

Taixing Runjia Holdings Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has upgraded the global scale Long-term Issuer and Issuance Credit Rating of Taixing Runjia Holdings Ltd. (“TRH” or “the company”) to ‘BBB+’ from ‘BBB’; Issuer Rating Outlook Stable

Summary

Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	5 March 2026

Summary

The Issuer Credit Rating upgrade reflects an upgrade in our internal credit assessment on the People’s Government of Taixing City (“the Taixing government”) and the expectation of a continuing high possibility that the Taixing government would provide strong support to TRH if needed, in light of the Taixing government’s indirect majority ownership of TRH, TRH’s strategic importance as an important local investment and development company (“LIDC”) that is responsible for infrastructure construction, area development and state-owned asset operation and management in Taixing, especially in the Taixing Economic Development Zone (“Taixing EDZ”), and the strong linkage between the Taixing government and TRH, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, we believe that the Taixing government has a strong willingness to ensure TRH’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 TRH’s strategic importance would remain intact while the Taixing government will continue to ensure TRH’s stable operation.

Lianhe Global has also upgraded the global scale Long-term Issuance Credit Rating of the senior unsecured bonds issued by TRH to ‘BBB+’ from ‘BBB’ at the same time. A full list of issuance ratings is included in this rating report.

Rating Rationale

Government’s Ownership and Supervision: The Taixing government indirectly holds the majority ownership of TRH through Taixing Municipal People’s Government State-owned Assets Supervision and Administration Office (“Taixing SASAO”) and the Taixing Economic Development Zone Management Committee (“TEDZMC”). TEDZMC is both the controlling shareholder and the actual controller of the company. Taixing SASAO has the final decision-making authority and supervises the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions, via TEDZMC. In addition, Taixing SASAO has assessment mechanism over the company and it appoints auditor to supervise the operating performance and financial position on a periodic basis via TEDZMC.

Strategic Importance and Strategic Alignment: TRH continues to be the core entity for infrastructure construction and state-owned assets operation in Taixing, especially in Taixing EDZ. As an important LIDC in the area, it is mainly responsible for infrastructure investment and construction, operation and management of state-owned assets etc., with strong

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Applicable Criteria

[China Local Investment and Development Companies Criteria \(31 July 2025\)](#)

regional advantages. In addition, TRH is also responsible for the construction of administrative and business areas in the region and related investment attraction work to promote the industrial upgrading and transformation of Taixing EDZ. The company's strategic importance has been further strengthened with the rapid expansion of its trading business. TRH's business operation and development have been aligned with the government's development plans.

Ongoing Government Support: TRH continued to receive fiscal support from the Taixing government. In 2024, the company recorded government subsidies of RMB54.1 million (2023: RMB39.1 million) to support TRH's business. We believe TRH is likely going to receive government support in the form of operational and/or financial subsidies to support its daily business operation.

TRH's Financial Matrix and Liquidity Position: TRH's total assets increased to RMB28.1 billion at end-2024 from RMB27.4 billion at end-2023. The company's total debt expanded slightly to RMB10.5 billion from RMB10.2 billion over the same period. Its financial leverage, as measured by the debt to capitalization ratio, increased slightly to 39.3% at end-2024 from 38.9% at end-2023. TRH's asset liquidity remained weak, with inventories, account receivables and other receivables accounting for approximately 89% of total assets at end-2024 (end-2023: 88.5%). These assets typically take a long time to monetize.

TRH's short-term debt servicing pressure was tight. The company had unrestricted cash of RMB0.8 billion compared to its debt due within one year of RMB5.1 billion at end-2024 (end-2023: RMB5.6 billion). Nonetheless, TRH maintains access to diversified financing channels, including bank loans, bond issuance and non-traditional financing, to support its debt repayment and business operations. At end-March 2025, the company had unused credit facilities of RMB0.5 billion.

Rating Sensitivities

We would consider downgrading TRH's rating if (1) there is 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 TRH, or (3) there is a downgrade in our internal credit assessment on the Taixing government.

We would consider upgrading TRH'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 Ratings

A full list of issuance ratings is included below. Any rating action on TRH's rating would result in a similar rating action on the senior unsecured bonds issued by TRH.

- CNY680 million 5.5% senior unsecured bonds due 2028 upgraded to 'BBB+'
- CNY300 million 5.5% guaranteed bonds due 2028 ('A-')

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 36th 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.

Taixing's Economic Conditions			
(RMB billion)	2022	2023	2024
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.

Taixing's Fiscal Condition			
(RMB billion)	2022	2023	2024
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
Aggregate revenue	25.0	24.1	21.5
Budgetary expenditure	12.8	13.7	13.9
Budget balance ¹ (%)	-42.4	-41.1	-38.4
Government debt ratio (%)	107.3	110.9	138.4

¹ Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%

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

Company Profile

TRH was established in 2018 with an initial registered capital of RMB500 million, which was fully contributed by TEDZMC. After a series of equity transfers, TEDZMC remains the controlling shareholder of the company. At end-2025, TEDZMC, Taixing Port Group Co., Ltd. and Taixing Chengxing State-owned Assets Operation and Investment Co., Ltd. held 59.75%, 30.25% and 10.00% of the company's equity, respectively.

TRH is mainly responsible for infrastructure investment and construction, operation and management of state-owned assets and related public services (such as road maintenance,

greening projects and firefighting) in Taixing, especially in the Taixing EDZ where it has a strong regional advantage.

TRH's total revenue continued to surge to RMB3,809 million in 2024 (2023: RMB2,763 million), primarily driven by the further expansion of its trading business, which remained the company's largest revenue contributing segment. However, the company's gross margin continued its downward trend, declining from 7.5% in 2023 to 5.5% in 2024, reflecting the low-margin nature of the trading business.

Key Financial Data				
(RMB million)	2021	2022	2023	2024
Total Assets	21,232	24,265	27,375	28,057
Equity	14,944	15,943	16,019	16,166
Debt	6,277	7,514	10,209	10,476
Debt / (Debt + Equity) (%)	29.6	32.0	38.9	39.3
Unrestricted cash/ST Debts (x)	0.2	0.2	0.1	0.2
Debt/EBITDA (x)	45.6	23.2	47.4	-
Revenue	777	983	2,763	3,809
Operation Profit	109	132	178	184
Gross Margin (%)	11.4	15.0	7.5	5.5
Cash from sales or services/ Revenue (%)	52.1	82.8	78.5	77.6

Source: TRH and Lianhe Global's calculations

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