

CCXAP assigns BBB_g- to Zigong Construction & Engineering Co., Ltd.'s proposed offshore bonds.

Hong Kong, 25 October 2023 – 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 Zigong Construction & Engineering Co., Ltd. (“ZCEC” or the “Company”) (BBB_g-/stable).

The bonds constitute direct, unconditional, unsubordinated, and unsecured obligations of ZCEC, 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 proceeds for project construction and working capital supplement.

Rating Rationale

ZCEC’s senior unsecured debt rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its key role in local infrastructure construction in Zigong City, thereby mitigating any differences in an 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/

This rating is solicited. Please refer to CCXAP’s Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:

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The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Olivia Feng

Senior Credit Analyst

+852-2860 7133

olivia_feng@ccxap.com

Elle Hu

Executive Director of Credit Ratings

+852-2860 7120

elle_hu@ccxap.com

Client Services: +852-2860 7111



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China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656