

CCXAP assigns A_g+ to Zigong Construction & Engineering Co., Ltd.'s proposed guaranteed USD bonds

Hong Kong, 4 December 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 USD bonds to be issued by Zigong Construction & Engineering Co., Ltd. (“ZCEC” or the “Company”) (BBB_g-/stable).

The bonds will be unconditionally and irrevocably guaranteed by Tianfu Bond Insurance Co., Ltd. (“TFBI”). The Company intends to use the proceeds for project construction and replenishment of working capital.

Corporate Profile

Formerly known as Sichuan Shenhai Construction Engineering Co., Ltd., ZCEC was acquired by Zigong Urban Construction Investment and Development Group Co., Ltd. (“ZUCI”) in 2014. ZCEC is primarily engaged in infrastructure construction projects in Zigong City. It also undertakes commercial activities such as merchandise sales, engineering construction, and property leasing. As of 30 November 2024, the Company is wholly owned and ultimately controlled by the Zigong Municipal Government State-owned Assets Supervision and Administration Commission (“Zigong SASAC”).

Rating Rationale

The bond rating is based on our assessment of TFBI’s credit quality. The bonds will be unconditionally and irrevocably guaranteed by TFBI under the deed of guarantee. The bonds will constitute unsubordinated and unsecured obligations of TFBI, which will at all times at least rank pari passu with all other present and future unsecured and unsubordinated obligations of TFBI.

Established in 2017, TFBI is a leading credit enhancement and investment company in Sichuan Province. We believe TFBI has a high likelihood of government support given its indirect ownership and ultimate control by the Sichuan Province Government, very high strategic function for the economic development and financial stability of Sichuan Province, and solid record of receiving support from the government.

Rating Sensitivities

Any change to the credit quality of TFBI could lead to a corresponding change in the rating of the bonds.

Rating Methodology

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

The methodology used in TFBI’s assessment is the Rating Methodology for [Financial](#)



[Guarantors \(January 2022\)](#).

Regulatory Disclosures

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

http://www.ccxap.com/en/rating_services/category/6/

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

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