

# Taixing City Investment Development Group Co., Ltd.

## Rating Report

### Summary

Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	11 February 2026

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB+’ global scale Long-term Issuer and Issuance Credit Rating of Taixing City Investment Development Group Co., Ltd. (“TCID”); Issuer Rating Outlook is Stable

### Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Taixing City (“the Taixing government”) would provide strong support to TCID if needed. This mainly considers the Taixing government’s indirect full ownership of TCID and TCID’s strategic importance as a key local investment and development company (“LIDC”) in Taixing. The linkage between the Taixing government and TCID is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, we believe that the Taixing government has a strong willingness to ensure TCID’s business and financial viability to safeguard its reputation and local financing activities.

Taixing is a county-level city in Taizhou and directly managed by the Jiangsu Provincial Government. Taixing’s GDP grew steadily by 5.5% to RMB152.0 billion in 2025, while the Taixing government’s budgetary revenue stayed at RMB10.1 billion.

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

Lianhe Global has also affirmed ‘BBB+’ global scale Long-term Issuance Credit Rating of the senior unsecured CNY Bonds issued by TCID at the same time. A full list of affirmed issuance rating is included in this report.

### Analysts

Roy Luo, CFA, FRM, CESGA  
(852) 3462 9582  
[roy.luo@lhratingsglobal.com](mailto:roy.luo@lhratingsglobal.com)

Rechel Chen  
(852) 3462 9587  
[rechel.chen@lhratingsglobal.com](mailto:rechel.chen@lhratingsglobal.com)

### Applicable Criteria

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

### Rating Rationale

**Government’s Ownership and Supervision:** The State-owned Assets Supervision and Administration Office of Taixing (“Taixing SASAO”) holds a 100% share of TCID through Jiangsu Pingzhong Technology Development Co., Ltd. (“JPTD”; ‘A-/Stable), a platform restructured in 2024 that consolidates TCID and other LIDCs in Taixing. Taixing SASAO remains TCID’s actual controller and 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:** TCID is a key LIDC in Taixing, primarily responsible for developing infrastructure and affordable housing in the urban area. It also manages Taixing’s utilities, including water supply, gas supply, waste disposal, and sanitation services. TCID’s development plan has been aligned with the local government’s economic and social policies, promoting urban development in Taixing.

**Strong Government Support:** TCID continued to receive support from the Taixing government. In 2025, the Taixing government injected cash capital of RMB3 billion to TCID. Between 2022 and the first nine months of 2025, the company received operational subsidies totaling RMB1,040 million from the Taixing government, primarily to support TCID’s activities related to delivering public goods and services. Additionally, the company

has received several asset injections, including state-owned properties and equities from SOEs and LIDCs in Taixing, over the past three years. We believe TCID will receive prompt government support, given its significant role and functions in Taixing.

**TCID's Financial Matrix and Liquidity Position:** TCID's asset size grew significantly to RMB86.4 billion at end-September 2025, up from RMB78.2 billion at the end-2024. This was mainly due to the large cash capital injection of RMB3 billion in 2025, which enhanced its equity base to RMB31.2 billion from RMB27.9 billion over the same period. Yet company continued to borrow heavily to support its development projects in Taixing, pushing the total debt to RMB48.5 billion from RMB42.5 billion. Its financial leverage, as indicated by the total debt/capitalization ratio, stayed at approximately 60% at end-September 2025.

TCID's asset liquidity remained weak. Inventories (primarily construction costs and land to be developed) and other receivables (mainly due from government agencies and SOEs in Taixing) accounted for approximately 67% of the company's total assets at the end of September 2025. These assets typically take a long time to monetize. In addition, TCID's contingent liability risk was high. It provided financial guarantees of RMB16.1 billion to third parties as of the end of September 2025, accounting for 51.7% of the company's net assets. Because these guarantees primarily support LIDCs and SOEs within Taixing, TCID's credit profile is intrinsically tied to the region's debt risks.

TCID's short-term debt servicing pressure was significant. As of the end of September 2025, TCID had an unrestricted cash balance of RMB5.0 billion compared to its debt due within one year of RMB20.4 billion. Nevertheless, TCID 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 RMB21.4 billion as of the end of September 2025.

## Rating Sensitivities

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

We would consider upgrading TCID's rating if (1) there is strengthened support from the Taixing government, or (2) there is an upgrade in our internal credit assessment on the Taixing government.

