

## CCXAP assigns A<sub>g</sub>+ to Luoyang Shengshi Urban Construction Investment Co., Ltd.'s proposed guaranteed CNY bonds

Hong Kong, 25 July 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating (guaranteed) of A<sub>g</sub>+ to the proposed guaranteed CNY bonds to be issued by Luoyang Shengshi Urban Construction Investment Co., Ltd. (“LYSS” or the “Company”) (BBB<sub>g</sub>-/Stable). The bonds will be unconditionally and irrevocably guaranteed by Henan Zhongyu Financing Guarantee Co., Ltd. (“HZFG”).

The Company intends to use the proceeds for replacement of existing offshore indebtedness.

### Corporate Profile

Established in 2010, LYSS is one of the local state-owned enterprises in Luoyang City and is responsible for infrastructure construction in Mengjin District of Luoyang City. The Company has also diversified into other commercial business, such as self-operated construction projects. As of 30 June 2025, the Company was 51% owned by the Luoyang Municipal Government through Luoyang Urban Development Investment Group Co., Ltd. (“LYUD”) and 49% owned by the Mengjin District Government through Luoyang Guoxing Investment Holdings Group Co., Ltd. (“LYGX”). LYUD is one of the key subsidiaries of Luoyang Guosheng Investment Holding Group Co., Ltd, which is the largest local infrastructure investment and financing company (“LIIFC”) by total assets in Luoyang City.

### Rating Rationale

The rating of the bonds is based on our assessment of HZFG's credit quality. The bonds will be unconditionally and irrevocably guaranteed by HZFG. The bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of HZFG, which will at all times at least rank pari passu with all other present and future unsecured and unsubordinated obligations of HZFG.

Established in 2017, HZFG is an important provincial financing guarantee platform in Henan Province. As of 30 June 2025, the Henan Provincial Government was the ultimate controller of HZFG. We believe HZFG has a high likelihood of government support given its indirect ownership and ultimate control by the Henan Provincial Government, very high systemic importance for the economic development and financial stability of Henan Province, and solid record of receiving support from the government and major local SOEs.

### Rating Sensitivities

Any change to the credit quality of HZFG 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 HZFG's assessment is the Rating Methodology for [Financial Guarantors \(January 2022\)](#).

### **Regulatory Disclosures**

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