

## Credit Opinion

22 December 2025

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	BBB <sub>g</sub> +
Outlook	Stable

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## Jinan Quanbang Industrial Development Co., Ltd.

### Initial credit rating report

**CCXAP assigns first-time long-term credit rating of BBB<sub>g</sub>+** to Jinan Quanbang Industrial Development Co., Ltd., with stable outlook.

### Summary

The BBB<sub>g</sub> long-term credit rating of Jinan Quanbang Industrial Development Co., Ltd. ("QBID" or the "Company") 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.

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.

## Rating Drivers

- Important position in industrial park development and operation in Tianqiao District
- Supplementary income from other businesses
- Relatively weak profitability with low return on assets
- Fast-growing debt with weak credit metrics
- Modest liquidity position with relatively large exposure to non-standard financing
- High likelihood of support from the parent company and Tianqiao District Government

## Rating Sensitivities

### 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.

## Key Indicators

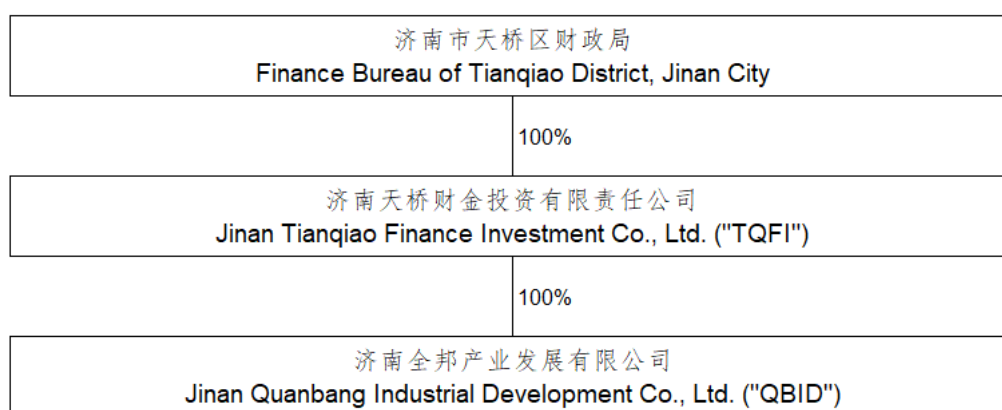
	2022FY	2023FY	2024FY	2025Q3
Total Assets (RMB billion)	3.2	5.0	5.9	6.9
Total Equity (RMB billion)	1.9	3.2	3.2	3.2
Total Revenue (RMB million)	78.8	121.6	123.6	83.4
Net Profit (RMB million)	20.9	22.3	23.4	10.5
EBIT Margin (%)	35.5	25.5	23.5	22.1
Return on Assets (%)	1.2	0.8	0.5	-
Total Debt/Total Capital (%)	9.9	29.5	35.7	42.6
Total Debt/EBITDA (x)	7.5	31.8	44.5	-
EBITDA/Interest (x)	4.7	0.8	0.4	-
FFO/Total Debt (%)	8.6	2.1	1.8	-

All ratios and figures are calculated using CCXAP's adjustments. Indicators marked with "-" are not applicable or not comparable.

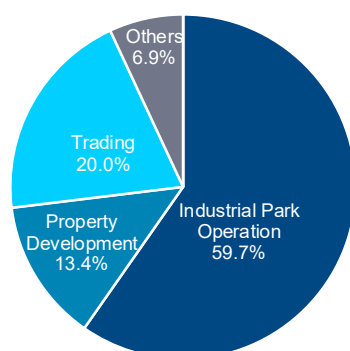
Source: Company data, CCXAP research

## Corporate Profile

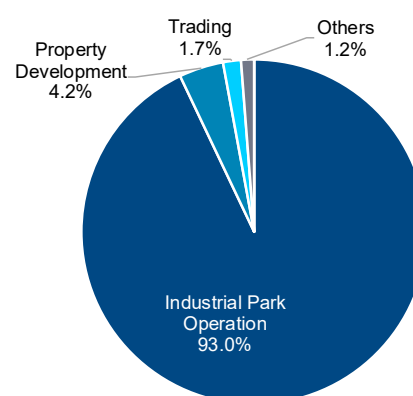
Established in 2013, QBID is a local state-owned enterprise mainly operating in Tianqiao District, Jinan City, Shandong Province. It is positioned as the important industrial platform in Tianqiao District and is mandated to promote regional industrial upgrading. The Company is mainly engaged in investment 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.

