Taixing Jinjiang Investment Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Taixing Jinjiang Investment Co., Ltd. (“TXJJ”); Rating Outlook Revised to Positive

Summary	
Issuer Rating	BBB+
Outlook	Positive
Location	China
Industry	Local Investment and Development Companies
Date	20 August 2026

Analysts

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Applicable Criteria

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

Summary

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 full ownership of TXJJ, TXJJ’s strategic importance as an important local investment and development company (“LIDC”) responsible for infrastructure construction, industrial park development and sci-tech innovation investment in Jiangsu 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, we believe the Taizhou government has a strong willingness to ensure TXJJ’s business and financial viability in order to safeguard its reputation and local financing activities.

Taizhou is a prefecture-level city in Jiangsu Province. Taizhou’s GDP grew steadily by 5.3% to RMB725.5 billion in 2025, while its budgetary revenue increased by 3.0% to RMB47.5 billion over the same period. Taixing EDZ was established in 1991 and is one of the first 13 provincial-level development zones in Jiangsu Province, focusing on the development of a complete industrial system supported by fine chemicals, new materials and pharmaceuticals.

The Positive Outlook reflects our expectation that TXJJ’s strategic importance would be strengthened given its evolving role in sci-tech innovation investment and management in Taixing EDZ. Furthermore, we expect the local government to provide ongoing operational and financial support to ensure the company’s stability and reinforce its key role in regional development.

Rating Rationale

Government’s Ownership and Supervision: The State-owned Assets Supervision and Administration Commission of Taizhou Municipality (“Taizhou SASAC”) indirectly holds 100% stake in TXJJ and is the company’s ultimate controller. The Taixing EDZ Management Committee (the “Management Committee”), a government-dispatched agency serving as the de facto local government, directly manages and supervises TXJJ, whose operations are primarily concentrated in 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 Importance and Alignment: TXJJ is one of the two major LIDCs in Taixing EDZ, undertaking key land consolidation, infrastructure construction and industrial park development projects. Its strategic importance is expected to increase as the local government has assigned the company new functions under its updated functional positioning, development strategy and overall planning. Under this new framework, TXJJ is evolving into a sci-tech innovation investment and asset management platform, with greater emphasis on industrial investment, fund management and state-owned capital operations to support local industrial upgrading and economic development.

Strong Government Support: TXJJ continues to receive government support through operational subsidies and asset/equity injections. In 2024, the Management Committee waived RMB2.2 billion of TXJJ's historical payables, effectively strengthening the company's capital reserves. At the local government's instruction, Taizhou Chemical New Materials Industry Development Group Co., Ltd. ("TCNMI", 'A-'/Stable) also provided a financial guarantee for TXJJ's USD34 million offshore bond issuance in 2025. Given TXJJ's strategic importance to Taizhou and Taixing EDZ, we expect the local government to provide timely support over the coming years.

TXJJ's Financial Metrics and Liquidity Position: TXJJ's assets grew steadily to RMB28.7 billion at end-2025 from RMB26.5 billion at end-2024, driven by its active participation in Taixing EDZ's project development and equity investment. The company mainly relied on borrowings to finance asset expansion. Its total debt increased further to RMB13.9 billion at end-2025 from RMB11.8 billion at end-2024. The company's financial leverage, as measured by the debt to capitalization ratio, was elevated to 54.6% from 50.5% over the same period.

TXJJ's short-term debt servicing pressure is moderately high. At end-2025, the company had a cash balance of RMB4.8 billion (including restricted cash of RMB1.7 billion), compared with its debt due within one year of RMB7.8 billion. 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 RMB3.0 billion at end-2025, providing additional liquidity headroom for its debt repayments and business operations.

Rating Sensitivities

We would consider downgrading TXJJ's rating if (1) there is a perceived weakening in support from the local government, particularly due to its reduced strategic importance, or (2) there is a significant reduction of the local government's ownership or control 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.

