聯合評級國際
Lianhe Ratings Global

Press Release
14 July 2022

Lianhe Global has affirmed 'A-' global scale Long-term Issuer and Issuance Credit Rating of Zhengzhou Urban Construction Investment Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 14 July 2022 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has affirmed 'A-' global scale Long-term Issuer Credit Rating of Zhengzhou Urban Construction Investment Group Co., Ltd. ("ZZC"). The Outlook is Stable.

Lianhe Global has also affirmed 'A-' global scale Long-term Issuance Credit Rating of the senior unsecured USD notes issued by ZZC. A full list of affirmed issuance ratings is included in this press release.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that Henan's Zhengzhou municipal government would provide strong support to ZZC if needed. This mainly considers the Zhengzhou municipal government's full ownership of ZZC, the high strategic importance of ZZC to Zhengzhou in the municipal infrastructure construction and maintenance, and the strong linkage between the Zhengzhou municipal government and ZZC, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Zhengzhou municipal government may face significant negative impact on its reputation and business and financing activities should ZZC encounter any operational or financial difficulties.

The Stable Outlook reflects our expectation that ZZC's strategic importance would remain intact while the Zhengzhou municipal government will continue to ensure ZZC's stable operation.

Rating Sensitivities

We would consider downgrading ZZC's rating if (1) there is perceived weakening in support from Henan's Zhengzhou municipal government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Zhengzhou municipal government's ownership of ZZC, or (3) there is a downgrade in our internal credit assessment on the Zhengzhou municipal government.

We would consider upgrading ZZC's rating if (1) there is strengthened support from the Zhengzhou municipal government, or (2) there is an upgrade in our internal credit assessment on the Zhengzhou municipal government.

Any rating action on ZZC's rating would result in a similar rating action on the USD notes.

Full List of Issuance Ratings

- USD300 million 3.8% senior unsecured notes due 2022 affirmed at 'A-'
- USD200 million 3.8% senior unsecured notes due 2025 affirmed at 'A-'

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local government financing vehicles, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this ZZC's rating is Lianhe Global's China Local Government Financing Vehicle Criteria published on 31 December 2021, which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

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