

Lianhe Ratings Global Limited has assigned ‘A-’ global scale Long-term Issuer Credit Rating with Stable Outlook to Jiangsu Pingzhong Technology Development Group Co., Ltd.

HONG KONG, 11 August 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A-’ global scale Long-term Issuer Credit Rating to Jiangsu Pingzhong Technology Development Group Co., Ltd. (“JPTD” or “the company”); The Outlook is stable.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Taixing City (“the Taixing government”) would provide very strong to JPTD if needed. This mainly considers the Taixing government’s direct full ownership of JPTD and JPTD’s strategic importance as one of largest local investment and development companies (“LIDC”) in Taixing. In addition, the linkage between the Taixing government and JPTD is strong, including management supervision, strategic alignment and ongoing operational and financial support. Moreover, the local government may face a significant negative impact on its reputation and financing activities if JPTD encounters any operational and financial difficulties.

Taixing is a county-level city in Jiangsu’ Taizhou, and is directly managed by the Jiangsu provincial government. It is one of the top 100 counties in China, with a GDP of RMB146.8 billion in 2024. Taixing’s GDP grew steadily by 4.2% year-over-year in 2024 while the budgetary grew by 3.0% to RMB 10.0 billion.

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

Key Rating Rationales

Government’s Ownership and Supervision: The State-owned Assets Supervision and Administration Office of Taixing holds 100% shares of JPTD, and is the company’s actual controller. It has strong supervision over the company, including the appointment of the senior management, supervision of development strategy, major financing plan and investment decisions. In addition, the Taixing government has formulated a performance assessment policy for the company and regularly appoints auditors to review the company’s operating performance and financial position.

Strategic Importance and Strategic Alignment: In 2024, the Taixing government launched an integration of state-owned enterprise, injecting 100% shares of Taxing City Investment Development Group Co., Ltd. (“TCID”; ‘BBB+/Stable’) and Taixing Hongqiao Port Comprehensive Development Group Co., Ltd. (“THPCD”) into JPTD. The company has become one of the largest LIDCs in terms of asset size and the most important state-owned asset investment and operating entities after the integration, with its business positioned around urban functional services and industrial guidance for Taixing.

TCID is a core LIDC primarily responsible for developing infrastructure and affordable housing in the urban area of Taixing. It also manages Taixing's utilities, including water supply, gas supply, waste disposal, and sanitation services. THPCD is mainly responsible for the development of Taixing Hongqiao Port. After the integration, JPTD has become one of largest LIDCs in terms of asset size and a major.

Strong Government Support: JPTD received ongoing support from the Taixing government. Between 2021 and 2024, the Taixing government has provided operational subsidies amounting to RMB1,456 million, primarily to support JPTD's activities related to delivering public goods and services. Additionally, the company has received several cash capital totaling RMB2,225 million, as well as asset injections, including state-owned properties and equities from SOEs and LIDCs in Taixing, valued at RMB14,352 million over the same period. We believe JPTD will receive prompt government support, given its significant role and functions in Taixing.

JPTD's Financial Matrix and Liquidity Position: JPTD's asset size continued to grow, reaching RMB99.4 billion at end-2024, up from RMB76.9 billion at end-2022, as the company actively participated in Taixing's project development. The company relied on both borrowings and government support to fund its asset expansion. Its total debt increased by 31.8% during the same period. Yet its financial leverage, as indicated by the total debt/capitalization ratio, stayed at 50%-55% level, thanks to the Taxing government's capital and asset injections.

JPTD's short-term debt servicing pressure was significant. At end-2024, JPTD had an unrestricted cash balance of RMB 3.8 billion compared to its debt due within one year of RMB 22.1 billion. However, JPTD has access to various financing channels, including bank loans, bond issuances, and other unconventional financing options, to support its debt repayments and business operations. The company had unused bank facilities totaling RMB 21.1 billion at end-2024.

