



Changsha Jinzhou New City Investment Holding Group Co., Ltd.

Summary

Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	17 December 2025

Lianhe Ratings Global Limited ("Lianhe Global") has affirmed 'BBB+' global scale Long-term Issuer and Issuance Credit Rating of Changsha Jinzhou New City Investment Holding Group Co., Ltd. ("CJNCI"); Issuer Rating Outlook Stable.

Summary

The Issuer Credit Rating reflects a high possibility that the People's Government of Changsha City, Hunan Province ("Changsha government") would provide moderately strong support to CJNCI if needed, in light of its controls over CJNCI through its representative office, The Ningxiang Economic and Technological Development Zone Management Committee ("Ningxiang EDZ MC"), CJNCI's strategic importance as the key local investment and development company ("LIDC") that is responsible for infrastructure construction and state-owned asset operation in Ningxiang Economic and Technological Development Zone ("Ningxiang EDZ"), and the linkage between the Changsha government and CJNCI, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Changsha government and Ningxiang EDZ MC may face negative impact on its reputation and financing activities if CJNCI encounters any operational and financial difficulties.

Changsha is the capital city of Hunan Province. In 2024, Changsha's GDP grew steadily by 5.0% to RMB1,526.9 billion, while its budgetary revenue increased by 6.0% to RMB126.5 billion.

The Stable Outlook reflects our expectation that CJNCI strategic importance would remain intact while the Changsha government will continue to ensure CJNCI's stable operation.

Lianhe Global has also affirmed 'BBB+' global scale Long-term Issuance Credit Rating of the senior unsecured CNY bonds issued by CJNCI at the same time. A full list of affirmed issuance rating is included in this press release.

Rating Rationale

Government's Ownership and Supervision: Ningxiang EDZ MC, as the representative office of the Changsha government and the de facto local government of Ningxiang EDZ, indirectly holds the full ownership of CJNCI through Changsha Jinzhou New Town Industrial Investment Group Co., Ltd. ("CJNTI"). It has the final decision-making authority. The Changsha government supervises the company through Ningxiang EDZ MC, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Changsha government and Ningxiang EDZ MC have assessment mechanism over the company and supervise the operating performance and financial position on a periodic basis.

Strategic Importance of CJNCI to Changsha: CJNCI remained as the key LIDC in Changsha City, Hunan Province ("Changsha"). It is primarily responsible for the investment, development and operation of infrastructure projects and land consolidation within Ningxiang EDZ. Serving as the key entity in charge of infrastructure related projects and

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Applicable Criteria

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

state-owned asset management throughout the entire region, CJNCI mainly engaged in resettlement housing construction, urban renewal, road and pipeline construction and improvement, water conservancy and sewage treatment projects and other infrastructure projects with strong regional advantages. CJNCI plays an important role in promoting the economic and social development of the region. Its business operation and development have been aligned with the government's development plans.

Ongoing Government Support: CJNCI has received support from the local government for its business operation, including capital injection, financial subsidies, allocation of land resources or state-owned assets and guidance in its daily management. Meanwhile, as the key state-owned entity for transportation related infrastructure construction in Ningxiang EDZ, CJNCI has certain advantages in project and resource acquisition. CJNCI also received financial subsidies from the local government to maintain its business operation, totalling to amount of RMB436.9 million from 2022 to the first six months of 2025. We believe CJNCI is likely to receive government support to support its daily business operation and transportation and water conservancy related infrastructure construction.

Financial Positions of CJNCI: CJNCI's total assets showed an increasing trend in the past few years and reached RMB52.1 billion at end-June 2025. The company mainly relied on borrowings to fund its asset expansion. Its total adjusted debt increased to RMB27.1 billion at end-September 2025 from RMB23.7 billion at end-2023. The company's financial leverage, as measured by debt/capitalization, decreased from 55.9% to 53.5% over the same period due to ongoing capital injections from the local government. The current assets accounted for around 87.0% of CJNCI's total assets at end-June 2025, and were mainly composed of inventories and receivables, indicating a relatively weak liquidity.

CJNCI's short-term debt servicing pressure is moderately high. At end-June 2025, the company's short-term debt totaled about RMB4.6 billion, compared with RMB2.2 billion of cash on hand. Yet CJNCI retains access to a range of funding channels, including bank borrowings, bond issuance and non-traditional financing. The company had a total unused credit facility of RMB10.0 billion at end-2024.

Rating Sensitivities

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

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

Any rating action on CJNCI's rating would result in a similar rating action on its CNY bonds.

Full List of Issuance Ratings

- CNY500 million 4.99% senior unsecured bonds due 2027 affirmed at 'BBB+'

Operating Environment

Economic Condition of Changsha

Changsha is the capital city of Hunan. It has fostered three flagship industrial chains (engineering machinery, advanced energy storage materials, and next-gen independent secure computing systems) as well as two competitive industrial clusters (covering food and



agricultural processing, and biomedicine and life health). These industrial advances have strongly boosted Hunan Province's overall industrial development.

