

CCXAP assigns BBB_g- to Qihe Urban Investment Construction Group Co., Ltd's proposed offshore bonds

Hong Kong, 29 December 2022 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned an expected senior unsecured debt rating of BBB_g- to the proposed offshore bonds to be issued by Qihe Urban Investment Construction Group Co., Ltd (“QUIC”) (BBB_g-/ Stable).

The bonds constitute unsubordinated, unconditional and unsecured obligations of QUIC, which shall at all times rank pari passu with all the Company’s other present and future unsecured and unsubordinated obligations. The Company intends to use the gross proceeds for general corporate purposes such as project construction and additional working capital.

Rating Rationale

QUIC’s senior unsecured debt rating is equal to its long-term credit rating. We believe that the government support will flow through the Company given its dominant position in public services of Qihe County, thereby mitigating any differences in expected loss that could result from structural subordination.

Rating Methodology

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

Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are available on its website at:

http://www.ccxap.com/en/rating_services/category/6/

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The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

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