

Credit Opinion

27 March 2026

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	BBB _g +
Outlook	Stable

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Taixing Jinjiang Investment Co., Ltd.

Surveillance credit rating report

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

Summary

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.

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.

Rating Drivers

- Important role in the economic and industrial development of Taixing EDZ
- Moderate exposure to commercial activities
- Track record of receiving government support
- Increasing debt burden and moderate asset liquidity
- Diversified funding channels

Rating Sensitivities

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.

Key Indicators

	2022FY	2023FY	2024FY	2025Q3
Total Assets (RMB billion)	22.5	28.1	26.5	29.4
Total Equity (RMB billion)	12.0	12.0	11.5	11.7
Total Revenue (RMB billion)	1.9	2.3	2.7	2.5
Total Debt/Total Capital (%)	41.3	45.9	50.6	54.0

All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

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.

Exhibit 1. Revenue structure in 2024

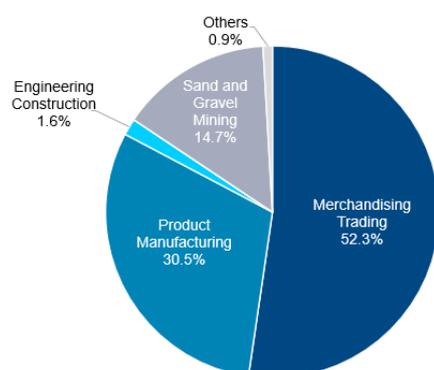
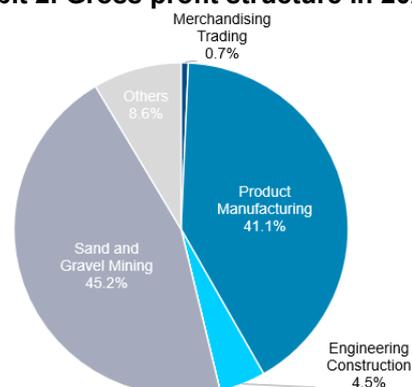
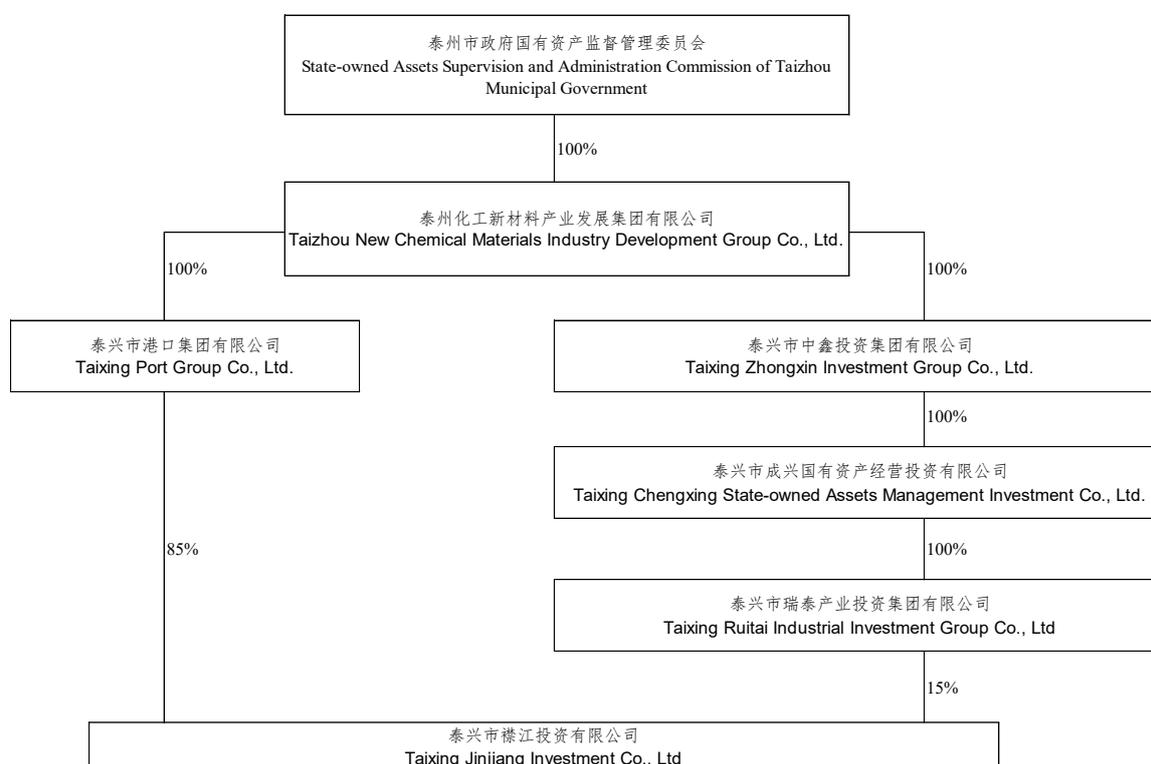


