

Jiangsu Kaiwu Technology Development Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has assigned ‘BBB-’ global scale Long-term Issuer Credit Rating with Stable Outlook to Jiangsu Kaiwu Technology Development Co., Ltd. (“JKTD”)

Summary

Issuer Rating	BBB-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	8 October 2026

Summary

The Issuer Credit Rating reflects a high possibility that the Zhenjiang Municipal People's Government (“Zhenjiang government”) would provide moderately strong support to JKTD if needed, in light of its indirect full ownership of JKTD, JKTD's strategic importance as an important local investment and development company (“LIDC”) for big data services in Zhenjiang and the linkage between the Zhenjiang government and JKTD, including appointment and supervision of the senior management, strategic alignment, major investment and financing decisions and ongoing operational and financial support. In addition, we believe the Zhenjiang government has a moderately strong willingness to ensure JKTD's business and financial viability in order to safeguard its reputation and local financing activities.

Zhenjiang is a prefecture-level city located in southern Jiangsu province and lies on the southern bank of the Yangtze River. Zhenjiang's GDP grew by 5.4% to RMB573.7 billion in 2025, while its budgetary revenue grew by 3.0% to RMB33.9 billion during the same period.

The Stable Outlook reflects our expectation that JKTD's strategic importance would remain intact while the Zhenjiang government will continue to ensure JKTD's stable operation.

Rating Rationale

Government's Ownership and Supervision: The Zhenjiang government holds the full ownership of JKTD through Zhenjiang Media & Culture Industrial Group and Zhenjiang Culture & Broadcasting Industry Group Co., Ltd. (“ZCBIG”). ZCBIG is the sole shareholder of the company. The Zhenjiang government has strong control and supervision over the company, including the appointment of senior management, decisions on its strategic development and supervision of its major investment and funding plans. In addition, the Zhenjiang government has an assessment mechanism over JKTD.

Strategic Importance and Strategic Alignment: JKTD, as a key LIDC in Zhenjiang, is mainly responsible for big data services in Zhenjiang. The company engages in the data services, technical services, and information system integration services. JKTD's operation is conducted in alignment with Zhenjiang's unified plan for information technology infrastructure development. Therefore, JKTD plays an important role in promoting the region's economic and social development. Its business operations and strategic planning have been aligned with the local government's development plans.

Government Support: JKTD receives government support via ZCBIG, its parent company. Given JKTD's strategic importance in Zhenjiang, we believe JKTD is likely to receive government support in the future.

JKTD's Financial Matrix and Liquidity Position: JKTD's total assets remained steady between end-2023 and end-2025, despite a slight decrease to RMB793 million at end-March 2026. Similarly, its total debt remained steady and reached RMB337 million at end-March 2026, compared with RMB440-490 million between end-2023 and end-2025. The company's financial leverage, as measured by the debt to capitalization ratio, remained low

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Applicable Criteria

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

and stable at 45.0% at end-March 2026, compared with 52.1-55.7% between end-2023 and end-2025.

JKTD's short-term debt servicing pressure was moderately high. The company had a total cash balance of RMB38.6 million at end-March 2026, compared to its debts due within one year of RMB14.9 million. The company mainly relies on external financing and has access to various financing channels, including bank loans, to support its debt repayment and business operations. At end-March 2026, the company had unused credit facilities of RMB336.6 million.

Rating Sensitivities

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

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

Operating Environment

Economic Condition of Zhenjiang

Zhenjiang is a prefecture-level city located in southern Jiangsu province and lies on the southern bank of the Yangtze River. Zhenjiang's GDP increased to RMB573.7 billion in 2025 from RMB554.0 billion in 2024 and RMB526.4 billion in 2023, while GDP growth moderated to 5.4% from 5.9% in 2024 and 6.3% in 2023. The industrial structure continued to shift toward the tertiary sector, with the tertiary sector rising to 52.0% of GDP in 2025 from 51.0% in 2024 and 49.2% in 2023. Nevertheless, fixed asset investment recorded a year-over-year decrease of 5.9% in 2025 from a growth of 5.0% in 2024.

Zhenjiang's Economic Condition			
(RMB billion)	2023	2024	2025
GDP	526.4	554.0	573.7
-Primary industry (%)	3.2	3.1	3.0
-Secondary industry (%)	47.6	45.9	45.0
-Tertiary industry (%)	49.2	51.0	52.0
GDP growth rate (%)	6.3	5.9	5.4
Fixed asset investment growth rate (%)	3.0	5.0	-5.9
Population (million)	3.2	3.2	3.2
<i>Source: Statistical Bureau of Zhenjiang and Lianhe Global's calculations</i>			

Fiscal Condition of Zhenjiang

Zhenjiang's budgetary revenue increased to RMB33.9 billion in 2025 from RMB32.9 billion in 2024, with growth rebounding to 3.0% from 2.6%. Tax revenue rose to RMB23.9 billion in 2025 from RMB23.2 billion, and the share of tax revenue in budgetary revenue was broadly stable at 70.5%. Government fund income declined to RMB44.5 billion from RMB47.5 billion in 2024. Transfer payments continued to increase, reaching RMB24.0 billion from RMB19.0 billion. Aggregate revenue rose to RMB102.4 billion from RMB99.4 billion. Budgetary expenditure was roughly stable at RMB56.8 billion, compared with RMB56.6 billion in 2024.

