



China Chengxin (Asia Pacific) Credit Ratings places the A_g+ rating of Seazen Holdings Co., Ltd. on rating watch

Hong Kong, 12 July 2019 -- China Chengxin (Asia Pacific) Credit Ratings places the A_g+ long-term credit rating and senior unsecured debt rating of Seazen Holdings Co., Ltd. ("Seazen" or the "Company") on rating watch, reflecting that Seazen's growing event risk exposure will cause uncertainties over its business profile and debt servicing capability.

On 9 July 2019, Seazen announced that Mr. Wang Zhenhua, its former director, and Mr. Aimin Yan, its former independent director, had resigned from the Company. In addition, the Company replied to the market quires, such as issues of insider trading and share pledge, and stated the implications of detention as well as its responsive measures on the aspects of business operation, investment strategies and financing channels. On 11 July 2019, the Company confirmed that Mr. Wang Zhenhua, its controlling shareholder, had been arrested by the Putuo Branch of the Shanghai People's Procuratorate on 10 July 2019.

According to a comprehensive communication with the Company, CCXAP has noticed that the Company has sufficient saleable resources for contracted sales in the second half of 2019 and its sizeable investment properties or inventories could be used as pledges for external financing, which could possibly bring a positive effect to its liquidity. Furthermore, the Company states it would shift to more conservative investment strategies and explore funding sources. However, CCXAP expects the Company's fixed expenditures and sizeable debts could exert pressures to its external funding. Moreover, CCXAP expects damage of the Company's branding could lead to uncertainties over its business operation, including project development, land acquisition and joint venture partnership. 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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