Exhibit 2. Gross profit structure in 2024



Source: Company information, CCXAP research

Exhibit 3. Shareholding chart as of 30 September 2025



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe the Taizhou Municipal Government has a very strong capacity to provide support, based on its relatively 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.

Jiangsu Province is one of the leading and well-developed provinces in China. It is home to many of the world leading enterprises of electronic equipment, chemical, and textile. Jiangsu Province is the second largest province in China by gross regional product (“GRP”), after Guangdong Province. The per capita GRP also ranked top among all provinces in China for years. In 2025, Jiangsu Province recorded a GRP of RMB14.2 trillion, with a YoY increase of 5.3%.

Taizhou City is a prefecture-level city located in the central region of Jiangsu Province, with pharmaceuticals, electricity, chemicals, and shipbuilding as its pillar industries. Over the past years, Taizhou City has achieved sustained economic growth. Taizhou City’s GRP increased to RMB725.5 billion in 2025, representing a YoY growth of 5.3%. Meanwhile, Taizhou Municipal Government’s general budgetary revenue increased steadily to RMB47.5 billion in 2025. Taizhou City also has a good fiscal balance, with a fiscal balance ratio (general budgetary revenue to general budgetary expenditure) averaging 65.8% for the past three years. As at end-2025, the outstanding debt of Taizhou Municipal Government increased to RMB155.9 billion, accounting for 21.5% of the GRP.

Exhibit 4. Key economic and fiscal indicators of Taizhou City

	2023FY	2024FY	2025FY
GRP (RMB billion)	673.2	702.1	725.5
GRP Growth (%)	6.8	5.1	5.3
General Budgetary Revenue (RMB billion)	44.0	45.3	47.5
General Budgetary Expenditure (RMB billion)	69.7	69.6	68.6
Local Government Debt (RMB billion)	107.1	131.6	155.9

Source: Taizhou Municipal Government, CCXAP research

Located in the center of Jiangsu Province and the lower reaches of the Yangtze River, Taixing City is a county-level city under the jurisdiction of Taizhou City and one of the pilot counties which are directly administered by the Jiangsu Provincial Government. Owing good natural conditions with rich mineral reserves and a natural harbor, Taixing City serves as an important port city and transportation hub in Jiangsu Province and the Yangtze River Delta Region. Taixing City has a relatively good comprehensive strength, ranking 32nd among China’s Top 100 counties in 2025, according to CCID Consulting. Benefiting from the growth in the industrial sector led by chemical, medicine, mechanical and electrical industries, and the policy to stimulate the development of emerging industries such as new chemical materials, new energy, and new food raw materials, Taixing City achieved rapid economic growth and a large economic volume. Taixing City’s GRP ranked 1st among all districts or counties in Taizhou City over the past three years. In 2025, Taixing City recorded a GRP of RMB151.7 billion, increasing by 5.4% YoY.

Taixing City has a good fiscal profile with good fiscal self-sufficiency and revenue-generating ability. In 2025, the general budgetary revenue increased to RMB10.1 billion, with tax revenue rising to RMB7.2 billion from RMB7.1 billion. At the same time, the 3-year average fiscal balance ratio was 72.2% and the 3-year average fiscal stability (tax revenue/general budgetary revenue) remained at a relatively high level of 71.7%. Government fund budget revenue is an important supplement to fiscal revenue. However, due to the sluggish land market, Taixing City’s government fund budget revenue has been on a downward trend in the past three years. As at end-2025, Taixing City Government’s outstanding direct debt increased to RMB31.9 billion.