Changsha's economy maintained stable growth in the past few years and its GDP reached RMB1,526.9 billion in 2024, representing a year-on-year growth of 5.0% (2023: 4.9%). Changsha's economic growth was mainly fueled by secondary and tertiary industries, which accounted for 35.7% and 61.1% of GDP in 2024, respectively. The GDP per capita of Changsha was RMB143,820 in 2024, demonstrating an upward trend.

As a national-level integrated industrial park formed by merging Ningxiang Economic and Technological Development Zone and High-tech Zone in 2025, Ningxiang EDZ has built a distinctive industrial system with advanced energy storage, equipment manufacturing and food processing as leading sectors, owns over 1,000 and made it to the top 60 of China's advanced manufacturing parks in 2025.

Changsha's GDP and Fixed Asset Investment			
(RMB billion)	2022	2023	2024
GDP	1358.8	1451.8	1526.9
-Primary industry (%)	3.2	3.1	3.2
-Secondary industry (%)	40.0	35.7	35.7
-Tertiary industry (%)	56.8	61.2	61.1
GDP growth rate (%)	4.2	4.9	5.0
Fixed asset investment growth rate (%)	5.1	-6.8	2.3
Population (million)	10.4	10.5	10.6

Source: Financial Bureau of Changsha, statistical bureau of Changsha and Lianhe Global's calculations

Fiscal Condition of Changsha

The budgetary revenue of the Changsha government increased to RMB126.5 billion in 2024 from RMB122.7 billion in 2023, representing a growth of 6.0%, with the contribution of tax revenue declining to 62.2% from 66.9% over the same period. The fiscal self-sufficiency rate of the Changsha government improved in 2024, with the budget deficit narrowing to 31.6%, compared with 32.6% in 2023. Besides, the government fund income continued to show a decreasing trend, recording RMB57.7 billion in 2024, down from RMB90.3 billion in 2023.

The outstanding debt of the Changsha government kept growing in past few years. At end-2024, the Changsha government's outstanding debt increased to RMB321.2 billion from RMB305.0 billion at end-2023, mainly due to the issuance of special purpose bonds to support local infrastructure and public projects. Besides, its government debt ratio, as measured by the total government debt to aggregate revenue, increased to 138.5% at end-2024 from 119.3% at end-2023.

Changsha's Fiscal Condition			
(RMB billion)	2022	2023	2024
Budgetary revenue	120.2	122.7	126.5
Budgetary revenue growth rate (%)	8.0	7.0	6.0
Tax revenue	85.3	82.1	78.7
Tax revenue (% of budgetary revenue)	71.0	66.9	62.2
Government fund income	111.2	90.3	57.7
Transfer payment	39.7	42.5	46.2
Aggregate revenue	272.2	255.7	231.9
Budgetary expenditure	156.6	162.7	166.4
Budget balance ¹ (%)	-30.3	-32.6	-31.6
Government debt ratio (%)	105.4	119.3	138.5

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

Source: Financial Bureau of Changsha, statistical bureau of Changsha and Lianhe Global's calculations

Company Profile

CJNCI was established in March 2017 with an initial registered capital of RMB3.3 billion, funded by Ningxiang High-tech Industrial Development Zone Management Committee. On 2 September 2025, the company's shareholder was adjusted to Ningxiang EDZ MC. On 9 October 2025, according to the company's shareholder resolution and articles of association, the 100% equity of the company held by Ningxiang EDZ MC was transferred free of charge to CJNTI. At end-November 2025, CJNCI had a shareholding structure in which the CJNTI, as the sole shareholder, held 100% of the company's equity. The actual controller remains Ningxiang EDZMC, with the paid-in capital recording at RMB3.685 billion at end-June 2025.

As the key LIDC in Ningxiang EDZ, CJNCI is mainly responsible for infrastructure construction and state-owned assets operation within the region, with a strong regional advantage. The primary sources of operating revenue for CJNCI are engineering construction and land consolidation, while it also engaged in merchandise sales, house rental, land sales, property management, sewage treatment, house sale and transportation services. The company realized revenue of RMB2.6 billion, RMB2.6 billion, RMB2.6 billion and RMB1.3 billion in 2022, 2023, 2024 and the first six months of 2025, respectively. The overall gross profit margin has remained stable between 24%-36% over the past years.

Key Financial Data

(RMB million)	2022	2023	2024	6M2025
Total Assets	41,300	45,800	50,379	52,088
Equity	16,776	18,710	23,337	23,486
Debt	21,258	23,716	25,377	27,053
Debt / (Debt + Equity) (%)	55.9	55.9	52.1	53.5
Unrestricted cash/ST Debts (x)	0.2	0.3	0.2	0.5
Debt/EBITDA (x)	35.5	31.6	40.5	-
Revenue	2,605	2,596	2,647	1,288
Operation Profit	280	368	427	135
Gross Margin (%)	23.5	26.0	26.4	35.7
Cash from sales or services/ revenue (%)	95.9	84.2	84.2	105.4

Source: The company and Lianhe Global's calculations

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