

**Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Jinan Hongqiao Industrial Development Co., Ltd.**

HONG KONG, 31 December 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating to Jinan Hongqiao Industrial Development Co., Ltd. (“JHID” 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 strong support to JHID if needed, in light of its indirect full ownership of JHID, JHID’s strategic importance as an important local investment and development company that is responsible for state-owned asset management and market-oriented industrial operation in Tianqiao District, Jinan City (“Tianqiao”), and the linkage between the Tianqiao government and JHID, 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 JHID 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 JHID’s strategic importance would remain intact while the Tianqiao government will continue to ensure JHID’s stable operation.

**Key Rating Rationales**

**Government’s Ownership and Supervision:** The Tianqiao government indirectly holds the full ownership of JHID through the Finance Bureau of Tianqiao District, Jinan City (“Tianqiao FB”)’s wholly-owned subsidiary, Jinan Tianqiao Industry Development Group Co., Ltd. (“JTID”; ‘A-/Stable’). The local government has the final decision-making authority and supervision over the company through JTID, including approval and supervision of the senior management, strategy alignment and major investment and financing plan decisions, etc.

**Strategic Importance and Strategic Alignment:** JHID, as a key market-oriented industrial platform under JTID, is mainly responsible for commercial and industrial property operations, as well as environmental sanitation and property services within the region, with prominent advantages in independent and market-oriented operations. JHID also engages in concrete production, asset management, land activation, and other businesses. It plays a crucial role in advancing JTID’s market-oriented transformation and industrial upgrading. Its business operation and strategic planning have been aligned with the JTID’s development goals and the Tianqiao government’s industrial layout.

**Ongoing Government Support:** JHID continues to receive non-operating asset injections, equity transfers, and capital contributions from the Tianqiao Government through JTID. In 2023, such support included free transfers of land plots, public service-related assets and residential properties, as well as a capital contribution of RMB150 million. In 2024, it obtained multiple additional free transfers, covering commercial properties, building units, long-term parking space operation rights and equity interests in affiliated companies. Besides, the company received ongoing financial subsidies from the local government. We believe the government support for JHID to remain intact, given the company's strategic importance in Tianqiao.

**JHID's Financial Matrix and Liquidity Position:** JHID's total assets increased steadily from RMB1.5 billion at end-2023 to RMB5.8 billion at end-September 2025, driven by ongoing asset injections from the local government and expansion of its business scale. JHID's total debt has been on an upward trend over the past few years, increasing to RMB1.0 billion at end-September 2025 from RMB118.7 million at end-2023. The company's financial leverage, as measured by the debt-to-capitalization ratio, increased to 20.7% from 8.7% during this period, remaining relatively low.

JHID's short-term debt servicing pressure was moderate. At end-September 2025, the company had a cash balance of RMB106.6 million, while its debt due within one year was RMB147.7 million. JHID mainly relies on external financing and has access to various financing channels, including bank loans and non-traditional financing, to support its debt repayments and business operations. Nevertheless, the company has a relatively limited available credit line.

### **Rating Sensitivities**

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

We would consider upgrading JHID's rating if (1) there is strengthened support from the local 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.

## 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](http://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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