

Lianhe Global has assigned ‘A-’ global scale Long-term Issuer Credit Rating with Stable Outlook to Jinan Tianqiao Industry Development Group Co., Ltd.

HONG KONG, 31 December 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A-’ global scale Long-term Issuer Credit Rating to Jinan Tianqiao Industry Development Group Co., Ltd. (“JTID” or “the company”). The Outlook is Stable.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Tianqiao District, Jinan City (“Tianqiao government”) would provide very strong support to JTID if needed, in light of its direct full ownership of JTID, JTID’s strategic importance as an important local investment and development company (“LIDC”) that is responsible for land development and infrastructure construction in Tianqiao District, Jinan City (“Tianqiao”), and the linkage between the Tianqiao government and JTID, including approval of the senior management appointment, strategic alignment, supervision of major investment and financing plan decisions and ongoing operational and financial support. In addition, the Tianqiao government may face significant negative impact on its reputation and financing activities if JTID encounters any operational and financial difficulties.

Tianqiao achieved a GDP of RMB84.4 billion in 2024 with a growth rate of 3.0%. Meanwhile, the Tianqiao government’s budgetary revenue increased by 3.0% to RMB4.2 billion in 2024.

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

Key Rating Rationales

Government’s Ownership and Supervision: JTID is wholly owned by the Finance Bureau of Tianqiao District. The Tianqiao government has strong control and supervision over the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Tianqiao government has assessment mechanism over the company and it appoints auditors to supervise the operating performance and financial position on a periodic basis.

Strategic Importance and Strategic Alignment: JTID is an important LIDC responsible for land development and infrastructure construction in Tianqiao. The company undertakes major projects in Tianqiao, including land consolidation, engineering construction, commodity trading and property management in Tianqiao. JTID’s business operations and development are closely aligned with government policies.

Ongoing Government Support: JTID received ongoing operational and financial support from the Tianqiao government. The local government injected cash capital of RMB23.8 million and RMB185.7 million to JTID in 2022 and 2024, respectively. From 2022 to September 2025,

JTID also received total operational subsidies of RMB1,179.0 million and sizable asset injections over the same period. Given JTID's strategic importance in Tianqiao, we believe JTID is likely to receive timely government support.

JTID's Financial Matrix and Liquidity Position: JTID's total asset increased steadily to RMB32.2 billion at end-September 2025 from RMB17.4 billion at end-2022 as it actively participated in Tianqiao's project development. The company relied on both government support and borrowings to fund its asset expansion. Hence, JTID's financial leverage, measured by debt-to-capitalization, expanded from 25.6% to 52.6% during the same period.

JTID's short-term debt servicing pressure is high. At end-September 2025, the company held unrestricted cash of RMB823.3 million, compared to RMB2.5 billion of short-term debt. Nevertheless, JTID maintains access to diverse funding sources, including bank loans, bond issuances, and other non-traditional channels to support ongoing operations. As of end-2024, the company had total bank facilities of RMB5.3 billion, of which RMB1.4 billion was available. In addition, we expect the company to roll-over its short-term bank borrowings (end-2024: RMB1.8 billion) and receive timely government support if needed.

Rating Sensitivities

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

We would consider upgrading JTID's rating if 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.

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2025)

The methodology 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 rating process aside from providing information requested by Lianhe Global.

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