

Lianhe Global has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Qingdao Military-Civilian Integration Development Group Co., Ltd. Issuer Rating Outlook Stable

HONG KONG, 30 April 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Qingdao Military-Civilian Integration Development Group Co., Ltd. (“QMIDG”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of West Coast New Area, Qingdao City (“West Coast New Area government”) would provide strong support to QMIDG if needed, in light of its indirect full ownership of QMIDG, QMIDG’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction and innovative industries integration in West Coast New Area, Qingdao City (“West Coast New Area”), and the linkage between the West Coast New Area government and QMIDG, 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 West Coast New Area government may face significant negative impact on its reputation and financing activities if QMIDG encounters any operational and financial difficulties.

West Coast New Area is a district under the administration of Qingdao City. Its GDP grew steadily by 5.8% to RMB526.1 billion in 2024. Its budgetary revenue also increased by 1.2% to RMB27.2 billion in 2024.

The Stable Outlook reflects our expectation that QMIDG’s strategic importance would remain intact while the West Coast New Area government will continue to ensure QMIDG’s stable operation.

Rating Sensitivities

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

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

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2024)
The methodology can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit are solicited at the request of the rated entity or a related third party. None of the aforementioned entities nor its related parties participate in the rating process aside from providing information requested by Lianhe Global.

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