

CCXAP assigns A_g+ to Linzhou City Investment Holdings Co., Ltd.'s proposed guaranteed CNY bonds

Hong Kong, 19 July 2024 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating (guaranteed) of A_g+ to the proposed guaranteed CNY bonds to be issued by Linzhou City Investment Holdings Co., Ltd. (“LZIH” or the “Company”) (BBB_g-/stable). The bonds will be unconditionally and irrevocably guaranteed by Henan Zhongyu Credit Promotion Co., Ltd. (“HZCP”) (A_g+/stable).

The Company intends to use the proceeds for project construction and replenishment of working capital.

Corporate Profile

Established in December 2016, LZIH is the most important infrastructure investment and financing company (“LIIFC”) in Linzhou City, responsible for infrastructure construction and water supply in Linzhou City. The Company has also diversified into other commercial business, including property sales, engineering construction, and commodity sales. As of 30 June 2024, the Company has been wholly owned and controlled by the Finance Bureau of Linzhou City.

Rating Rationale

The rating of the bonds is based on the A_g+ long-term credit rating of HZCP. The bonds will be unconditionally and irrevocably guaranteed by HZCP. The bonds will constitute direct, general, unsubordinated and unsecured obligations of HZCP, which will at all times at least rank pari passu with all other present and future unsecured and unsubordinated obligations of HZCP.

HZCP is the first provincial credit enhancement company in Henan Province, founded under the guidance of the State-owned Assets Supervision and Administration Commission of Henan Provincial Government in February 2022. We believe HZCP has a high likelihood of government support given its indirect ownership and ultimate control by the Henan Provincial Government, very high strategic function for the financial environment of Henan Province, and solid support record from the government and major local SOEs.

Rating Sensitivities

Any change to the long-term credit rating of HZCP could lead to a corresponding change in the rating of the bonds.

Rating Methodology

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

The methodology used in HZCP's rating is the Rating Methodology for [Financial Guarantors \(January 2022\)](#).



Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are 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.

Christy Liu

Credit Analyst

+852-2860 7130

christy_liu@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