

CCXAP assigns BBB_g to Nan'an Development Investment Group Co., Ltd.'s proposed offshore bonds

Hong Kong, 7 June 2023 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating of BBB_g to the proposed offshore bonds to be issued by Nan'an Development Investment Group Co., Ltd. (“NDIG”) (BBB_g/ Stable).

The bonds constitute direct, unconditional, unsubordinated, and unsecured obligations of NDIG, 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 net proceeds for the construction of certain projects and replenishment of working capital.

Rating Rationale

We did not notch NDIG's senior unsecured debts rating for structural subordination, reflecting our expectation that in the event of financial distress, the government will likely provide support to the Company as the holding company, thereby increasing the recovery prospects for the holding company's creditors. We also see that the structural subordination risk is mitigated by the strategic importance of NDIG's infrastructure and public facility assets, thus we expect that government support will be provided to the Company to preserve its ownership of such assets.

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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CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

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