

Jiangsu Runxin City Investment Group Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB’ global scale Long-term Issuer and Issuance Credit Rating of Jiangsu Runxin City Investment Group Co., Ltd. (“JRCI” or “the company”); Issuer Rating Outlook Stable

Summary

Issuer Rating	BBB
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	19 November 2025

Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Suining County (“Suining government”) would provide very strong support to JRCI if needed. This mainly considers Suining government’s indirect full ownership of JRCI and the company’s strategic importance as the most important infrastructure construction and city operation platform in Suining. The linkage between the local government and JRCI is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, the local government may face significant negative impact on its reputation and financing activities if JRCI encounters any operational and financial difficulties.

Suining County is under the administration of Xuzhou, Jiangsu province. Suining’s GDP grew steadily by 7.4% to RMB77.2 billion in 2024, while the budgetary revenue totaled RMB4.3 billion.

The Stable Outlook reflects our expectation that JRCI’s strategic importance would remain intact while the local government will continue to ensure JRCI’s stable operation.

Lianhe Global has also affirmed ‘BBB’ global scale Long-term Issuance Credit Rating of senior unsecured green bonds issued by JRCI at the same time. A full list of affirmed issuance rating is included in this report.

Rating Rationale

Government’s Ownership and Supervision: The Suining government holds 100% ownership of JRCI through Suining County State-owned Assets Management Service Center (“Suining SAMSC”), and is the actual controller of the company. The Suining government has the final decision-making authority and supervision over the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Suining government has assessment mechanism over the company and appoints auditors to supervise the operating performance and financials on a periodic basis.

Strategic Importance and Strategic Alignment: JRCI, as the most important LIDC in Suining, is mainly responsible for the infrastructure construction in Suining. Besides, the company also engages in land development, affordable housing construction, projects construction, grain and commodity sales and other businesses. JRCI plays an important role in promoting the economic and social development of the region. Its business operation and strategic planning have been aligned with the government’s development plans.

Ongoing Government Support: The local government provided ongoing support to JRCI. The local government injected cash, equity of local SOEs and other assets into JRCI between 2022 and 2024, enhancing its equity base from RMB31.3 billion at end-2022 to RMB36.9 billion at end-2024. The company also received operational subsidies totaling RMB551.6 million in 2024 and RMB142.8 billion in the first six months of 2025, respectively.

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Applicable Criteria

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

We expect JRCI to receive ongoing support from the Suining government in future considering its strategic importance in Suining.

JRCI's Financial Matrix and Liquidity Position: JRCI's asset size grew steadily to RMB86.1 billion at end-June 2025 from RMB67.5 billion at end-2022, largely attributed to the company's active participation in Suining's project development. The company heavily relied on borrowings to fund its asset expansion. Its total debt also expanded to RMB35.0 billion from RMB20.4 billion over the same period. Its financial leverage, as measured by the debt to capitalization ratio, increased to 48.8% at end-June 2025 from 39.5% at end-2022.

JRCI's short-term debt repayment pressure was moderately weak. At end-June 2025, the company had unrestricted cash of RMB4.7 billion, compared with debts due within one year of RMB7.7 billion. Yet JRCI has access to various financing channels, including bank borrowings, onshore and offshore bond issuances, and other non-traditional financings, to support its debt repayments and business operations. At end-June 2025, the company had total credit lines of RMB40.4 billion, with unused credit lines of RMB11.3 billion.

Rating Sensitivities

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

We would consider upgrading JRCI's rating if there is an upgrade in our internal credit assessment on the Suining government.

Any action on JRCI's rating would result in a similar rating action on its senior unsecured bonds.

Full List of Issuance Rating

- CNY307 million 4.98% senior unsecured green bonds due 2027 affirmed at 'BBB'

Operating Environment

Economic Condition of Suining

Suining recorded a GDP of RMB77.2 billion in 2024. The county's GDP growth rebounded to 7.2 % in 2023 from 0.4 % in 2022 after the COVID-19 downturn, then increased steadily to 7.4 % in 2024. Its GDP was ranked 6th among all jurisdictions of Xuzhou. The economy of Suining was mainly boosted by the secondary and tertiary industries, which accounted for 37.5% and 47.1% of GDP in 2024, respectively. Growth in fixed asset investment accelerated to 8.1% in 2024, up from 5.4% in 2023.

