

Lianhe Global has assigned ‘A+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Taizhou Guokong Investment Group Co., Ltd.

HONG KONG, 30 September 2026 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A+’ global scale Long-term Issuer Credit Rating to Taizhou Guokong Investment Group Co., Ltd. (“TGIG”). The Outlook is Stable.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Taizhou City, Jiangsu Province (“Taizhou government”) would provide very strong support to TGIG if needed. This mainly considers its direct full ownership of TGIG and TGIG’s strategic importance as one of the largest local investment and development companies (“LIDCs”) in Taizhou in terms of asset size. The linkage between the local government and TGIG is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, we believe the local government has a very strong willingness to prevent TGIG from encountering any operational or financial difficulties in order to safeguard its reputation and financing activities.

Taizhou is a prefecture-level city in Jiangsu Province and a major pharmaceutical manufacturing hub in East China. Taizhou’s GDP grew steadily by 5.3% year-over-year, reaching RMB725.5 billion in 2025. At the same time, the budgetary revenue of Taizhou government increased by 3.0% to RMB47.5 billion.

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

Key Rating Rationales

Government’s Ownership and Supervision: The Taizhou State-owned Assets Supervision and Administration Commission (“Taizhou SASAC”) is the actual controller of TGIG, directly holding a 100% stake in the company. The local government has strong control and supervision over TGIG, including senior management appointments, decisions on its strategic development and investment plan and supervision of its major funding decisions. In addition, the local government has an assessment mechanism over the company, and it appoints auditors to supervise the operating performance and financial position on a periodic basis.

Strategic Importance and Alignment: As a key LIDC in Taizhou, TGIG focuses primarily on Taizhou’s strategic development in the big health industry and port construction. It is tasked with the infrastructure construction and industrial park operations across Taizhou’s new city center, high-speed railway hub area, and the Medical High-tech Zone. Its business operations and development are closely aligned with the local government’s economic and social development plans.

Strong Government Support: TGIG benefits from ongoing operational and financial support from the Taizhou government. The company received a cash capital injection of RMB3.0 billion from the local government in 2023. The local government also provided financial subsidies of RMB250 million, RMB283 million and RMB289 million in 2023, 2024 and 2025, respectively to support TGIG's operations in relation to providing public goods. In addition, the local government has injected state-owned assets such as equities of local SOEs and land into the company. Given the company's strategic importance in Taizhou, we expect the government support to remain intact.

TGIG's Financial and Liquidity Position: TGIG's asset size increased steadily to RMB147.2 billion at end-June 2026 from RMB125.5 billion at end-2023, largely driven by the company's active participation in Taizhou's projects development, especially in the Medical High-tech Zone. The company relied on borrowings to fund its asset expansion. Its total reported debt also rose to RMB89.6 billion from RMB69.0 billion over the same period. As a result, TGIG's financial leverage (Debt / (Debt + Equity)) increased to 65.2% from 60.1%.

TGIG faces high short-term debt servicing pressure. At end-June 2026, the company held unrestricted cash of RMB12.2 billion, compared to RMB41.8 billion short-term debt. Nevertheless, TGIG can rely on its diverse funding sources, including bank loans, bond issuances, and operating incomes to support the debt repayment. As of end-2025, the company had unused bank facilities of RMB16.1 billion.

Rating Sensitivities

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

We would consider upgrading TGIG's rating if 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.

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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