

CCXAP affirms Qingdao West Coast New Area Ocean Holdings Group Co., Ltd.'s long-term credit rating at A_g-, with stable outlook.

Hong Kong, 12 February 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed Qingdao West Coast New Area Ocean Holdings Group Co., Ltd.’s (“Ocean Holding” or the “Company”) long-term credit rating at A_g-, with stable outlook.

The A_g- long-term credit rating of Ocean Holding reflects Qingdao West Coast New Area (“QDWC New Area”) Government’s (1) very strong capacity to 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 the status of QDWC New Area as the 9th National New Area and the local government’s strong economic strength and good fiscal metrics.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) full and direct ownership by the QDWC New Area Government; (2) important role in infrastructure construction of the QDWC New Area; (3) solid track record of receiving government payments; and (4) good access to diversified fundings. However, the rating is constrained by the Company’s (1) high exposure to commercial businesses; and (2) increasing debt burden driven by continuous investment.

Corporate Profile

Founded in November 2018, Ocean Holding is one of the two major local infrastructure investment and financing companies (“LIIFCs”) in the QDWC New Area. It was directly and wholly owned by the Qingdao West Coast New Area State-owned Assets Administration Commission (“QDWC New Area SAAC”) as of 30 September 2025. Ocean Holding has undertaken major infrastructure construction and primary land consolidation projects in the QDWC New Area. It is also involved in commercial businesses including property development, trading, sales of electrical product, communication products and polymer materials, clean energy products sales, and equity fund investments.

Rating Rationale

Credit Strengths

Important role in infrastructure construction of the QDWC New Area. Ocean Holding is one of two pilot state-owned enterprises owned by the QDWC New Area SAAC and mandated by the government to develop the QDWC New Area. The Company is the core entity engaging in local public projects such as infrastructure construction and land consolidation in QDWC New Area. Given Ocean Holding’s strong strategic role in the QDWC New Area, we believe the Company is unlikely to be replaced by other SOEs in the foreseeable future.

Solid track record of receiving government payments. As one of the core LIIFCs of QDWC New Area, Ocean Holding has a solid track record of receiving government payments in the form of asset and cash injections, operating subsidies, and project payments to support its

investments and business operations. We expect government support for Ocean Holding to continue increasing over the next 12 to 18 months, given its strong public policy role in QDWC New Area.

Good access to diversified fundings. Ocean Holding has good access to various financing channels to support its operations and investments, including bank loans, onshore and offshore bond issuance, which could partially alleviate the pressure on debt repayment and capital expenditure. It maintains good relationships with joint-stock commercial banks and large state-owned commercial banks. The Company and its subsidiaries also have active access to the onshore and offshore debt capital markets. We consider Ocean Holding's exposure to non-standard financing was controllable, accounting for less than 10% of total debt as of 30 September 2025.

Credit Challenges

High exposure to commercial business activities. Ocean Holding's exposure to commercial businesses is relatively high and is associated with substantial capital expenditure requirements. The Company's diversified commercial activities include trading, property development, sales of electrical, communication, and polymer materials, sales of clean energy products, and equity and fund investments. We consider the Company's exposure to commercial businesses to be high, particularly in property development, during the downturn in China's real estate market. Moreover, there was certain investment risk associated with equity investments, which tend to have a long return cycle.

Increasing debt burden driven by continuous investment. Ocean Holding's debt had grown rapidly over the past three years due to continuous investment in construction projects and business expansion. In addition, the Company faced a relatively high short-term debt burden, mainly bank loans and bonds. Moreover, the liquidity of the Company's assets remained moderate. We expect the Company may rely on external financing for its capital expenditures, and its debt leverage will maintain at a high level in the next 12 to 18 months.

Rating Outlook

The stable outlook on Ocean Holding's rating reflects our expectation that the QDWC New Area Government's capacity to provide support will be stable, and that the Company will maintain its strategic role in undertaking public policy projects in the QDWC New Area over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to provide support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to provide support, such as lowered exposure to risky commercial activities materially.

What could downgrade the rating?



The rating could be downgraded if (1) the local government's capacity to provide 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 strategic significance, decreased government support, or weakened funding capabilities.

Rating Methodology

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

Regulatory Disclosures

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