

CCXAP upgrades Taixing Jinjiang Investment Co., Ltd.’s long-term credit rating to BBB_g+ from BBB_g, with stable outlook.

Hong Kong, 27 March, 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has upgraded the long-term credit rating of Taixing Jinjiang Investment Co., Ltd. (“TXJI” or the “Company”) to BBB_g+ from BBB_g, reflecting the Company’s sustained strategic position in the economic and industrial development of Taixing Economic Development Zone (“Taixing EDZ”) and its improving financial flexibility.

The BBB_g+ long-term credit rating of TXJI reflects Taizhou Municipal Government’s (1) very strong capacity to provide support, and (2) high willingness to provide support based on our assessment of the Company’s characteristics. Our assessment of the Taizhou Municipal Government’s capacity to provide support reflects its good industrial base and ongoing economic growth. Taixing City, a county-level city under the jurisdiction of Taizhou City, has ranked among the top of China’s top 100 counties in terms of comprehensive economic strength for years.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) important role in the economic and industrial development of Taixing City, especially in Taixing EDZ; and (2) track record of receiving government support. However, the rating is constrained by the Company’s (1) moderate exposure to commercial activities; (2) increasing debt burden, particularly high short-term debt; and (3) moderate asset liquidity.

Corporate Profile

Established in 2017 with the approval of the People’s Government of Taixing City and funded by the Management Committee of Taixing EDZ, TXJI is an important local infrastructure investment and financing company (“LIIFC”) in Taixing City, especially in Taixing EDZ. TXJI is mainly responsible for the state-owned asset operation and industrial park development in Taixing City. The Company also participates in different commercial activities, mainly including industrial park construction and operation, financial investment, merchandising trading, product manufacturing, as well as sand and gravel mining business.

In July 2024, one of the Company’s shareholders, Taixing Chengxing State-owned Assets Management Investment Co., Ltd. (“Taixing Chengxing”), transferred its holding of the Company’s shares to its subsidiary, Taixing Ruitai Industrial Investment Group Co., Ltd. (“Taixing Ruitai”). In addition, the Taizhou New Chemical Materials Industry Development Group Co., Ltd., which is wholly and directly owned by the State-owned Assets Supervision and Administration Commission of Taizhou Municipal Government (“Taizhou SASAC”), has become the shareholder of Taixing Port Group Co., Ltd. (“Taixing Port Group”) and Taixing Zhongxin Investment Group Co., Ltd. since July and August 2024, respectively. As of 30 September 2025, Taixing Port Group and Taixing Ruitai held 85% and 15% shares of the Company, respectively. The Company was ultimately controlled by the Taizhou SASAC.

Rating Rationale

Credit Strengths

Important role in the economic and industrial development of Taixing EDZ. As the designated entity for state-owned asset operation and park development within Taixing City, the Company performs core functions including infrastructure construction, park construction and development, alongside a diversified business portfolio covering commodity sales, product manufacturing, and equity investments. The Company has a clearly defined business scope and has been actively participating in regional economic development in recent years through investments in industrial parks and funds, underscoring its significant regional importance

Track record of receiving government support. TXJI has a track record of receiving support from the local government in terms of capital injection, asset injections, and financial subsidies. Since its establishment, the Company has received asset injections from the local government, such as equity shares and mining rights, which has greatly improved its capital strength and broadened its business scope. Considering TXJI's important position and relationship with the local government, we expect the local government will continue to support TXJI over the next 12 to 18 months.

Credit Challenges

Moderate exposure to commercial activities. TXJI also engages in commercial activities, mainly including industrial park construction and operation, financial investment, merchandising trading, product manufacturing, as well as sand and gravel mining business. Based on our estimation, TXJI maintained a moderate commercial exposure, accounting for around 10% to 20% of its total assets.

Increasing debt burden and moderate asset liquidity. With continuous financing for construction projects, TXJI shows fast debt growth. Moreover, the Company faced increasing short-term debt pressure. Given the large capital needs from self-operated projects, we expect the Company's debt burden would further increase in the next 12 to 18 months. In addition, TXJI maintained moderate asset liquidity, and its assets mainly consisted of inventories, receivables and intangible assets.

Rating Outlook

The stable outlook on TXJI's rating reflects our expectation that, in the next 12 to 18 months, the local government's capacity to provide support will remain stable, and the Company will maintain its important position in the economic and industrial development of Taixing EDZ.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as a material reduction in exposure to commercial activities, an increase in strategic significance, or improved debt management and financing ability.



What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as reduced strategic significance, decreased government support, or deteriorated debt management.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).

Regulatory Disclosures

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http://www.ccxap.com/en/rating_services/category/6/

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