

## CCXAP assigns BBB<sub>g</sub>- to Zibo Zichuan Finance Holding Co., Ltd.'s proposed offshore bonds

Hong Kong, 2 February 2024 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned an expected senior unsecured debt rating of BBB<sub>g</sub>- to the proposed offshore bonds to be issued by Luheng International Co., Ltd. (“LHIL”), a subsidiary wholly and indirectly owned by Zibo Zichuan Finance Holding Co., Ltd. (“ZCFH” or the “Company”) (BBB<sub>g</sub>-/stable), and unconditionally and irrevocably guaranteed by ZCFH.

Under the unconditional and irrevocable guarantee, the proposed bond will constitute ZCFH's direct, unconditional, unsubordinated, and unsecured obligations, and shall at all times at least rank pari passu with all its other present and future unsecured and unsubordinated obligations. The Company intends to use the net proceeds for refinancing medium-term or long-term offshore indebtedness due within one year, project development of Zichuan Green Low-Carbon Circular Industrial Park Project, and replenishment of working capital.

### Rating Rationale

ZCFH's senior unsecured debt rating is equal to its long-term credit rating. We believe that government support will flow through the Company given its important role in regional development of Zichuan District, 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 [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).

### Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are available on its website at: [http://www.ccxap.com/en/rating\\_services/category/6/](http://www.ccxap.com/en/rating_services/category/6/)

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