CCXAP assigns A_g- to Zouping Financial Development Group Co., Ltd.'s SBLC-supported CNY bonds.

Hong Kong, 31 August 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned a debt rating of A_g- to the proposed CNY bonds (ISIN: HK0001326229) to be issued by Zouping Finance International Co., Ltd., which is an indirect wholly-owned subsidiary of Zouping Financial Development Group Co., Ltd. ("ZPFD" or the "Company") (BBB_g/stable), and to be unconditionally and irrevocably guaranteed by ZPFD.

The bonds are fully supported by an irrevocable standby letter of credit ("SBLC") from Bank of Qingdao Co., Ltd. ("Bank of Qingdao"), Binzhou Branch (the "LC Bank"). The Company intends to use the net proceeds for refinancing ZPFD's existing offshore indebtedness in accordance with the NDRC Certificate.

Corporate Profile

Founded in July 2019, ZPFD is the largest local infrastructure investment and financing company ("LIIFC") by total assets in Zouping City. After consolidation of the local state-owned enterprises in 2022, the Company has become the most important LIIFC engaged in infrastructure construction and operation of land resources, in accordance with the economic development strategy and social development requirements of Zouping City. The Company also expands to commercial activities such as trading and leasing. As of 30 June 2026, 95.0% shares of the Company were transferred to Zouping Finance and Investment Holding Group Co., Ltd. ("ZPFI"), which was 100% owned by the State-owned Assets Center of Zouping City ("Zouping SAC"). The rest 5.0% shares of the Company were owned by Zouping SAC, and Zouping City Government was the ultimate controller.

Rating Rationale

The rating of the bonds is based on our assessment of Bank of Qingdao's credit quality. The bonds are fully supported by an irrevocable CNY-denominated SBLC from Bank of Qingdao, Binzhou Branch, which is considered direct, unsubordinated, unconditional and unsecured obligations of the LC Bank. The payment obligations of the LC Bank under the SBLC shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Our analysis of the transaction is based on Bank of Qingdao to support the payment of the bonds through the SBLC. Investors will have the benefit of the irrevocable SBLC issued by the LC Bank. In the event of a default by the issuer, the LC Bank would be obligated to the investors for the outstanding principal and interest payable.

Founded in 1996 and headquartered in Qingdao, Bank of Qingdao is the largest urban commercial bank in Shandong Province by total assets. The Bank was listed in the Hong Kong Stock Exchange in 2015 and the Shenzhen Stock Exchange in 2019 (Stock code: 03866.HK & 002948.SZ). Our analysis of the transaction is contingent upon Bank of Qingdao to support the payment of the bonds through the SBLC.

中誠信亞太 CCXAP

Rating Sensitivities

Any change to the credit quality of Bank of Qingdao could lead to a corresponding change in the rating of the bonds.

Rating Methodology

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

The methodology used in Bank of Qingdao's assessment is the Rating Methodology for Banks (November 2021).

Regulatory Disclosures

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