

## **CCXAP assigns first-time long-term credit rating of A<sub>g</sub>- to Jinan Tianqiao Finance Investment Co., Ltd., with stable outlook.**

Hong Kong, 22 December 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned first-time long-term credit rating of A<sub>g</sub>- to Jinan Tianqiao Finance Investment Co., Ltd. (“TQFI” or the “Company”), with stable outlook.

The A<sub>g</sub>- long-term credit rating of TQFI reflects Tianqiao District Government’s (1) very strong capacity to provide support, and (2) extremely high willingness to provide support based on our assessment of the Company’s characteristics. Our assessment of Tianqiao District Government’s capacity to provide support reflects its ongoing integration into the economic development of Jinan City, and its relatively good fiscal stability.

The rating also reflects the local government’s willingness to support, which is based on the Company’s (1) direct and full ownership by the Finance Bureau of Tianqiao District; (2) strategic importance in urban construction and industrial development in Tianqiao District; and (3) solid track record of receiving government support. However, the rating is constrained by the Company’s (1) medium and increasing exposure to commercial activities; (2) increasing debt burden driven by large investment needs; and (3) moderate access to funding.

### **Corporate Profile**

Founded in 2016, TQFI is the main infrastructure construction entity in Tianqiao District, Jinan City, and also acts as a key investment and operation entity for industrial projects within the district. It is primarily responsible for the urban development and construction, and the investment and operation of industrial projects in the north region of the Yellow River in Tianqiao District. TQFI also diversified into other commercial businesses, including property development, self-operated project construction and operation, leasing, and trading businesses. As of 30 September 2025, the Company was wholly and directly owned by the Finance Bureau of Tianqiao District.

### **Rating Rationale**

#### **Credit Strengths**

**Strategic importance in urban construction and industrial development in Tianqiao District, especially in Jinan New Material Industrial Park.** TQFI is one of the important entities for infrastructure construction in Tianqiao District. Its core activities, including land consolidation, roads, pipe networks, greening projects and resettlement housing construction, aligns with the local government’s development plans and supports regional economic growth. Considering the Company’s dominant role in the public policy projects in Tianqiao District, we believe that the Company will not be easily replaced by other local state-owned enterprises in the foreseeable future.

**Solid track record of receiving government payments.** TQFI has a proven track record of receiving support from the local government in terms of equity transfer, asset injection,

construction project payments and subsidies. Furthermore, the Company has signed agreements for its public policy projects with the local government, which ensures the predictability of the project payments. TQFI also received continuous operating subsidies from the local government from 2022 to 2025Q3. We believe that, given the importance of TQFI in public-policy projects in Tianqiao District and its close relationship with the local government, the local government will continue to provide strong support to the Company.

### Credit Challenges

**Medium and increasing exposure to commercial activities.** TQFI also engages in several commercial activities, mainly including construction of self-operated projects, property development, leasing and trading. We consider TQFI's commercial business exposure to be medium, accounting for around 15-20% of its total assets. However, the relatively large future investment in self-operated projects may increase the Company's capital expenditure pressure. Besides, with the ongoing investment in property development, we expect its business risks associated with commercial activities would increase especially during the downturn of the real estate market.

**Increasing debt burden driven by large investment needs.** Due to the ongoing investments for its infrastructure construction and self-operated projects, TQFI's total debt has been increasing over the past years. The Company also has high short-term repayment pressure. Considering the Company may continue to rely on external financing for its investment needs for public policy projects and commercial activities projects under construction, its total debt burden is expected to further increase over the next 12-18 months.

### Rating Outlook

The stable outlook on TQFI's rating reflects our expectation that Tianqiao District Government's capacity to provide support will be stable, and the Company's characteristics such as its dominant role in the development of Tianqiao District will remain unchanged over the next 12 to 18 months.

#### What could upgrade the rating?

The rating could be upgraded if (1) the local government's ability to provide support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to provide support, such as lower exposure to risk commercial activities or improved financing ability.

#### What could downgrade the rating?

The rating could be downgraded if (1) the local government's ability 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 or decreased government payments.



## 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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