Zhenjiang continued to record a budget deficit, although the deficit ratio narrowed to 67.6% in 2025 after widening to 71.9% in 2024.

Zhenjiang's government debt ratio, as measured by total government debt to aggregate revenue, increased to 287.1% at end-2025 from 270.9% at end-2024.

Zhenjiang's Fiscal Condition			
(RMB billion)	2023	2024	2025
Budgetary revenue	32.1	32.9	33.9
Budgetary revenue growth rate (%)	5.5	2.6	3.0
Tax revenue	23.0	23.2	23.9
Tax revenue (% of budgetary revenue)	71.6	70.4	70.5
Government fund income	40.7	47.5	44.5
Transfer payment	13.7	19.0	24.0
Aggregate revenue	86.4	99.4	102.4
Budgetary expenditure	53.4	56.6	56.8
Budget balance ¹ (%)	-66.5	-71.9	-67.6
Government debt ratio (%)	284.5	270.9	287.1

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

Source: Financial Bureau of Zhenjiang and Lianhe Global's calculations

Company Profile

Ownership Structure

JKTD was established as a wholly state-owned municipal big data company in July 2021, with ZCBIG as its primary investor. At end-March 2026, JKTD had a paid-in capital of RMB100 million, with ZCBIG as the sole shareholder of the company.

Business Profile

JKTD, as a key LIDC in Zhenjiang, is mainly responsible for big data services in Zhenjiang. JKTD's operation is conducted in alignment with Zhenjiang's unified plan for information technology infrastructure development.

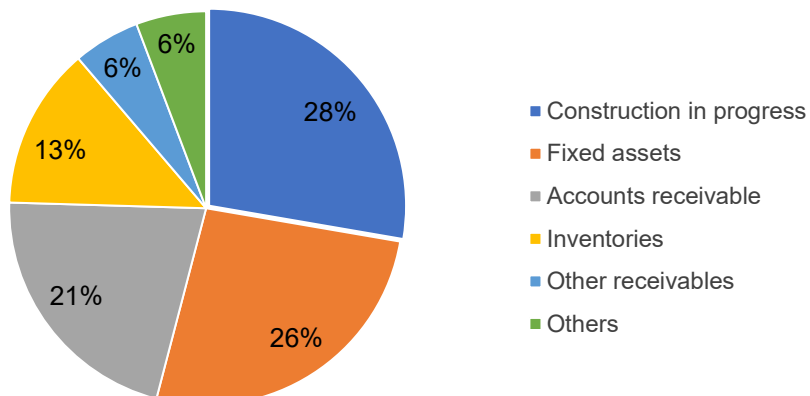
JKTD's data service business undertakes data aggregation, processing and operations, as well as storage support. It conducts market-oriented development and application of data resources in compliance with laws and regulations. It also involves the development and operation of government service mobile application, and the construction of the "Digital Zhenjiang" project.

JKTD's technical service business includes development, consultation, exchange, transfer and promotion of technology. Also, JKTD's information system integration service business includes wholesale, retail and leasing of computer hardware, software, and auxiliary equipment. It also involves in leasing of communication, transportation, office, warehousing and photovoltaic power generation equipment, as well as software development.

Assets Breakdown

JKTD's asset liquidity is moderate. Its current asset accounted for 45.6% of its total assets at end-March 2026. On the other hand, its assets mainly consist of construction-in-progress, fixed assets and account receivables, which accounted for 27.7%, 26.4% and 21.4% of its total assets at end-March 2026, respectively. These assets were mainly derived from its big data service and information technology infrastructure development. These assets may take a long time to monetize due to the nature of the assets and the company's business.

Total assets: RMB793 million at end-March 2026



Source: JKTD and Lianhe Global's calculations

Key Financial Data

(RMB million)	2023	2024	2025	2026.3
Total Assets	960	872	894	793
Equity	390	398	408	411
Debt	490	440	444	337
Debt / (Debt + Equity) (%)	55.7	52.5	52.1	45.0
Unrestricted cash/ST Debts (x)	7.0	2.1	2.6	2.9
Debt/EBITDA (x)	19.3	16.7	14.9	-
Revenue	114	137	166	39
Gross Margin (%)	26.4	22.8	18.9	16.3

Source: JKTD and Lianhe Global's calculations

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