CCXAP assigns BBB_g- to Guocheng (Zhejiang) Industrial Development Co., Ltd.'s proposed offshore bonds

Hong Kong, 6 September 2024 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned an expected senior unsecured debt rating of BBB_g- to the proposed offshore bonds to be issued by Guocheng (Zhejiang) Industrial Development Co., Ltd. ("GZID" or the "Company") (BBB_g-/stable).

The bonds constitute direct, unsubordinated, unconditional, and unsecured obligations of GZID, which shall at all times rank pari passu with all the Company's other present and future unsecured and unsubordinated obligations. The Company intends to use the proceeds for the construction of certain projects and replenishment of working capital.

Rating Rationale

GZID's senior unsecured debt rating is equivalent to its long-term credit rating. We believe that support from both shareholder and government will flow through the Company considering its strong regional importance in industrial investment and property leasing, thereby mitigating any differences in an expected loss that could result from structural subordination.

Rating Methodology

The methodology used in this rating is the Rating Methodology for General Corporate (April 2019).

Regulatory Disclosures

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