

Lianhe Global has assigned ‘A+’ global scale Long-term Issuance Credit Rating to Puyang Kaizhou Investment Group Co., Ltd.’s proposed CNY Guaranteed Bonds

HONG KONG, 24 October 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A+’ global scale Long-term Issuance Credit Rating to the senior unsecured guaranteed CNY bonds (“the Bonds”) to be issued by Puyang Kaizhou Investment Group Co., Ltd. (“PKIG”; ‘BBB-/Stable’).

The bonds constitute PKIG’s direct, general, unsubordinated, unconditional and unsecured obligations which shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. The bonds are unconditionally and irrevocably guaranteed by Henan Zhongyu Credit Promotion Co., Ltd. (“HZCP”; ‘A+’/Stable).

PKIG intends to use the net proceeds from this offering for project construction and replenishing its working capital.

Key Rating Rationales

The Bonds are rated at the same level as HZCP’s global scale Long-term Issuer Credit Rating of ‘A+’ as the Bonds are unconditionally and irrevocably guaranteed by HZCP and underpinned by the credit strength of HZCP. HZCP has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by PKIG under the Trust Deed and the Bonds. HZCP’s obligations for the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

HZCP is the key financial guarantee company in Henan Province. We expect that HZCP would receive strong financial and policy support from the People’s Government of Henan Province if needed, in light of its strategic importance as the sole provincial credit enhancement company in Henan and the government’s majority ownership.

PKIG is the sole local investment and development company that is responsible for the investment, development and operation of infrastructure projects within Puyang County, Puyang City.

Rating Sensitivities

Any downgrade or upgrade on HZCP’s rating would result in a similar rating action on the Bonds.

About Lianhe Global

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

Rating Methodology

Methodologies used in this PKIG's rating include Lianhe Global's Non-Bank Financial Institutions Criteria published on 21 November 2023 and China Local Investment and Development Companies Criteria published on 31 July 2024, 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. None of the aforementioned entities nor its related parties participate in the credit rating process aside from providing information requested by Lianhe Global.

Contact Information

Primary Analyst, Hong Kong
Jack Li, CESGA
Analyst
(852) 3462 9585
jack.li@lhratingsglobal.com

Secondary Analyst, Hong Kong
Joyce Huang, CFA
Managing Director
(852) 3462 9586
joyce.huang@lhratingsglobal.com

Committee Chairperson and Ratings Approver, Hong Kong
Roy Luo, FRM, CESGA
Director
(852) 3462 9582
roy.luo@lhratingsglobal.com

Media	Contact,	Hong	Kong
Alice			Wang
(852)	3462		9568
alice.wang@lhratingsglobal.com			

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