**Exhibit 1. Shareholding chart as of 30 September 2025**

Source: Company information, CCXAP research

**Exhibit 2. Revenue structure in 2024**

Source: Company information, CCXAP research

**Exhibit 3. Gross profit structure in 2024****Rating Considerations****Business Profile****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. The properties held by the Company include factory buildings and office buildings, which were purchased or self-built by the Company, or transferred by the government. All the leasing properties are located within Jinan New Materials Industrial Park. Most of the settled enterprises in the park come from the new materials and AI sectors, such as Shandong Desheng Robot Co., Ltd., Jinan University of Jinan Science Park Co., Ltd., and Shandong Guojia Jinggu Semiconductor Technology Co., Ltd. As of 30 September 2025, the Company had a total leasable area of approximately 237.6 thousand square meters, with an overall occupancy rate of over 90%. In addition, as of 30 September 2025, the Company had 5 operational projects under construction with a total investment of RMB2.8 billion and an uninvested amount of RMB1.8 billion, the investment of which will be balanced through operation and leasing, bring great pressure on the Company's capital expenditure. 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. From 2022 to 2024, the revenue from leasing

business increased year by year from RMB33.3 million to RMB59.0 million. However, the leasing business highly depends on the local industrial development planning and investment attraction process, which generates uncertainty about the actual leasing income and investment payback period.

### **Supplementary income from other businesses**

The Company 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. As of 30 September 2025, the Company had one completed real estate project with a relatively low sale rate of around 12% and has recognized revenue of RMB42.0 million, facing considerable de-stocking pressure. In addition, the Company had two real estate projects under construction with a total investment of RMB2.8 billion and an uninvested amount of RMB1.4 billion, which are expected to be funded through self-owned funds or development loans. The ongoing investments in these construction projects require large capital expenditure and pose more financing pressure on the Company. Moreover, increasing investment in property development may bring more operating uncertainties and financial risks to the Company as the property sales are easily affected by the market conditions, especially during the downturn of the real estate market.

In addition, the Company also participates in trading business. The Company adopts the demand-on-purchase. Upon receiving customer orders, the Company purchases relevant goods from upstream suppliers via its own funds or pre-sales payments and sells at the local average market prices. The main trading products include rebar, power equipment and elevator equipment. In 2024, the Company recognized trading revenue of RMB24.7 million, accounting for 20.0% of the total revenue. However, the gross margin of the trading business is low at 5%, which makes a limited contribution to the Company's profits. During the first three quarters of 2025, the Company suspended trading business, which will no longer constitute QBID's main business, creating uncertainties about its future operations.

## **Financial Profile**

### **Relatively weak profitability with low return on assets**

Benefited from increasing leasing properties, the Company's total revenue increased from RMB78.8 million to RMB123.6 million from 2022 to 2024. The income from industrial park operation is the main contributor, contributing around 60% of the total revenue over the past three years, followed by trading and property development. However, 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 35.5% in 2022 to 23.5% in 2024. The return on assets also decreased over the same period from 1.2% to 0.5%. 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.

### **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. From 31 December 2022 to 30 September 2025, the Company's total debt increased to RMB2.4 billion from RMB0.2 billion, and its capitalization ratio (total debt to total capital) also increased from 9.9% to 42.6% over the same period.

QBID's stand-alone debt-serving metrics weakened driven by its increasing debt burden. The Company's debt servicing capacity was weakened as the total debt/EBITDA ratio increased significantly from 7.5x in 2022 to

44.5x in 2024, while the EBITDA/total interest ratio decreased from 4.7x to 0.4x over the same period. As of 30 September 2025, the Company's short-term debt accounted for 60.8% of the total debt, and cash to short-term debt ratio was around 0.5x, indicating short-term repayment pressure. Apart from that, the Company's cash generation capacity of the core business is moderate, with its FFO/total debt ratio decreased from 8.6% in 2022 to 1.8% in 2024. Given the Company's further business expansion, its debt levels may continue to increase in the future, and its refinancing pressure will remain moderate.

