Lianhe Global has assigned 'BBB-' global scale Long-term Issuance Credit Rating to Jinan Quanbang Industrial Development Co., Ltd.'s proposed senior unsecured bonds

HONG KONG, 19 December 2024 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has assigned 'BBB-' global scale Long-term Issuance Credit Rating to the senior unsecured bonds ("the Bonds") to be issued by Jinan Quanbang Industrial Development Co., Ltd. ("JQID"; 'BBB-/Stable').

JQID intends to use the net proceeds from this offering for project construction and supplement of working capital.

Key Rating Rationales

The Bonds are rated at the same level as JQID's global scale Long-term Issuer Credit Rating of 'BBB-' as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of JQID. The payment obligations of JQID under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the People's Government of Tianqiao District, Jinan City ("Tianqiao government") would provide moderately strong support to JQID if needed, in light of its indirect full ownership of JQID, JQID's strategic importance as the key entity for investment and operation of industrial development projects in Jinan City's Tianqiao District ("Tianqiao") and the linkage between the local government and JQID, including appointment of the senior management, strategic alignment, supervision of major investment and financing decisions and ongoing operational and financial support. In addition, the Tianqiao government may face significant negative impact on its reputation and financing activities if JQID encounters any operational and financial difficulties.

The Stable Outlook reflects our expectation that JQID's strategic importance would remain intact while the Tianqiao government will continue to ensure JQID's stable operation.

Rating Sensitivities

Any rating action on JQID's rating would result in a similar rating action on the Bonds.

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

We would consider upgrading JQID's rating if (1) there is strengthened support from the Tianqiao government, or (2) there is an upgrade in our internal credit assessment on the Tianqiao 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.

Rating Methodology

The principal methodology used in this JQID's rating is Lianhe Global's *China Local Investment and Development Companies Criteria* published on 31 July 2024, which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings 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 credit rating process aside from providing information requested by Lianhe Global.

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