Suining County's Economic Condition			
(RMB billion)	2022	2023	2024
GDP	68.3	70.8	77.2
-Primary industry (%)	17.2	16.6	15.4
-Secondary industry (%)	39.4	38.9	37.5
-Tertiary industry (%)	43.4	44.5	47.1
GDP growth rate (%)	0.4	7.2	7.4
Fixed asset investment growth rate (%)	0.2	5.4	8.1
Population (million)	1.1	1.1	1.1

Source: Statistical Bureau of Suining County and Lianhe Global's calculations

Fiscal Condition of Suining County

The Suining government's budgetary revenue decreased to RMB4.3 billion in 2024 from RMB4.4 billion in 2023, mainly due to the reduction in revenue from administrative and institutional fees and the usage fee of state-owned assets. Its fiscal balance shows a deteriorated trend with the budget deficit expanding from 152.6% to 162.0%. The transfer payments declined from RMB6.2 billion in 2023 to RMB5.7 billion in 2024. Also, the Suining government's government-fund income reduced to RMB3.5 billion from RMB6.1 billion over the same period, mainly due to the downturn in the property market.

The outstanding debt of the Suining government kept growing in past few years. At end-2024, the Suining government's outstanding debt increased to RMB18.3 billion from RMB16.5 billion at end-2023, mainly due to the issuance of special debts to support local public projects. Its government debt ratio, as measured by the total government debt/aggregate revenue, was up to 133.3% at end-2024 from 98.4% at end-2023.

Suining County's Fiscal Condition

(RMB billion)	2022	2023	2024
Budgetary revenue	4.4	4.4	4.3
Budgetary revenue growth rate (%)	-1.0	4.7	-2.0
Tax revenue	2.9	3.5	3.5
Tax revenue (% of budgetary revenue)	66.3	79.5	81.7
Government fund income	7.7	6.1	3.5
Transfer payment	6.1	6.2	5.7
Aggregate revenue	18.2	16.7	13.7
Budgetary expenditure	10.9	11.2	11.4
Budget balance ¹ (%)	-145.3	-152.6	-162.0
Government debt ratio (%)	81.1	98.3	133.3

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

Source: Finance Bureau of Suining County, Statistical Bureau of Suining County and Lianhe Global's calculations

Company Profile

JRCI was established in May 2016 with an initial registered capital of RMB200 million. The Suining government holds 100% ownership of JRCI through Suining SAMSC, and is the actual controller of the company. After an array of capital injections, JRCI's paid-in capital was enlarged to RMB830 million at the end of June 2025.

JRCI is mainly responsible for the infrastructure construction business within the region, with regional franchises advantage. JRCI plays an important role in promoting the economic and social development of the region. Its business operation and strategic planning have been aligned with the government's development plans. The company also engaged in land development, affordable housing construction, projects construction, grain and commodity sales and other businesses. JRCI realized total revenue of RMB3.1 billion, 3.9 billion, 4.3 billion and 2.0 billion in 2022, 2023, 2024 and the first half of 2025, respectively, with a decent gross margin between c. 8%-16%.

Key Financial Data

(RMB million)	2022	2023	2024	2025.6
Total Assets	67,521	78,508	81,233	86,130
Equity	31,316	34,378	36,856	36,751
Debt	20,413	26,491	29,503	34,960
Debt / (Debt + Equity) (%)	39.5	43.5	44.5	48.8
Unrestricted cash/ST Debts (x)	0.3	0.5	0.2	0.6
Debt/EBITDA (x)	23.0	33.4	39.6	-



Revenue	3,071	3,875	4,316	1,951
Operation Profit	499	473	223	124
Gross Margin (%)	15.8	13.0	8.0	11.8
Cash from sales or services/ Revenue (%)	118.3	83.5	63.7	59.5
<i>Source: JRCI and Lianhe Global's calculations</i>				

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