

## Zhengzhou Jinshui Holdings Group Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB+’ global scale Long-term Issuer and Issuance Credit Rating of Zhengzhou Jinshui Holdings Group Co., Ltd. (“ZJHG”); Issuer Rating Outlook is Stable.

### Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Jinshui District (“Jinshui government”) would provide strong support to ZJHG if needed. This mainly considers its indirect full ownership of ZJHG and ZJHG’s strategic importance as an important local investment and development company (“LIDC”) that is responsible for resettlement housing development and infrastructure construction in Jinshui District (“Jinshui”). In addition, the linkage between the Jinshui government and ZJHG is strong, including management supervision, strategic alignment, and ongoing operational and financial support. We believe that the local government has a strong willingness to ensure ZJHG’s business and financial viability in order to safeguard its reputation and local financing activities.

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

Jinshui is a district under the jurisdiction of Zhengzhou, Henan Province, and located in the northeastern part of Zhengzhou’s main urban area. In 2025, Jinshui’s GDP reached RMB 227.2 billion, representing a year-over-year growth rate of 4.5%, while its budgetary revenue was recorded at RMB10.7 billion.

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

### Rating Rationale

**Government’s Ownership and Supervision:** The Jinshui government indirectly holds the full ownership of ZJHG via the Jinshui Finance Bureau and Henan Jinshui Investment Management Company Limited. The Jinshui government has the final decision-making authority and supervision over the company, including appointment and supervision of the senior management, strategy alignment and major investment and financing plan decisions, etc. In addition, the Jinshui government has formulated a performance assessment mechanism for the company and appoints auditors to review the company’s operating performance and financial position.

**Strategic Importance and Alignment:** ZJHG, as the most important LIDC in Jinshui, is mainly responsible for resettlement housing development and infrastructure construction within the region. The company also engages in properties sales, infrastructure construction, leasing, parking service, property management service, etc. It 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:** ZJHG continued to receive financial subsidies and asset/capital injections from the local government to support its business operations. We believe the government support will remain intact given the company’s strategic importance in Jinshui. In 2025, ZJHG received various form of financial support, including financial

### Summary

Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	11 May 2026

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### Applicable Criteria

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

subsidies and asset injection, with the total amount of RMB1.7 billion from the local government.

**ZJHG's Financial and Liquidity Position:** ZJHG's total assets increased to RMB24.0 billion at end-2024 from RMB21.3 billion at end-2023, and further expanded to RMB31.8 billion at end-2025. The company's total debt grew significantly to RMB11.6 billion from RMB7.9 billion over the same period, and continued to rise sharply to RMB16.9 billion at end-2025. Its financial leverage, as measured by the debt to capitalization ratio, increased notably to 69.1% at end-2025 from 47.8% at end-2023.

The short-term debt servicing pressure of ZJHG was high. At end-2025, the company had cash balance of RMB2.7 billion (including restricted cash of RMB0.2 billion) and unused credit facilities of RMB2.2 billion, while its debt due within one year was RMB3.8 billion. However, the company has access to various financing channels, including bank borrowings, bond issuances and non-traditional financing, to support its debt repayments and business operations.

## Rating Sensitivities

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

We would consider upgrading ZJHG'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 Jinshui government.

## Full List of Issuance Ratings

A full list of issuance ratings is included below. Any rating action on ZJHG rating would result in a similar rating action on its bonds:

- USD200 million 6.80% senior unsecured bonds due 2028 affirmed at 'BBB+'

## Operating Environment

### Economic Condition of Jinshui

Jinshui's GDP grew by 4.5% to RMB227.2 billion in 2025, accelerating from 3.1% growth in 2024. In 2025, the local economy continued its structural shift toward the tertiary sector, which rose to 89.9% of total GDP from 87.9% in 2024, while the secondary industry declined to 10.1% from 12.1% over the same period. Meanwhile, the fixed asset investment growth rate accelerated to 6.6% in 2025, compared with 5.0% in 2024.

Jinshui's Economic Condition			
(RMB billion)	2023	2024	2025
GDP	205.8	218.5	227.2
-Primary industry (%)	0.0	0.0	0.0
-Secondary industry (%)	11.3	12.1	10.1
-Tertiary industry (%)	88.7	87.9	89.9
GDP growth rate (%)	6.7	3.1	4.5
Fixed asset investment growth rate (%)	12.1	5.0	6.6
Population (million)	1.6	1.6	1.6

Source: Statistical Bureau of Jinshui and Lianhe Global's calculations

## Fiscal Condition of Jinshui

Jinshui's budgetary revenue grew by 2.7% to RMB10.7 billion in 2025, recovering from contractions of 3.6% in 2024 and 4.0% in 2023. The tax revenue ratio declined to 86.7% in 2025 from 91.0% in 2024, though remaining at a high level. Government fund income increased to RMB0.09 billion in 2025.

The outstanding debt of the Jinshui government increased to RMB9.4 billion at end-2025, from RMB6.9 billion at end-2024, mainly due to the new issuance of special-purpose debts. As a result, its government debt ratio, as measured by total government debt to aggregate revenue, increased to 36.7% from 27% over the same period.

<b>Jinshui's Fiscal Condition (RMB billion)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Budgetary revenue	11.0	10.6	10.7
Budgetary revenue growth rate (%)	-4.0	-3.6	2.7
Tax revenue	9.8	9.6	9.3
Tax revenue (% of budgetary revenue)	89.2	91.0	86.7
Government fund income	0.0	0.0	0.0
Transfer payment	12.6	14.9	-
<b>Aggregate revenue</b>	<b>26.7</b>	<b>25.5</b>	<b>25.7</b>
Budgetary expenditure	5.2	5.7	7.2
Budget balance <sup>1</sup> (%)	53.0	46.3	32.5
Government debt ratio (%)	22.2	27.0	36.7

<sup>1</sup> Budget balance = (1 - budgetary expenditure / budgetary revenue) \* 100%

Source: Finance Bureau of Jinshui and Lianhe Global's calculations

## Company Profile

ZJHG, as one of the most important LIDC in Jinshui, is mainly responsible for resettlement housing development and infrastructure construction within the region. The company also engages in properties sales, infrastructure construction, leasing, parking service, property management service, etc. ZJHG recorded total revenue of RMB1,126 million, RMB888 million and RMB1,927 million in 2023, 2024 and 2025, respectively, reflecting significant volatility. Gross profit margin normalized at 28.6% in 2025, compared to 50.7% in 2024 and 26.0% in 2023.

<b>ZJHG's Key Financial Data (RMB million)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Total Assets	21,313	24,037	31,784
Equity	8,649	7,227	7,557
Debt	7,934	11,623	16,926
Debt / (Debt + Equity) (%)	47.8	61.7	69.1
Unrestricted cash/ST Debts (x)	0.1	0.1	0.7
Debt/EBITDA (x)	42.7	32.2	41.3
Revenue	1,126	888	1,927
Operation Profit	45	149	46
Gross Margin (%)	26.0	50.7	28.6
Cash from sales or services/ Revenue (%)	40.2	103.0	37.2

Source: ZJHG and Lianhe Global's calculations

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