## Full List of Issuance Rating

A full list of affirmed issuance rating is included below. Any rating action on TCID's rating would result in a similar rating action on the bonds:

- CNY645 million 3.6% senior unsecured bonds due 2027 affirmed at 'BBB+'

## Operating Environment

### Economic Condition of Taixing

Taixing is a county-level city in Taizhou and directly managed by the Jiangsu province, enjoying partial prefecture-level administrative authority. It is located in the economically well-developed Yangtze River Delta region, and ranked 36<sup>th</sup> among China's top 100 counties in 2025. Taixing maintained moderate to high economic growth in the past three years. Its GDP reached RMB146.8 billion in 2024, ranking first among six jurisdictions in Taizhou.

Taixing's economy is supported by advanced industries such as fine chemicals, new materials, high-end manufacturing, biopharmaceuticals, new energy, and green technologies.

<b>Taixing's GDP and Fixed Asset Investment</b>			
<b>(RMB billion)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
GDP	136.2	143.5	146.8
-Primary industry (%)	5.5	5.3	5.3
-Secondary industry (%)	50.9	49.9	50.5
-Tertiary industry (%)	43.6	44.8	44.2
GDP growth rate (%)	5.3	6.5	4.2
Fixed asset investment growth rate (%)	9.5	7.3	4.7
Population (million)	0.99	0.99	0.98

Source: Statistical Bureau of Taixing and Lianhe Global's calculations

## Fiscal Condition of Taixing

The aggregate fiscal revenue of the Taixing government was mainly derived from the budgetary revenue and government fund income. The budgetary revenue of the Taixing government grew by 3.0% in 2024, reaching RMB10.0 billion. However, the government fund income, mainly generated from land sales, continued to decline amid protracted property market downturn.

The outstanding debt of the Taixing government kept growing in past few years. At end-2024, its outstanding debt increased to RMB29.8 billion from RMB26.7 billion at end-2023, mainly due to the issuance of special purpose debts to support local public projects. Its government debt ratio, as measured by the total government debt/aggregate revenue, increased to 110.9% at end-2024 from 138.4% at end-2023.

<b>Taixing's Fiscal Condition</b>			
<b>(RMB billion)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Budgetary revenue	9.0	9.7	10.0
Budgetary revenue growth rate (%)	-3.3	8.0	3.0
Tax revenue	6.2	7.0	7.1
Tax revenue (% of budgetary revenue)	69.12	72.3	71.3
Government fund income	12.0	10.2	8.0
Transfer payment	3.9	4.0	3.3
<b>Aggregate revenue</b>	<b>25.0</b>	<b>24.1</b>	<b>21.5</b>
Budgetary expenditure	12.8	13.7	13.9
Budget balance <sup>1</sup> (%)	-42.4	-41.1	-38.4
Government debt ratio (%)	107.3	110.9	138.4

<sup>1</sup> Budget balance = (1-budgetary expenditure / budgetary revenue) \* 100%

Source: Statistical Bureau of Taixing and Lianhe Global's calculations

## Company Profile

TCID was established by Taixing SASAO in 2019. Taixing SASAO transferred the full ownership of five important LIDCs to TCID free of charge after its establishment, making TCID the core LIDC in Taixing. In December 2024, the direct shareholder of TCID was changed from Taixing SASAO to JPTD, which is a platform restructured in 2024. It consolidated TCID and another LIDCs in Taixing. After the integration, JPTD has become one of largest LIDCs in terms of asset size, focusing on Taixing's urban development and public services, investing in emerging industries, and leveraging the city's strategic resources, as well as other businesses authorized by the Taixing government.



As the actual controller, Taixing SASAO held 100% shares of TCID through JPTD by end-September 2025. TCID continued to undertake development projects in the urban area of Taixing. The company is also responsible for operating the city's utilities, such as water supply, gas supply, garbage disposal and sanitation services. In addition, TCID's subsidiary, Taixing No.1 Construction Group Co., Ltd., is a nationwide building contractor. TCID's total revenue has shown a downward trend in the past three years owing to weakened demand in the building construction sector, the company's major revenue contributor. Yet TCID has maintained its gross margin above 10% since 2023.

<b>Key Financial Data</b>				
<b>(RMB million)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025.9</b>
Total Assets	69,688	73,281	78,219	86,375
Equity	27,352	27,733	27,943	31,195
Debt	34,580	38,213	42,509	48,457
Debt / (Debt + Equity) (%)	55.8	57.9	60.3	60.8
Unrestricted cash/ST Debts (x)	0.2	0.2	0.2	0.2
Debt/EBITDA (x)	25.0	34.0	59.6	-
Revenue	8,173	6,257	6,282	4,072
Operation Profit	274	221	178	113
Gross Margin (%)	7.6	11.1	10.4	12.0
Cash from sales or services/ Revenue (%)	109.6	109.1	99.4	105.7
<i>Source: TCID and Lianhe Global's calculations</i>				

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