

CCXAP assigns first-time long-term credit rating of BBB_g+ to Jinan Quanbang Industrial Development 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 BBB_g+ to Jinan Quanbang Industrial Development Co., Ltd. (“QBID” or the “Company”), with stable outlook.

The BBB_g+ long-term credit rating of QBID reflects the Company’s (1) strong regional competitiveness in industrial development and operation in Tianqiao District; and (2) supplementary income benefited from a relatively diverse business structure. However, the rating is constrained by the Company’s (1) relatively weak profitability with low return on assets; and (2) fast-growing debt with weak credit metrics.

The rating also reflects a high likelihood of support from the Tianqiao District Government and its parent company when needed, given the Company’s (1) status as the core subsidiary of Jinan Tianqiao Finance Investment Co., Ltd. (“TQFI”); (2) ultimate control by the Finance Bureau of Tianqiao District; (3) regional importance in urban operation and industrial development in Tianqiao District; and (4) good track record of receiving ongoing external support.

Corporate Profile

Established in 2013, QBID is a local state-owned enterprise mainly operating in Tianqiao District, Jinan City, Shandong Province. It is positioned as the important industrial platform in Tianqiao District and is mandated to promote regional industrial upgrading. The Company is mainly engaged in investment and operation of industrial parks, commodity sales and real estate development. As of 30 September 2025, the Company is directly owned by TQFI and ultimately controlled by the Finance Bureau of Tianqiao District.

Rating Rationale

Credit Strengths

Important position in industrial park development and operation in Tianqiao District.

Fostering the industrial development of Tianqiao District, QBID is responsible for investment attraction and asset operation for the industrial parks, with its revenue primarily derived from rental income and property management fees. As of 30 September 2025, the Company had 5 operational projects under construction. Upon the completion of the projects, the leasable area of the Company’s operational assets is expected to further increase, driving growth in operating income.

Supplementary income from other businesses. The Company also has supplementary income from real estate and commodity sales. It has been engaged in real estate development business since 2022 and started to generate revenue in 2024. In terms of business model, the Company acquires land through bidding, auction and listing, and sells real estate properties under a market-oriented pricing model.

High likelihood of support from the parent company and Tianqiao District Government.

The shareholding structure and business operations of the Company are closely linked to TQFI. QBID is TQFI's key subsidiary undertaking industrial operation and management. TQFI provides guarantees for the bank loans obtained by QBID, which may reduce QBID's financing costs to some extent. Given its regional significance in the urban operation and industrial development of Tianqiao District, QBID also has a good track record of receiving government support through TQFI, including capital injection, equity and assets transfer, and financial subsidies. We expect the Company will continue to receive support from the parent company and local government in the future, which will enhance its operating and capital strength accordingly, in our view.

Credit Challenges

Fast-growing debt with weak credit metrics. Due to the expansion of its business scope and projects under construction, QBID's total debt has been growing rapidly over the past three years. QBID's stand-alone debt-serving metrics weakened driven by its increasing debt burden. Apart from that, the Company's cash generation capacity of the core business is moderate. Given the Company's further business expansion, its debt levels may continue to increase in the future, and its refinancing pressure will remain moderate.

Relatively weak profitability with low return on assets. The suspension of the Company's trading business will bring uncertainty to its future revenue. Apart from that, the Company's EBIT margin has decreased from 2022 to 2024. The return on assets also decreased over the same period. Despite the increasing revenue and net profit over the past three years, the profitability of QBID remains relatively weak, indicated by the decreasing EBIT margin and low return on asset ratio.

Rating Outlook

The stable outlook on QBID's rating reflects our expectation that the Company will maintain its regional competitiveness and importance in industrial development in Tianqiao District over the next 12-18 months. We also expect that the Company will continue to receive ongoing support from the parent company and the local government.

What could upgrade the rating?

The rating could be upgraded if (1) the likelihood of parental and government support for the Company improves; or (2) the Company's stand-alone credit profile improves significantly, such as improving financial profile including an increase in capital strength and profitability.

What could downgrade the rating?

The rating could be downgraded if (1) the likelihood of parental and government support for the Company decreases; or (2) the Company's stand-alone credit profile weakens significantly, such as a deterioration in financial leverage or weakened liquidity position.



Rating Methodology

The methodology used in this rating is the [Rating Methodology for General Corporate \(April 2019\)](#).

Regulatory Disclosures

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