



CCXAP assigns first-time long-term credit rating of BBB_g- to Zhuzhou Geckor Group Company Ltd, with stable outlook

Hong Kong, 22 December 2020 -- China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a first-time long-term credit rating of BBB_g- to Zhuzhou Geckor Group Company Ltd (“Zhuzhou Geckor” or the “Company”). The rating outlook is stable.

Rating Rationale

The BBB_g- long-term credit rating of Zhuzhou Geckor is underpinned by the Company’s (1) strong market position as the sole investment and financing platform in Zhuzhou High-tech Industrial Development Zone (“High-tech Zone”); (2) dominant and sustainable primary land and property development businesses; and (3) growing operating revenue.

However, the rating is also constrained by its (1) moderate operating profits and average cash collection ability; (2) high debt leverage and modest liquidity profile; and (3) relatively large amount of restricted assets.

Rating Outlook

The stable outlook on Zhuzhou Geckor’s rating reflects our expectation that the Company will continue to receive strong and recurring support from the local government. We also expect that it will maintain its important role in the urbanization and industrialization of the High-tech Zone.

What could upgrade the rating?

The rating could be upgraded if (1) the economic and fiscal strength of High-tech Zone improves significantly; or (2) the local government has stronger ability and more willingness to support the Company.

What could downgrade the rating?

The rating could be downgraded if (1) the economic and fiscal performance of High-tech Zone deteriorates; (2) the likelihood of government support for the Company decreases; or (3) the Company’s stand-alone credit profile weakens significantly, such as heightened debt leverage and deteriorated liquidity profile.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(May 2020\)](#).

Regulatory Disclosures

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

http://www.ccxap.com/en/rating_services/category/6/

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