Exhibit 5. Key economic and fiscal indicators of Taixing City

	2023FY	2024FY	2025FY
GRP (RMB billion)	143.5	146.8	151.7
GRP Growth (%)	6.5	4.2	5.4
General Budgetary Revenue (RMB billion)	9.7	10.0	10.1
General Budgetary Expenditure (RMB billion)	13.7	13.8	13.8
Local Government Debt (RMB billion)	26.7	29.8	31.9

Source: Taixing City Government, CCXAP research

Taixing EDZ was established in 1991, and was approved as a provincial-level development zone in November 1992. The total planning area is 59.8 square kilometers. It has formed high-end and special fine chemicals, new chemical materials, biological pharmaceuticals, high-end equipment (marine ship engineering) manufacturing and other industrial clusters. According to the Comprehensive Competitiveness Research on the Top 100 Chemical Parks by CCID Consulting, Taixing EDZ ranked 9th among 100 chemical parks in 2025 and has been ranked in the top ten for 12 consecutive years. Taixing EDZ plays an important role in the industrial upgrading and economic development of Taixing City and Taizhou City.

Government's Willingness to Provide Support**Important role in the economic and industrial development of Taixing EDZ**

The development of Taixing EDZ is supportive of the long-term sustainable development of TXJI. 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.

TXJI has undertaken multiple construction tasks in Taixing EDZ, adopting the entrusted construction mode and engineering construction mode. Under the entrusted construction mode, the local government authorizes Taixing Binjiang Pipe Gallery Construction Co., Ltd. ("Binjiang Construction") as the entrusting party to sign the entrustment agreements with TXJI. In February 2023, Binjiang Construction and Taixing Port Group signed an agreement that suspended the delivery and settlement of the ongoing infrastructure construction projects from January 2023. Therefore, the Company had not recognized revenue from the infrastructure construction business since 2023. As of the end of 2024, the costs of entrusted construction projects included in the Company's inventories totaled RMB4.8 billion, representing substantial capital occupation. As of 30 June 2025, the Company had no entrusted construction projects in progress, and it undertook construction activities primarily through the engineering service method, focusing on providing construction services to enterprises in the Taixing EDZ.

TXJI also shoulders the responsibilities of resettlement housing construction in Taixing EDZ. TXJI receives payments based on the actual costs plus a certain markup in return from the local government after examination of the projects. As of 30 June 2025, the Company had 1 resettlement housing project under construction with a total investment of RMB2.6 billion and an outstanding amount of RMB1.7 billion.

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.

To promote local investment attraction and industrial development, the Company participates in industrial park construction and operation through self-operation mode. Under self-operation mode, TXJI would achieve fund balancing through leasing and operating revenue from industrial parks. The Company's major completed self-built and self-operated projects comprise the Chemical Industrial Park and the New Materials Public Technology Innovation Platform, with a total investment of RMB727.0 million. Meanwhile, the Company had 1 project under construction, with a total investment of RMB500.0 million and an uninvested of RMB438.0 million, and 1 project under planning with a total investment of RMB447.0 million, bringing certain capital expenditure pressure to the Company. These projects focus on the transformation of high-tech innovation achievements in chemical industrials and new materials, which is highly related to the pillar industries of Taixing EDZ. It also helps resettled enterprises quickly achieve large-scale industrialization and commercial production, which is beneficial to local industrial development and the competitiveness of Taixing EDZ. However, the relatively large initial investment and long payback period of industrial park projects will bring relatively large financial pressure on the Company.

TXJI conducts its merchandising business through its subsidiary, which mainly engages in the sales of ethylene glycol. The Company adopts an order-driven procurement model for its commodity sales business. The settlement is made on a cash-on-delivery basis with generally no credit period. The merchandising business and product manufacturing segments contributed significantly to total revenue, accounting for 52.3% in 2024. The gross profit margin of the merchandising business decreased from 0.4% in 2023 to 0.1% in 2024, while the product manufacturing business had a relatively high gross profit margin of 12.3% in 2024. However, these businesses face relatively high concentration risk, as the top 5 customers and suppliers accounted for over 80% of sales and procurement in 2024.

TXJI started recording income from sand and gravel mining in 2023, with the sand mining rights transferred from the local government. The Company sells the extracted sand and gravel materials to developers and construction companies in Taizhou City and its surrounding areas. This segment provides supplementary income to the Company's overall revenue, amounting to RMB389.6 million and representing 14.7% of the total revenue in 2024. However, its future revenue and profitability are susceptible to fluctuations due to changes in downstream market demand and the economic environment.

