

CCXAP assigns first-time long-term credit rating of A_g+ to Taizhou Guokong Investment Group Co., Ltd., with stable outlook.

Hong Kong, 30 October 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned first-time long-term credit rating of A_g+ to Taizhou Guokong Investment Group Co., Ltd. (“TGIG” or the “Company”), with stable outlook.

The A_g+ long-term credit rating of TGIG reflects Taizhou Municipal 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 Taizhou Municipal Government’s capacity to provide support reflects its established industrial base and continuous economic growth.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) status as a key state-owned asset operation entity with a clear functional mandate in Taizhou City; (2) diversified access to funding; and (3) good track record of receiving government support. However, the rating is constrained by its (1) moderate exposure to commercial activities; (2) relatively high debt burden and modest asset liquidity; and (3) large exposure to external guarantees with contingent liability risks.

Corporate Profile

Established in 2021, TGIG is one of the key municipal-level local infrastructure investment and financing companies (“LIIFCs”) in Taizhou City, Jiangsu Province. In 2023, as part of the state-owned enterprise (“SOE”) reform, Taizhou State-owned Assets Supervision and Administration Commission (“Taizhou SASAC”) transferred controlling interests in Taizhou Huaxin Pharmaceutical Investment Co., Ltd. (“Huaxin”) and Jiangsu Taizhou Port Core Port Area Investment Co., Ltd. (“Core Port”) to TGIG and injected RMB3.0 billion in cash, consolidating the two entities as key operating subsidiaries. As a key municipal-level SOE, TGIG undertakes infrastructure construction, land development, public-service facilities and industrial support in Taizhou’s new urban center, high-speed railway hub area, and Taizhou Medical High-tech Zone. It also engages in commodity sales, property leasing and sales, container-terminal operations, and other commercial activities. As of 30 June 2026, the Company was wholly owned and ultimately controlled by the Taizhou SASAC.

Rating Rationale

Credit Strengths

Important entity for state-owned asset operations in Taizhou City. TGIG is one of the most important municipal-level LIIFCs in Taizhou City and a key implementation platform for the Taizhou new urban center, high-speed railway hub area, and Taizhou Medical High-tech Zone. Through its principal subsidiaries, the Company undertakes land preparation and demolition, infrastructure and municipal utility construction, resettlement housing, public-service facilities and industrial-park development. These mandates cover several strategic development areas and closely align the Company’s operations with the municipal government’s development

plans. As of 30 June 2026, the Company's total assets reached RMB147.2 billion, ranking top among municipal-level SOEs in Taizhou City.

Diversified funding access. TGIG has access to bank loans, bonds, trusts, financial leasing and other funding products. As of 30 June 2026, bank loans accounted for over half of the Company's total debt, with the main cooperating banks covering policy banks, large state-owned and joint-stock commercial banks. As of the same date, the Company had aggregate bank facilities of RMB60.3 billion, of which RMB15.4 billion was available. Together with its subsidiaries, the Company is an active issuer in the onshore and offshore bond market. Meanwhile, outstanding non-standard financing accounted for around 20% of the total debt.

Good track record of receiving government support. TGIG has a good track record of receiving government support through capital injections, equity and asset transfers, operating subsidies and project repayments. In 2023, Taizhou SASAC injected RMB3.0 billion in cash and transferred major health-industry and port assets to the Company. Given the Company's important policy role and close relationship with Taizhou Municipal Government, we expect support to remain available when needed.

Credit Challenges

Moderate exposure to commercial activities. TGIG's commercial activities comprise commodity sales, property leasing and sales, and container terminal operations. Commercial assets, primarily investment properties, accounted for around 25.0% of the total assets. These businesses diversify revenue and provide some recurring operating income, but also expose the Company to market demand, pricing pressure, counterparty risk and working-capital requirements.

Relatively high debt burden and modest asset liquidity. TGIG's debt burden is relatively high and continued to rise. Meanwhile, short-term debt accounted for around 46.8% of the total debt and the cash-to-short-term debt remained low, representing a relatively high short-term refinancing pressure. Given the Company's relatively high reliance on external financing for debt repayments and cash flow balancing, we expect its debt level to remain elevated in the near future. Asset liquidity is modest. Inventories and other receivables together accounted for around 67.0% of total assets as of 30 June 2026.

Large exposure to external guarantees, with contingent-liability risks. TGIG's credit profile is constrained by large exposure to external guarantees. The guarantee balance was RMB23.5 billion at end-June 2026, equivalent to 49.1% of total equity. The beneficiaries were local SOEs and LIIFCs. 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 TGIG'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 role in Taizhou City and continue to receive government support, 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 a material reduced exposure to commercial activities, or improved asset liquidity and 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 material decline in its policy importance, a significant reduction in government support, or material deterioration in 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

CCXAP's Rating Symbols and Definitions are available on its website at:

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

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:

http://www.ccxap.com/en/rating_services/category/9/

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.

Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.



The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Amy Chen

Senior Credit Analyst

+852-2860 7127

amy_chen@ccxap.com

Elle Hu

Executive Director of Credit Ratings

+852-2860 7120

elle_hu@ccxap.com

Client Services: +852-2860 7111



Copyright © 2026 China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP"). All rights reserved.

No part of this publication may be reproduced, resold or redistributed in any form or by any means, without prior written permission of CCXAP.

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP's publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP's publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656