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

Hong Kong, 2 November 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned a debt rating of A_g- to the proposed CNY bonds 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 Qilu Bank Co., Ltd. ("Qilu Bank" or 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 project construction and financing company by total assets in Zouping City. After consolidation of the local state-owned enterprises in 2022, the Company has become the most important project construction and financing company engaged in major projects development and construction, 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% of the Company's shares were held by 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 Qilu Bank's credit quality. The bonds are fully supported by an irrevocable CNY-denominated SBLC from Qilu Bank. The payment obligations under the SBLC are 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 Qilu Bank's support for 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 Company, the LC Bank will be required, subject to the terms of the SBLC, to honour a compliant demand in respect of principal and interest due under the bonds.

Founded in June 1996 and headquartered in Jinan, Qilu Bank is the first city commercial bank established in Shandong Province. The Bank was listed on the Shanghai Stock Exchange in June 2021 (stock code: 601665.SH). Our analysis of the transaction is contingent upon Qilu Bank to support the payment of the bonds through the SBLC.

Rating Sensitivities

Any change to the credit quality of Qilu Bank 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 Qilu Bank'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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CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

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