



China Chengxin (Asia Pacific) Credit Ratings: Detention of the controlling shareholder brings uncertainties to Seazen’s financing capability and business profile

Hong Kong, 5 July 2019 -- China Chengxin (Asia Pacific) Credit Ratings (“CCXAP”) announces that it monitors the effects on Seazen Holdings Co., Ltd. (“Seazen” or the “Company”) due to the detention of its controlling shareholder, Mr. Wang Zhenhua, by the Putuo Branch of the Shanghai Public Security Bureau (the “Bureau”). Pending further details on Seazen’s access to capital and business profile, there is no change in Seazen’s A_g+ long-term rating and senior unsecured rating with stable outlook.

On 4 July 2019, Seazen announced that the Company had been informed by the Bureau on July 3 2019 that Mr. Wang Zhenhua, the Company’s controlling shareholder, is currently being held in criminal custody by the Bureau for personal reasons. Under such case, the Company held a board meeting on 3 July 2019, to replace Mr. Wang Zhenhua’s chairman position by Mr. Wang Xiaosong, the current director and CEO of the Company, with immediate effect.

We opine that the detention and change in leadership may adversely affect the reputation of the Company. This may cause uncertainties to its business profile, including contracted sales and investment strategies, as well as its financing capability, that may weaken the credit profile of Seazen. CCXAP will continue to monitor subsequent influences in the Company’s operation and funding channels. Should the Company’s financing capability and business profile deteriorate, further rating actions will be taken.

Rating Methodology

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means. The methodology used in this rating is Global Rating Methodology for Real Estate Development Industry dated April 2019, available at www.ccxap.com (Rating Process -> Rating Methodology).

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