

Jurong Rongfeng Construction Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Jurong Rongfeng Construction Co., Ltd. (“JRC”); Issuer Rating Outlook Stable

Summary

Issuer Rating	BBB-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	8 June 2026

Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Jurong City, Zhenjiang City (“Jurong government”) would provide strong support to JRC if needed, in light of its full ownership of JRC, JRC’s strategic importance as the key local investment and development company (“LIDC”) responsible for engineering construction in Jurong City, Zhenjiang City (“Jurong”), and the linkage between the Jurong government and JRC, including supervision of the management and major investment and financing decisions, strategic alignment, and ongoing operational and financial support. In addition, we believe the local government has a strong willingness to ensure JRC’s business and financial viability in order to safeguard its reputation and local financing activities.

Jurong is a county-level city under the administration of Zhenjiang City. Its GDP grew by 5.0% year-over-year to RMB84.1 billion in 2025, while its budgetary revenue remained stable at RMB5.0 billion over the same period.

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

Rating Rationale

Government’s Ownership and Supervision: The Jurong government indirectly holds the full ownership of JRC through the Finance Bureau of Jurong City’s (“Jurong FB”) fully-owned subsidiary, Jiangsu Jurong Investment Group Co., Ltd. (“JJIG”). The Jurong government is the actual controller and has the final decision-making authority and supervision of the company, including management appointment, strategic plans and investment and funding decisions. In addition, the Jurong government has assessment mechanism over the company and appoints auditors to supervise its operating performance and financial position on a periodic basis.

Strategic Importance and Alignment: JRC is an important LIDC responsible for the construction and development of infrastructure projects in Jurong and plays an important role in promoting the economic and social development of Jurong. Over the years, JRC has undertaken a number of infrastructure construction projects, including shantytown redevelopment and ecological rehabilitation projects, with strong regional advantage. JRC also engages in other businesses, including property development and leasing.

Ongoing Government Support: JRC received ongoing government support, including the injections of equity assets and subsidies to support its business operation. As a key entity for engineering construction and property development in Jurong, we believe JRC owns the advantage in acquiring related resources and projects, while government support will remain intact to ensure its business operation and development.

JRC’s Financial Matrix and Liquidity: JRC’s total assets decreased to RMB13.3 billion at end-2025 from RMB14.8 billion at end-2024, mainly due to the drop in inventories and receivables. Its assets remained concentrated in inventories, long-term equity investments and investment properties as of end-2025, constraining its overall liquidity. JRC’s financial

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Applicable Criteria

[China Local Investment and Development Companies Criteria \(31 July 2025\)](#)

leverage, as measured by the debt to capitalization ratio, decreased to 44.4% at end-2025, the lowest level in the past three years. However, its short-term debt servicing pressure was moderately high. At end-2025, JRC had a cash balance of RMB511 million (including restricted cash of RMB378 million), compared with its debt due within one year of RMB1.5 billion. That said, JRC has access to various financing channels, such as bank borrowings, bond issuance and non-traditional financing, to support its debt repayment and business operations.

Rating Sensitivities

We would consider downgrading JRC'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 JRC, or (3) there is a downgrade in our internal credit assessment on the Jurong government.

We would consider upgrading JRC's rating if (1) there is strengthened support from the local government, or (2) there is an upgrade in our internal credit assessment on the Jurong government.

Operating Environment

Economic Condition of Jurong

Jurong is a county-level city in the southwestern of Jiangsu Province located on the southern bank of the Yangtze River, which is the highly developed Yangtze Delta region of China. Jurong is well connected to neighboring cities and situated within the Nanjing Metropolitan Area, thus serving as an important transportation hub within Jiangsu Province.

Jurong's GDP amount reached RMB84.1 billion in 2025, representing a year-over-year growth of 5.0%, down from 5.3% in 2024. Jurong's economic growth was primarily driven by the secondary and tertiary sectors, which contributed 43.7% and 48.9% to the GDP in 2025, respectively. In addition, Jurong's fixed asset investment dropped by 18.5% year-over-year in 2025, compared with a growth of 1.5% in 2024.

Jurong's Economic Condition			
(RMB billion)	2023	2024	2025
GDP	79.2	81.5	84.1
-Primary industry (%)	4.1	7.3	7.5
-Secondary industry (%)	44.0	44.0	43.7
-Tertiary industry (%)	48.6	48.7	48.9
GDP growth rate (%)	5.5	5.3	5.0
Fixed asset investment growth rate (%)	-0.4	1.5	-18.5
Population (million)	0.6	0.6	0.6*

* Estimated data
 Source: Statistical Bureau of Jurong and Lianhe Global's calculations

Fiscal Condition of Jurong

Jurong's budgetary revenue grew slightly by 0.4% year-over-year to RMB5.0 billion in 2025, with the contribution of tax revenue remaining broadly stable at 70.8%. Fiscal self-sufficiency of the Jurong government remained stable, with its budget deficit widening slightly to 61.0% in 2025 from 59.6% in 2024. In addition, the government fund income declined to RMB9.0 billion in 2025 from RMB10.3 billion in 2024.

The outstanding debt of the Jurong government increased further to RMB30.5 billion at end-2025 from RMB27.6 billion at end-2024, mainly due to the issuance of special-purpose

bonds to support local public projects as well as for local debt resolution. As a result, its government debt ratio, as measured by total government debt to aggregate revenue, rose to 181.2% from 158.1% over the same period.

Jurong's Fiscal Condition (RMB billion)	2023	2024	2025
Budgetary revenue	5.0	5.0	5.0
Budgetary revenue growth rate (%)	25.7	0.1	0.4
Tax revenue	3.6	3.6	3.6
Tax revenue (% of budgetary revenue)	71.2	70.9	70.8
Government fund income	11.1	10.3	9.0
Transfer payment	2.4	2.2	2.4
Aggregate revenue	18.5	17.4	16.9
Budgetary expenditure	8.3	8.0	8.1
Budget balance ¹ (%)	-65.8	-59.6	-61.0

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

Source: Financial Bureau of Jurong and Lianhe Global's calculations

Company Profile

JRC was established in May 2019 with an initial registered capital of RMB40 million, funded by Taizhou Sulu Construction Engineering Co., Ltd. After an array of equity transfers, JJIG became the sole shareholder of the company, and the Jurong FB is the ultimate controller. JRC's registered and paid-in capital were both RMB60 million at end-2025.

JRC is designated to carry out the Jurong government's blueprint for urban development in Jurong since its establishment. As an important LIDC in Jurong, JRC is mainly responsible for engineering construction and property development within the region. Engineering construction and property sales were its primary revenue sources in recent years. The company's total revenue decreased to RMB211 million in 2025 from RMB365 million in 2024, while its gross margin was elevated to 11.7% from 5.0% over the same period.

Key Financial Data (RMB million)	2023	2024	2025
Total Assets	12,832	14,774	13,338
Equity	3,727	3,779	3,804
Debt	3,259	3,590	3,040
Debt / (Debt + Equity) (%)	46.6	48.7	44.4
Unrestricted cash/ST Debts (x)	0.2	0.1	0.1
Debt/EBITDA (x)	42.6	50.3	45.5
Revenue	279	365	211
Operation Profit	62	57	53
Gross Margin (%)	7.4	5.0	11.7
Cash from sales or services/ Revenue (%)	186.7	49.9	676.0

Source: JRC and Lianhe Global's calculations

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