Full List of Issuance Rating

- USD34 million 5.5% bonds due 2028 issued by TXJJ and guaranteed by TCNM: 'A-'

Operating Environment

Economic Condition of Taizhou

Taizhou is a prefecture-level city in Jiangsu Province, and it is also an important trade port city in China's Yangtze River Delta, approved by the State Council. Taizhou's GDP grew by 5.3% to RMB725.5 billion in 2025, accelerating from 5.1% growth in 2024. In 2025, the local economy continued its structural shift toward the tertiary sector, which rose to 49.1% of total GDP from 47.6% in 2024, while the primary and the secondary industries marginally declined. Meanwhile, the fixed asset investment plunged by 36.5% in 2025, compared with a growth of 8.8% in 2024.

Taizhou's Economic Condition (RMB billion)	2023	2024	2025
GDP	673.2	702.1	725.5
-Primary industry (%)	5.1	5.1	5.0
-Secondary industry (%)	48.4	47.3	45.9
-Tertiary industry (%)	46.5	47.6	49.1
GDP growth rate (%)	6.8	6.8	5.3
Fixed asset investment growth rate (%)	9.4	8.8	-36.5
Population (million)	4.51	4.47	4.47

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

Fiscal Condition of Taizhou

Taizhou's budgetary revenue grew steadily by 3.0% to RMB 47.5 billion in 2025, while the contribution of tax revenue to budgetary revenue remained broadly stable at 67.8%. Government fund income declined to RMB 38.8 billion in 2025 from RMB 42.1 billion in 2024, and transfer payment from higher government also decreased to RMB14.8 billion from RMB17.0 billion over the same period.

The outstanding debt of the Taizhou government increased significantly to RMB 155.9 billion at end-2025 from RMB 131.6 billion at end-2024, mainly due to the new issuance of special-purpose debts to support local public projects. As a result, its government debt ratio, as measured by total government debt to aggregate revenue, was elevated to 151.3% from 123.3% over the same period.

Taizhou's Fiscal Condition (RMB billion)	2023	2024	2025
Budgetary revenue	44.0	45.3	47.5
Budgetary revenue growth rate (%)	5.5	3.0	3.0
Tax revenue	30.8	30.4	32.2
Tax revenue (% of budgetary revenue)	70.0	67.1	67.8
Government fund income	49.3	42.1	38.8
Transfer payment	17.9	17.0	14.8
Aggregate revenue	**112.4**	**106.7**	**103.0**
Budgetary expenditure	69.7	69.1	68.6
Budget balance[1] (%)	-58.6	-52.5	-44.4
Government debt ratio (%)	95.3	123.3	151.3

*[1] Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%*
Source: Financial Bureau of Taizhou and Lianhe Global's calculations

Company Profile

TXJJ was established by the Management Committee in 2017 with initial capital of RMB1.5 billion. Following subsequent capital injections and equity transfers, its paid-in capital increased to RMB1.9 billion by end-2025. Taizhou SASAC is TXJJ's ultimate controller and indirectly holds 100% of the company through TCNMI, an important development and operation entity in Taizhou that supports regional industrial development.

TXJJ is mainly responsible for infrastructure construction, industrial park development and sci-tech innovation investment in Taixing EDZ. The company's revenue dropped to RMB1.7 billion in 2025 from RMB2.7 billion in 2024. Yet it realized investment return of RMB49 million from -RMB10.0 million over the same period.

Key Financial Data **(RMB million)**	**2023**	**2024**	**2025**
Total Assets	28,078	26,478	28,723
Equity	12,062	11,567	11,577
Debt	10,244	11,818	13,916
Debt / (Debt + Equity) (%)	45.9	50.5	54.6
Unrestricted cash/ST Debts (x)	0.1	0.2	0.4
Debt/EBITDA (x)	24.6	25.2	33.8
Revenue	2,265	2,651	1,684
Gross Margin (%)	9.1	8.1	7.5
Cash from sales or services/ Revenue (%)	68.8	101.3	206.2

Source: TXJJ and Lianhe Global's calculations

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