the covenants

(3) Rating/Grading



The grading scale will be continuously refined to ensure that obligations with similar risk levels are grouped together, while providing for sufficient differentiation among obligations at lower grades or scores. This approach will also improve the accuracy of mapping against external ratings.

The number of credit risk grades and their definitions will be structured to minimize both the variance in default probability and the estimation error, ensuring accurate assignment of probability of default (PD) estimates to the internal risk grades.

(i) S&P Rating Scale

AA-	Highest quality, lowest credit risk.
A-	Very strong capacity to meet financial commitments, low credit risk.
BBB	Strong capacity to meet commitments, somewhat susceptible to economic conditions.
BBB-	Adequate capacity to meet commitments, more vulnerable to changes; considered investment grade.
BB	Less vulnerable in the near term but faces ongoing uncertainties.
B	More vulnerable to adverse conditions; may struggle to meet commitments.
CCC	Currently vulnerable and dependent on favourable conditions for financial obligations.
CCC-	Highly vulnerable to non-payment; default is imminent.
D	Defaulted; the issuer has failed to meet financial obligations.

(ii) Risk Rating Scale

1	**Low Risk**	Very low likelihood of default; highly stable.
2	**Low to Moderate Risk**	Slightly higher risk, but still very reliable.
3	**Moderate Risk**	Average creditworthiness; may be sensitive to economic changes.
4	**Moderate to High Risk**	Increased risk; vulnerable to adverse conditions.
5	**High Risk**	Significant chance of default; financially unstable.
6	**Very High Risk**	Highly vulnerable; substantial risk of default.
7	**Critical Risk**	Immediate risk of default; severe financial distress.
8	**Extremely High Risk**	Almost certain to default; very little capacity to meet obligations.
9	**Default**	Defaulted on obligations; no capacity to repay.

(4) Rating Process

The rating process is essential for both issuers and investors, as it helps to assess the creditworthiness of issuers and provides a measure of the risk for investors in their decision-making. The goal is to ensure transparency, provide reliable assessment, to evaluate credit risks, and to facilitate informed investment choices. The ratings help ensure that risk is accurately priced and financing costs are appropriate.

A thorough credit assessment helps minimize the risk of defaults and ensures that credit is extended responsibly. The credit assessment process helps balance the needs of both issuers and les while fostering a more stable financial system.

CBRM use its own systematic method and process to evaluate and assign a score or risk grade as show on the diagram below.