

Lianhe Global has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Dalian Deta Holding Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 20 March 2023 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Dalian Deta Holding Co., Ltd. (“Dalian Deta”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the de facto local government of Dalian’s Jinpu New Area (“DJNA”), Jinpu New Area Administrative Committee (“DJNA Administrative Committee”), would provide strong support to Dalian Deta if needed. This mainly considers the DJNA Administrative Committee’s full ownership of Dalian Deta, the high importance of Dalian Deta to DJNA in the infrastructure and public utilities development, and the strong linkage between the DJNA Administrative Committee and Dalian Deta, including management supervision, ongoing operational and financial support. In addition, DJNA may face significant negative impact on its reputation and financing activities should Dalian Deta encounter any operational and financial difficulties.

The Stable Outlook reflects our expectation that Dalian Deta’s strategic importance would remain intact while the DJNA Administrative Committee will continue to ensure Dalian Deta’s stable operation.

Rating Sensitivities

We would consider downgrading Dalian Deta’s rating if (1) there is perceived weakening in support from the local governments, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of DJNA Administrative Committee’s ownership of Dalian Deta, or (3) there is a downgrade in our internal credit assessment on DJNA.

We would consider upgrading Dalian Deta’s rating if (1) there is strengthened support from the DJNA Administrative Committee, or (2) there is an upgrade in our internal credit assessment on DJNA.

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 Dalian Deta'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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