

## **CCXAP assigns A<sub>g</sub>+ to Guangzhou Development District Investment Group Co., Ltd.'s proposed USD bonds**

Hong Kong, 26 June 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating of A<sub>g</sub>+ to the proposed USD bonds to be issued by Guangzhou Development District Investment Group Co., Ltd. (“GDDI” or the “Company”) (A<sub>g</sub>+ / stable).

The bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of GDDI, 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 net proceeds for refinancing the existing offshore indebtedness.

### **Corporate Profile**

Established in 1992 and formerly known as Guangzhou Economic and Technological Development Zone (“Guangzhou ETDZ”) State-owned Assets Investment Company, GDDI is a key local infrastructure investment and financing company (“LIIFC”) in Guangzhou ETDZ. Its main business includes transportation, and urban renewal. The Company is also engaged in commercial activities, such as strategic investment, intelligent manufacturing, engineering construction, property leasing and park operation, trade. Guangzhou Development District State-owned Assets Supervision and Administration Bureau is the Company’s sole shareholder and ultimate controller.

### **Rating Rationale**

We did not notch GDDI’s senior unsecured debt rating for structural subordination, reflecting our expectation that, in the event of financial distress, the government will likely provide support to the Company as the holding company, thereby increasing the recovery prospects for the holding company’s creditors. We also see that the structural subordination risk is mitigated by the strategic importance of GDDI’s sole platform for transportation infrastructure investment, construction, and operation, and a major industrial investment and operation platform in Guangzhou ETDZ, thus we expect that government support will be provided to the Company to preserve its ownership of such assets.

The A<sub>g</sub>+ long-term credit rating of GDDI reflects Guangzhou ETDZ Government’s (1) very strong capacity to provide support, and (2) extremely high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of Guangzhou ETDZ Government’s capacity to provide support reflects its strong comprehensive strength as it ranked 2<sup>nd</sup> by comprehensive strength among 230 national ETDZs in China, with ongoing economic growth and good fiscal strength.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) significant role as the sole transportation infrastructure construction and operation platform and the key primary industrial investment entity in Guangzhou ETDZ; (2) high sustainability of public policy projects; (3) good track record of receiving government

support; and (4) good access to funding from banks and capital market. However, the rating is constrained by the Company's (1) medium exposure to commercial activities; (2) fast debt growth with relatively high debt leverage; and (3) moderate asset quality.

### **Rating Outlook**

The stable outlook on GDDI's rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its important role in the provision of urban renewal services in Guangzhou ETDZ over the next 12 to 18 months.

#### **What could upgrade the rating?**

The rating could be upgraded if (1) the Guangzhou ETDZ Government's capacity to support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as decrease in exposure to commercial activities.

#### **What could downgrade the rating?**

The rating could be downgraded if (1) the Guangzhou ETDZ Government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as decrease in its strategic significance; decrease in government payments; or increase in exposure to commercial activities.

### **Rating Methodology**

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

### **Regulatory Disclosures**

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