High Contingent Liability Risk: JPTD's contingent liability risk was high. It provided financial guarantees of RMB14.8 billion to third parties as of the end-2024, accounting for 37.5% of the company's net assets. These guarantees were primarily given to LIDCs and SOEs in Taixing. Thus, JPTD's credit status is closely linked to Taixing's regional debt risks.

Rating Sensitivities

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

We would consider upgrading JPTD's rating if there is an upgrade in our internal credit assessment on the Taixing 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.

Contact Information

Primary Analyst, Hong Kong
Roy Luo, CFA, FRM, CESGA
Director
(852) 3462 9582
roy.luo@lhratingsglobal.com

Secondary Analyst, Hong Kong
Chris Cao
Analyst
(852) 3462 9579
chris.cao@lhratingsglobal.com

Committee Chairperson and Ratings Approver, Hong Kong
Toni Ho, CFA, FRM
Senior Director
(852) 3462 9578
toni.ho@lhratingsglobal.com

Investor and Media Relations Contact, Hong Kong
Alice Wang
Associate Director
(852) 3462 9568; (86) 185 1686 2143
alice.wang@lhratingsglobal.com

Disclaimer

Ratings (including credit ratings and other rating products) and research reports published by Lianhe Ratings Global Limited (“Lianhe Global” or “the Company” or “us”) are subject to certain terms and conditions. Please read these terms and conditions at the Company’s website: www.lhratingsglobal.com

A rating is an opinion which addresses the creditworthiness of an entity or security or the assessment of an instrument. Ratings are not a recommendation or suggestion to buy, sell, or hold any security or instrument. Ratings do not address market price, marketability, and/or suitability of any security nor its tax implications or consequences. Ratings may be subject to upgrades or downgrades or withdrawal at any time for any reason at the sole discretion of Lianhe Global.

All ratings are the products of a collective effort by accredited analysts through rigorous rating processes. No individual is solely responsible for a rating. All ratings are derived by a rating committee vesting process. The individuals identified in the reports are solely for contact purpose only.

Lianhe Global conducts its rating services based on third-party information which we reasonably believe to be true. Lianhe Global relies on information generally including audited financial statements, interviews, management discussion and analysis, relevant third-party reports, and publicly available data sources to conduct our analysis and uses reasonable measures so that the information it uses in assigning a rating is of sufficient quality to support a credible rating. However, Lianhe Global has not conducted any audit, investigation, verification or due diligence. Lianhe Global does not guarantee the accuracy, correctness, timeliness, and/or completeness of the information. Ratings may contain forward-looking opinions of Lianhe Global which may include forecasts about future events which by definition are subject to change and cannot be considered as facts. Please see Lianhe Global’s website for the last rating action and the rating history. Please see Lianhe Global’s website for the methodologies used in determining ratings, further information on the meaning of each rating category, and the definition of default.

Under no circumstances shall Lianhe Global, its directors, shareholders, employees, officers and/or representatives or any member of the group of which Lianhe Global forms part be held liable to any party for any damage, loss, liability, cost, expense or fees in connection with any use of the information published by the Company.

Lianhe Global receives compensation from issuers, underwriters, obligors, investors or principals for conducting rating services for solicited ratings. An unsolicited rating is a rating that is initiated by the Company and not requested by the issuer, underwriters, obligors, investors or principals.

Ratings included in any rating reports are disclosed to the rated entity (and/or its agents) prior to publishing. Rating reports and research reports published by Lianhe Global are not intended for distribution to, or use by, any person in any jurisdiction where such use would infringe local laws and regulations. Any user relying on information available through rating reports and research reports is responsible for consulting the relevant agencies or professionals accordingly to comply with the applicable local laws and regulations.

All published rating reports and research reports are the intellectual property of Lianhe Global. Any reproduction, redistribution, or modification, in whole or part, in any form by any means is prohibited unless such user has obtained prior written consent from Lianhe Global.

Lianhe Global is a subsidiary of China Lianhe Credit Rating Co., Ltd. The rating committee of Lianhe Global has the ultimate power of interpretation of any methodology or process used in the Company’s independent ratings and research.

Copyright © Lianhe Ratings Global Limited 2025.