



## **CCXAP affirms and withdraws the A<sub>g</sub>- long-term credit rating of Hanjiang Guotou Group Co., Ltd.**

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Hong Kong, 20 November 2020 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Hanjiang Guotou Group Co., Ltd. (“HJGT” or the “Company”) at A<sub>g</sub>- with a stable outlook, following the publication of rating methodology for regional and local governments and rating methodology for China’s local infrastructure investment and financing companies on 22 May 2020.

The A<sub>g</sub>- long-term credit rating and stable outlook are underpinned by (1) high likely of support from its ultimate shareholder, Xiangyang Municipal Government; (2) the Company’s vital position in land consolidation, infrastructure construction and affordable housing development in Xiangyang City as the largest infrastructure investment and financing company; and (3) ample liquidity position. However, the rating is also constrained by the Company’s (1) large capital expenditure pressure given a sizeable scale of pipeline projects; and (2) increase in debt burden with high leverage.

CCXAP has also simultaneously withdrawn the long-term credit rating of HJGT for its own business reasons. Please refer to CCXAP’s credit rating withdrawal policies, available at [www.ccxap.com](http://www.ccxap.com) (Rating Services > > Rating Definition and Meaning).

### **Rating Methodology**

The methodology used in this rating is the Rating Methodology for [China’s Local Infrastructure Investment and Financing Companies \(May 2020\)](#).

### **Regulatory Disclosures**

CCXAP’s Rating Symbols and Definitions are available on its website at:

[http://www.ccxap.com/en/rating\\_services/category/6/](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:

[http://www.ccxap.com/en/rating\\_services/category/9/](http://www.ccxap.com/en/rating_services/category/9/)

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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Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

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

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.

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