### **Modest liquidity position with relatively large exposure to non-standard financing**

The Company's external financing channels are mainly bank loans and non-standard financing, which accounted for 68.0% and 19.4% of the total debt respectively as of 30 September 2025. Its financing channels concentrated on policy banks and regional banks. As of 30 September 2025, the Company had total bank facilities of RMB2.7 billion, with an available amount of more than RMB700.0 million. The Company also has access to debt capital market. In June 2025, QBID issued one tranche of domestic bond, raising RMB300.0 million. The Company's exposure to non-standard financing was moderate, mainly from financial leasing companies. The non-standard products generally have higher financing costs and shorter maturities, which may bring more refinancing pressure to the Company.

QBID's asset liquidity is moderate. The Company's assets were primarily comprised of inventories, investment properties and construction in progress, accounting for 66.8% of its total assets as of 30 September 2025. The Company's inventories are mainly construction costs while investment properties and construction in progress consist of operational assets, resulting in relatively weak asset liquidity. The Company's proportion of restricted assets is relatively high, which may have a negative impact on its financing flexibility. As of 31 December 2024, the Company had pledged assets mainly including cash, investment properties and inventories, with a total amount of RMB2.7 billion for loans, accounting for 22.0% of its total assets.

## **External Support**

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

We expect a high likelihood of government support from Tianqiao District Government and its parent company in times of need. Our expectation incorporates the considerations of the Company's (1) status as core subsidiary of 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, including capital injection, equity transfers, and financial subsidies.

Tianqiao District is located in the northern part of Jinan urban area and is the only central urban district of Jinan that spans the Yellow River. As the birthplace of Jinan's modern industry, Tianqiao District is home to modern industrial parks such as Jinan New Material Industrial Park and Yaoshan Science and Technology Park, with intelligent manufacturing and new materials as its leading industries. Under the guidance of Jinan City's northward development strategy, Tianqiao District plans to take Jinan New Material Industrial Park as the carrier, focusing on promoting the development of industries such as new materials, intelligent manufacturing and biomedicine to accelerate the industrial enterprise development. In recent years, the economic strength of Tianqiao District has continued to increase. The GRP of Tianqiao District increased by 3.0% YoY to RMB84.5 billion in 2024. During the first three quarters of 2025, Tianqiao District achieved GRP of RMB61.9 billion, representing a YoY increase of 3.0%.

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. As of 30 September 2025, TQFI was wholly and directly owned by the Finance Bureau of Tianqiao District.

The shareholding structure and business operations of the Company are closely linked to TQFI, which maintains a high degree of control over the operations of QBID, including the formulation of business strategies and the appointment of the Board of Directors and key management personnel. The Company is also required to report its annual budget, objectives, plans and performance to TQFI. QBID is TQFI's key subsidiary undertaking industrial operation and management. By the end of 2024, its total assets represented around 35.5% and 10.9% of the TQFI's total assets. QBID's total revenue accounted for 10.9% of TQFI's total revenue in 2024. Meanwhile, 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. In 2023, TQFI injected cash of RMB299.0 million into the Company, increasing its capital reserve. The Company also received equity and asset transfers from the local government, which strengthened the Company's capital strength and broadened its business scope. For instance, the Management Committee of New Material Industrial Park transferred parking space operation rights and buildings within the parks to the Company, increasing capital reserve by RMB1.2 billion. It also transferred equity of other state-owned enterprises to the Company free of charge, boosting capital reserve by RMB634.0 million. 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.

## ESG Considerations

QBID is exposed to environmental risks through the construction and operation of its industrial parks. Such risks could be moderated through environmental studies and detailed planning prior to the start of the projects and close supervision during construction.

QBID bears social risks as it implements industrial development initiatives by building industrial park projects in Tianqiao District. Demographic changes, public awareness and social priorities shape the Company's development targets and ultimately affect the local government's propensity to support the Company.

QBID's governance considerations are also material as the Company is subject to oversight and reporting requirements of the local government, reflecting its status as a government-owned entity. The Company has clear strategic plan, which can effectively control its subsidiaries, and has established a relatively sound corporate governance structure and a robust internal management system.

## Rating Methodology

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

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