

**Lianhe Ratings Global Limited has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Taixing Jinjiang Investment Co., Ltd.**

HONG KONG, 21 August 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Taixing Jinjiang Investment Co., Ltd. (“TXJJ” or “the company”); The Outlook is stable.

The Issuer Credit Rating reflects a high possibility that the Taizhou Municipal People’s Government (“the Taizhou government”) would provide strong support to TXJJ if needed. This mainly considers the Taizhou government’s indirect fully ownership of TXJJ, TXJJ’s strategic position as an important local investment and development company (“LIDC”) responsible for infrastructure construction, industrial parks development and operation in Taixing Economic Development Zone (“Taixing EDZ”). The linkage between the local government and TXJJ is strong, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the local government may face significant negative impact on its reputation and financing activities should TXJJ encounter any operational or financial difficulties.

Taizhou is a prefecture-level city in Jiangsu Province. In 2024, Taizhou’s GDP grew steadily by 5.10% to RMB702.1 billion, while its budgetary revenue increased by 3.00% to RMB45.3 billion. Taixing EDZ was established in 1991 and is one of the first 13 provincial-level development zones in Jiangsu Province. Taixing EDZ is focusing on the development of a complete industrial system supported by fine chemicals, new materials, pharmaceuticals.

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

**Key Rating Rationales**

**Government’s Ownership and Supervision:** The State-owned Assets Supervision and Administration Commission of Taizhou Municipality (“Taizhou SASAC”) indirectly holds 100 % stake in TXJJ through Taizhou Chemical New Materials Industry Development Group Co., Ltd. (“TCNMI”; ‘A-/Stable’). TCNMI is an important development and operation entity in Taizhou that promotes regional industrial development.

TXJJ is under the direct management and supervision of the management committee of Taixing EDZ, a government dispatched agency and de facto local government, as its operation is mainly within Taixing EDZ. The local government appoints the company’s senior management and oversees TXJJ’s development strategy, major financing plans and investment decisions. In addition, it has put in place a performance-assessment regime for the company and regularly engages independent auditors to review TXJJ’s operating performance and financial position.

**Strategic Alignment and Importance:** TXJJ is defined as a major LIDC responsible for infrastructure construction, industrial parks development and operation as well as state-owned assets management in Taixing EDZ, aiming at promoting economic and industry development within the region. Its development strategy has been aligned with the local government's economic and social development plans. However, TXJJ's operation is largely limited in Taixing EDZ, which would constrain its strategic positioning in Taizhou.

**Strong Government Support:** TXJJ receives ongoing support from the Taizhou government in the form of operational subsidies and asset/equity injections. This mainly includes mining rights valued at RMB6.2 billion injected in 2024. Between 2021 and 2024, the company received operating subsidies totaled approximately RMB166 million. In addition, under the instruction of local government, TCNMI provided financial guarantee to support TXJJ's offshore bond issuance amounting to USD34 million in 2025. We expect TXJJ to receive timely support from the local government over the coming years, given its strategic importance to the Taizhou and Taixing EDZ.

**TXJJ's Financial and Liquidity Position:** TXJJ's asset base expanded over the past three years as it actively participated in Taixing EDZ's project development. The company mainly relied on borrowings to finance its infrastructure and industrial park project. As a result, TXJJ's financial leverage, measured by debt-to-capitalization, rose to 50.5% at end-2024 from 41.3% at end-2022.

TXJJ's short-term debt servicing pressure is moderately high. At end-2024, the company's short-term debt totaled about RMB 5.6 billion, compared with RMB877 million of unrestricted cash on hand. Yet TXJJ retains access to a range of funding channels, including bank borrowings, bond issuance and other non-traditional financings; its undrawn bank facilities totaled around RMB5.1 billion at end-2024, providing additional liquidity headroom for its debt repayments and business operations.

### **Rating Sensitivities**

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

We would consider upgrading TXJJ'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 Taizhou 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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