TXJI is also involved in the financial investment to attract investment and promote industrial optimization and upgrading in Taixing EDZ through fund investments and equity investments. The Company's investments mainly focus on high-end equipment manufacturing industry, biomedical and high-performance medical device industry, chemical and new material industry, as well as supporting facilities and services in the industrial parks. During 2024 and the first three quarters of 2025, the Company recorded investment income of RMB-10.1 million and RMB67.3 million, respectively. The returns of these investments are subject to the operation risk and financial performance of the investees, in our view.

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. In addition, from 2024 to 2025Q3, the Company received ongoing subsidies for

carrying out policy-support activities such as infrastructure construction projects, with a total amount of approximately RMB2.6 million. In 2024, the Management Committee of Taixing EDZ waived the Company's payables of RMB2.2 billion from previous years and transferred the amount to capital reserves. 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.

Increasing debt burden and moderate asset liquidity

With continuous financing for construction projects, TXJI shows fast debt growth. As of 30 September 2025, the Company's total debt increased to RMB13.7 billion from RMB11.8 billion in 2024, with a total capitalization ratio of 54.0%. Moreover, the Company faced increasing short-term debt pressure. Over the same period, TXJI's short-term debt increased to RMB6.0 billion from RMB5.6 billion, accounting for 44.0% of the total debt. At the same time, the cash to short-term debt ratio maintained at around 0.8x. 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.

TXJI maintained moderate asset liquidity, and its assets mainly consisted of inventories, receivables and intangible assets. As of 30 September 2025, its inventories accounted for 21.0% of total assets, mainly consisting of land and infrastructure construction project costs. In addition, the Company's accounts receivables and other receivables mainly consisted of transactions with other state-owned enterprises, accounting for 7.7% of total assets. The intangible assets, mainly the sand mining rights transferred from the government, accounted for 18.3%. Furthermore, the Company had pledged assets of RMB5.5 billion for loans, accounting for 18.7% of total assets as of 30 September 2025.

Diversified funding channels

TXJI maintains a diversified access to funding. Bank loans are the main source of financing, accounting for more than 70.0% of the total debt as of 30 September 2025. The Company's total bank credit facilities amounted to RMB8.5 billion and the available portion was RMB2.2 billion, most of which were provided by large state-owned joint-stock commercial banks and urban commercial banks such as Bank of China and Bank of Jiangsu. As of 30 September 2025, TXJI's exposure to non-standard financing had declined to around 25.0% of the total debt, primarily comprising financial leasing and trust loans, which are typically characterized by relatively high costs and short tenors. Furthermore, the Company has accessed the offshore debt market since 2022. In 2025, the Company issued two tranches of 3-year offshore bonds for refinancing purposes, raising JPY4.1 billion and USD34.0 million, with coupon rates of 3.6% and 5.5%, respectively.

ESG Considerations

TXJI is exposed to environmental risks because it has undertaken the construction business. Such risks could be moderated by conducting environmental studies and planning before the commencement of projects, as well as close supervision during the construction phase.

TXJI is also exposed to social risks as it implements public-policy initiatives by building public infrastructure in Taixing City. Demographic changes, public awareness and social priorities shape the government's development strategy, or affect the government's propensity to support the Company.

In terms of corporate governance, TXJI's governance considerations are also material as the Company is subject to local government oversight and reporting requirements, reflecting its public-policy role and status as a government-owned entity.

Rating Methodology

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

Appendix

Exhibit 6. Peer comparison

	Taixing City Investment Development Group Co., Ltd.	Taixing Jinjiang Investment Co., Ltd.
Long-Term Credit Rating	BBB _g +	BBB _g +
Shareholder	Jiangsu Pingzhong Technology Development Group Co., Ltd. (100%)	Taixing Port Group Co., Ltd. (85%) and Taixing Ruitai Industrial Investment Group Co., Ltd. (15%)
Positioning	Core entity in the infrastructure construction and public activities of Taixing City	Key role in state-owned asset operation and park development of Taixing City, especially in Taixing EDZ
Total Assets (RMB billion)	86.4	29.4
Total Equity (RMB billion)	31.2	11.7
Total Revenue (RMB billion)	4.1	2.5
Total Debt/Total Capital (%)	60.6	54.0

All ratios and figures are calculated using CCXAP's adjustments based on financial data in 2025Q3.

Source: Company information, CCXAP research

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