

CCXAP affirms Qingdao Bullet Train Town Investment Group Co., Ltd.'s long-term credit rating at BBB_g+, with stable outlook.

Hong Kong, 29 September 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Qingdao Bullet Train Town Investment Group Co., Ltd. (“QBTI” or the “Company”) at BBB_g+, with stable outlook. At the same time, CCXAP has affirmed QBTI’s senior unsecured debt rating (SBLC-supported) at A_g-. The bonds (ISIN: XS2937150170) are fully supported by an irrevocable standby letter of credit (“SBLC”) from Bank of Qingdao Co., Ltd. (“Bank of Qingdao”).

The BBB_g+ long-term credit rating of QBTI reflects Chengyang District Government’s (1) very strong capacity to provide support, and (2) very high willingness to provide support based on our assessment of the Company’s characteristics. Our assessment of the local government’s capacity to provide support reflects Chengyang District’s ongoing economic growth and sound fiscal profile, with good industrial development.

The rating also reflects the local government’s willingness to support, which is based on the Company’s (1) ultimate control by Chengyang District Government; (2) important position in infrastructure construction in Chengyang District, particularly in the Qingdao Rail Transit Industry Demonstration Zone (“QRTIDZ”); and (3) solid track record of receiving government support. However, the rating is constrained by the Company’s (1) high exposure to commercial activities with relatively large capital expenditure needs; (2) increasing debt burden with moderate asset liquidity; and (3) medium contingent liability risk resulting from external guarantees.

Corporate Profile

Established in March 2017, QBTI is an important local infrastructure investment and financing company (“LIIFC”) in Chengyang District. As a key state-owned platform for the construction, operation, and management of park infrastructure in Chengyang District, particularly in the QRTIDZ, the Company has actively participated in a number of municipal infrastructure construction and development projects, as well as major park infrastructure projects in the QRTIDZ in Chengyang District. It also undertakes diversified commercial activities, such as commercial trading, park operation and management, and property development. As of 31 March 2025, the Company was indirectly and wholly owned by the Qingdao Chengyang District State-owned Assets Development Centre through Qingdao North Shore Holding Group Co., Ltd. (“QNSG”), which is a key LIIFC in Chengyang District.

Rating Rationale

Credit Strengths

Important position in infrastructure construction in Chengyang District, particularly in the QRTIDZ. QNSG is a key LIIFC in Chengyang District, which was established at the end of 2022 as part of the consolidation of state-owned enterprises in Chengyang District. As a major subsidiary of QNSG, QBTI is mainly responsible for municipal infrastructure construction and

development in QRTIDZ and Shangma Street. The Company is designated to carry out a variety of park infrastructure and supporting facilities construction projects ranging from shantytown renovation projects, road, public utility construction projects, and park facilities construction within QRTIDZ.

Solid track record of receiving government support. QBTI has a good track record of receiving support from the local government in the form of project payments, asset injections, and operating subsidies to support its investments and the operation of its businesses. We expect the Company will continue to receive government support over the next 12 to 18 months, given its important policy role in Chengyang District and the large number of public policy projects under construction.

Credit Challenges

High exposure to commercial activities with relatively large future investment needs. QBTI participates in different commercial activities, including industrial park operation and management, property development, and commercial trading. These commercial activities generate supplementary revenue to the Company, but also entail higher operational and business risks than its public activities. At the same time, the Company's large number of self-built projects will exert higher investment pressure on the Company. We consider QBTI's commercial business exposure is high, which accounted for more than 30% of its total assets by our estimation.

Increasing debt burden with moderate asset liquidity. Due to the ongoing financing for its infrastructure construction and industrial park projects in recent years, QBTI demonstrates rapid debt growth. Meanwhile, the Company has a relatively high debt leverage. We estimate that the Company would continue to rely on external financing such as bank loans and bonds issuance to support its further development, while its total capitalization ratio would remain relatively high over the next 12-18 months. In addition, the Company's asset liquidity remained moderate.

Medium exposure to contingent liabilities. QBTI's credit profile is constrained by its external guarantees, which could potentially increase its repayment obligations. Most of them were provided to local state-owned enterprises. In case a credit event occurs, the Company may face certain contingent liability risks, which could negatively impact its credit quality. Moreover, the Company provided guarantees to a private-owned enterprise that defaulted on its commercial notes, with a total risk exposure of RMB141.1 million, which may also expose the Company to certain contingent liability risks.

Rating Outlook

The stable outlook on QBTI's rating reflects our expectation that the Chengyang District Government's capacity to provide support will be stable, and the Company will maintain its important role in local infrastructure construction in Chengyang District over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) Chengyang District Government's capacity to support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support such as materially reduced exposure to risky commercial activities and improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) Chengyang District Government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to provide support, such as reduced regional significance, or deteriorated access to fundings.

Rating Methodology

The methodology used in QBIT's assessment is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).

The methodology used in Bank of Qingdao's assessment is the Rating Methodology for [Banks \(November 2021\)](#).

Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are available on its website at:

http://www.ccxap.com/en/rating_services/category/6/

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:

http://www.ccxap.com/en/rating_services/category/9/

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.

Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.



Cherry Chau

Credit Analyst

+852-2860 7128

cherry_chau@ccxap.com

Elle Hu

Executive Director of Credit Ratings

+852-2860 7120

elle_hu@ccxap.com

Client Services: +852-2860 7111



Copyright © 2025 China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP"). All rights reserved.

No part of this publication may be reproduced, resold or redistributed in any form or by any means, without prior written permission of CCXAP.

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP's publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP's publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656