

Lianhe Global has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Qingdao Laoshan Science and Technology Innovation Development Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 25 April 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Qingdao Laoshan Science and Technology Innovation Development Group Co., Ltd. (“QLSTI”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Laoshan District, Qingdao City (“Laoshan government”) would provide strong support to QLSTI if needed, in light of its direct full ownership of QLSTI, QLSTI’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for industrial park leasing and development, industrial investment and urban development in Laoshan District, Qingdao City (“Laoshan”), and the linkage between the Laoshan government and QLSTI, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Laoshan government may face significant negative impact on its reputation and financing activities if QLSTI encounters any operational and financial difficulties.

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

Rating Sensitivities

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

We would consider upgrading QLSTI’s rating if (1) there is strengthened support from the Laoshan government, or (2) there is an upgrade in our internal credit assessment on the Laoshan government.

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 QLSTI'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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