
CCXAP affirms Taizhou Medical City Holding Group Co., Ltd.'s long-term credit rating at A_g-, with stable outlook.

Hong Kong, 9 October 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Taizhou Medical City Holding Group Co., Ltd. (“TZMC” or the “Company”) at A_g-, with stable outlook.

The A_g- long-term credit rating of TZMC reflects the Taizhou Medical High-tech Zone (Gaogang District) (“TMZ”) Government’s (1) very strong capacity to provide support; and (2) extremely high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of the local government’s capacity to provide support reflects TMZ’s status as a core growth pole for Taizhou City’s industrial and economic development, with its gross regional product (“GRP”) per capita and general budgetary revenue consistently ranking first among all districts and counties in Taizhou City.

The rating also reflects the local government’s willingness to provide support, based on the Company’s (1) direct and full ownership by the Management Committee of Taizhou Medical High-tech Industrial Development Zone; (2) critical strategic role in the infrastructure construction and operation of TMZ; and (3) solid track record of receiving government support. However, the rating is constrained by the Company’s (1) relatively large risk exposure to commercial activities, primarily driven by destocking pressures from commercial real estate projects; (2) rising debt burden, with elevated short-term refinancing pressure; (3) weak asset liquidity; and (4) medium contingent liability risk.

Corporate Profile

Established in 2014, TZMC is one of the key local infrastructure investment and financing companies (“LIIFCs”) in TMZ, Jiangsu Province. In 2022, as part of the state-owned enterprise (“SOE”) reforms in Taizhou City, the Company acquired equity interests in Taizhou Huacheng Medical Investment Group Co., Ltd. (“Taizhou Huacheng”), Taizhou Oriental China Medical City Holding Group Co., Ltd. (“Taizhou Oriental”), and Taizhou Tongtai Investment Co., Ltd. (“Taizhou Tongtai”) through transfers from the local government, consolidating the three entities as its operating subsidiaries. As the designated district-level SOE, TZMC is responsible for the development, construction, and operation of infrastructure within TMZ, mainly in the Biopharmaceutical Industrial Park. It also engages in real estate development, property leasing and management, commodity trading and other commercial activities. As of 31 March 2026, the Company was wholly owned and ultimately controlled by the Management Committee of Taizhou Medical High-tech Industrial Development Zone.

Rating Rationale

Credit Strengths

Clear strategic role in the regional development of TMZ. TZMC is one of the important LIIFCs in the TMZ and has contributed significantly to the region’s urban and economic development. Under the coordination of the local government, state-owned enterprises in the

TMZ have clear operational divisions primarily according to the five functional zones. The Company focuses on the development, construction, and operation of urban industrial infrastructure in the Biopharmaceutical Industrial Park, which is a core area of the TMZ.

Access to diversified funding channels. TZMC has access to diversified funding channels, including bank loans, domestic and offshore debt issuances, and non-standard financing products. Bank loans contribute the most to the Company's total debt, accounting for around 55.8% of the total debt as of 31 March 2026. The Company maintains good relationships with policy banks and major domestic commercial banks. TZMC also has an active track record of fund-raising activities in the debt capital markets through corporate bonds, commercial paper, and medium-term notes.

Solid track record of receiving government support. Given its strategic importance to the regional development of TMZ, TZMC has received ongoing support from the local government through capital injections, equity transfers, subsidies and project repayments. Although subsidy income declined in 2025 and project settlement remained slow, we expect the Company to continue receiving support over the next 12-18 months because of its strategic role.

Credit Challenges

Relatively large risk exposure to commercial activities, primarily driven by destocking pressures from commercial real estate projects. The Company has developed a diversified portfolio comprising real estate development, property leasing and management, commodity trading and other commercial activities. Non-infrastructure businesses accounted for 62.3% of total revenue in 2025. Based on our assessment of its assets, TZMC's exposure to commercial activities remains relatively large, with related assets accounting for more than 20% of total assets. Real estate development carries relatively high risk, while property leasing and medical-related operations are more closely aligned with the local government's development plans. Overall commercial risk therefore remains moderate but elevated relative to policy-based operations.

Rising debt burden and elevated short-term refinancing pressure. TZMC's debt continued to increase amid project investment and funding needs. As of 31 March 2026, its total capitalization ratio (total debt/total capital) increased to 68.4%. Meanwhile, the Company faced relatively high short-term debt pressure as its short-term debt accounted for 48.6% of the total debt. The cash to short-term debt ratio was 0.3x. Also, TZMC's asset liquidity remains weak, with inventories and other receivables together representing 60.5% of total assets. We expect leverage to remain high over the next 12-18 months given ongoing project investments, working capital needs and external funding requirements.

Medium contingent liability risk. TZMC's external guarantees declined materially to RMB7.4 billion as of 31 March 2026, and represented 28.3% of equity. All guarantees were provided to local SOEs in Taizhou City. Although no counter-guarantee arrangements were in place, we consider the Company's contingent liability risk to be relatively manageable, given the likelihood of government support for these SOEs if needed.

Rating Outlook

The stable outlook on TZMC's rating reflects our expectation that the local government's capacity to provide support will remain stable, and that the Company will maintain its important position in the development of TMZ, over the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to provide support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to provide support, such as reduced risk exposure to commercial activities or improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to provide support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to provide support, such as a reduction in the importance of its policy role or reduced government support.

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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