聯合評級國際
Lianhe Ratings Global

Press Release
21 August 2024

Lianhe Global has assigned 'BBB' global scale Long-term Issuance Credit Rating to Qingdao Oceantec Valley Investment Development Group Co., Ltd.' s proposed senior unsecured CNY bonds

HONG KONG, 21 August 2024 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has assigned 'BBB' global scale Long-term Issuance Credit Rating to the senior unsecured CNY bonds ("the Bonds") to be issued by Qingdao Oceantec Valley Investment Development Group Co., Ltd. ("QDOV"; 'BBB/Stable').

QDOV intends to use the net proceeds from this offering for project construction and supplement of working capital.

Key Rating Rationales

The Bonds are rated at the same level as QDOV's global scale Long-term Issuer Credit Rating of 'BBB' as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of QDOV. The payment obligations of QDOV under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the People's Government of Jimo District, Qingdao City ("the Jimo government") would provide strong support to QDOV if needed, in light of its full ownership of QDOV, QDOV's strategic importance as an important local investment and development company ("LIDC") that is responsible for infrastructure construction and maintenance in Jimo District, Qingdao City ("Jimo"), especially in the core area of Qingdao Blue Silicon Valley (also known as Qingdao Oceantec Valley), and the linkage between the Jimo government and QDOV, including appointment of the senior management, strategic alignment, supervision of major investment and financing plans and ongoing operational and financial support. In addition, the Jimo government may face significant negative impact on its reputation and financing activities if QDOV encounters any operational and financial difficulties.

The Stable Outlook reflects our expectation that QDOV's strategic importance would remain intact while the Anji government will continue to ensure QDOV's stable operation.

Rating Sensitivities

Any rating action on QDOV's rating would result in a similar rating action on the Bonds.

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

We would consider upgrading QDOV 's rating if (1) there is strengthened support from the Jimo government, or (2) there is an upgrade in our internal credit assessment on the Jimo 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 QDOV's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 31 July 2024, 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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