

Zhongyuan Asset Management Co., Ltd.

Initial Issuer Report

Lianhe Global has assigned 'A-' global scale Long-term Issuer Credit Rating with Stable Outlook to Zhongyuan Asset Management Co., Ltd.

Summary

The Issuer Credit Rating reflects a high possibility that the Henan provincial government would provide strong support to Zhongyuan Asset Management Co., Ltd. ("Zhongyuan AMC" or "the company") if needed, in light of its majority ownership of Zhongyuan AMC, Zhongyuan AMC's strategic position as the major AMC of Henan and the strong linkage between the Henan provincial government and Zhongyuan AMC including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Henan provincial government may face significant negative impact on its reputation, business and financing activities should Zhongyuan AMC encounter any operational or financial difficulties.

The Stable Outlook reflects our expectation that Zhongyuan AMC's strategic importance would remain intact while the Henan provincial government will continue to ensure Zhongyuan AMC's stable operation.

Rating Rationale

Henan Government's Major Ownership: The Department of Finance of Henan Province is the controlling shareholder of Zhongyuan AMC with a direct and indirect holding of 57% stake. Moreover, the Finance Bureau of Zhengzhou holds a 15% stake in Zhongyuan AMC. Zhongyuan AMC was established in August 2015, with an initial registered capital of RMB3 billion. After several capital injections, both the registered capital and paid-in capital of Zhongyuan AMC were increased to RMB5 billion at end-2021.

High Strategic Importance to Henan Province: As the only local AMC directly managed by the Department of Finance of Henan Province, Zhongyuan AMC adopted the "One Body, Two Wings" business strategy with refocusing on distressed asset management as its primary business, supplemented by alternative asset management and integrated financial services businesses. In the future planning of the Henan provincial government, Zhongyuan AMC will continue to play an important role in the province's financial stability, carry out the policies designated by the Henan provincial government to support the local economic development and undertake the implementation of the reform of financial institutions in Henan province.

Government Supervision and Strategic Alignment: The Henan provincial government has strong control and supervision over Zhongyuan AMC, including control of the board of directors, senior management appointments and major strategic, investing and financing plans. Zhongyuan AMC's strategic planning and development have been aligned with the local government's economic and social policies.

Ongoing Government Support: Zhongyuan AMC has received strong support from the local government mainly in the form of capital injections. Following the increase of both the registered capital and paid-in capital to RMB5 billion, the Henan provincial government approved an additional capital injection of RMB4.3 billion to Zhongyuan AMC on 17 December 2021, which was included as capital reserve of Zhongyuan AMC at end-2021.

Summary

Issuer Rating	A-
Outlook	Stable
Location	China
Industry	Local Government Financing Vehicle
Date	13 July 2022

Key Figures of Henan and Zhongyuan AMC

(RMB billion)	2020	2021
Henan		
GDP	5,499.7	5,888.7
GDP growth rate (%)	1.3	6.3
Budgetary revenue	415.5	434.7
Government fund	375.2	337.5
Transfer payment	548.9	548.9 ¹
Budgetary expenditure	1,038.3	1,042.0
Zhongyuan AMC		
Assets	63.6	59.5
Equity	10.8	15.2
Revenue	3.3	3.0

¹ Transfer payment in 2021 is estimated given the lack of such information

Source: The Bureau of Statistics of Henan, the Department of Finance of Henan Province and Lianhe Global's calculations

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Applicable Criteria

China Local Government Financing
Vehicle Criteria (31 December 2021)



Moreover, according to the local government's planning, the government intends to increase the registered capital of Zhongyuan AMC to RMB10 billion by end-2022. We expect the Henan provincial government to continue increasing its controlling ownership of Zhongyuan AMC from the current level by improving the company's shareholder structure. We believe Zhongyuan AMC is likely going to receive timely government support.

Moderately Weak Financials: Zhongyuan AMC's financial leverage as measured by total liabilities/total assets declined gradually from the peak of 84.9% in 2019 to 74.4% in 2021, before the acquisition of financial distressed assets lifted its financial leverage to 79.5% at end-March 2022. Zhongyuan AMC had c. RMB1.5 billion of total cash (including restricted cash of RMB455 million) at end-March 2022, compared with its debt due within one year of c. RMB21.6 billion. Having said that, Zhongyuan AMC had an unused credit line of RMB28.8 billion at end-March 2022, along with unused onshore and USD bond issuance quotas of RMB7 billion and USD500 million, respectively. Moreover, the company had stocks of listed companies with a book value of c. RMB3.1 billion at end-March 2022. Also, Zhongyuan AMC has access to multiple financing channels, including bank borrowings, onshore and offshore bond issuance, etc.

Moderate Economic and Fiscal Condition of Henan Province: The GDP of Henan grew by 6.3% year-on-year to RMB5,888.7 billion in 2021, which was ranked 5th among all provinces in China in terms of GDP. The economic growth was mainly fueled by the secondary and tertiary industries, which accounted for 41.3% and 49.1% of the GDP in 2021, respectively. Similarly, Henan's GDP per capita and disposable income per capita grew by 7.3% and 8.1% year-on-year in 2021, respectively.

Henan's aggregate fiscal revenues were mainly derived from transfer payment and budgetary revenue, with less reliance on the relatively volatile government-managed fund income. Henan's tax revenue maintained at c. 65%-70% of its budgetary revenue in the past few years. Henan's debt level increased in the past three years. However, the gap between budgetary expenditure and budgetary revenue narrowed in 2021, given the growth rate of the budgetary expenditure was lower than that of budgetary revenue.

Rating Sensitivities

We would consider downgrading Zhongyuan AMC's rating if (1) there is perceived weakening in support from the Henan provincial government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Henan provincial government's ownership of Zhongyuan AMC, or (3) there is a downgrade in our internal credit assessment on the Henan provincial government.

We would consider upgrading Zhongyuan AMC's rating if (1) there is strengthened support from the Henan provincial government, or (2) there is an upgrade in our internal credit assessment on the Henan provincial government.

Operating Environment

Moderate Economy of Henan

Located in central China, bordering the provinces of Hebei, Shandong, Anhui, Hubei, Shaanxi and Shanxi, Henan province is the third most populous province in China, with a population of 98.83 million at end-2021. Not only does Henan has a key role as an agricultural center in China, but Henan also has abundant mineral deposits including coal, aluminum, tungsten and molybdenum to support its secondary industry. The province also serves as an important logistics and transportation hub, connecting the eastern coastal area of China with its western regions. It has actively developed foreign trade in recent years, with a focus on e-commerce. In April 2017, the government launched the Henan Pilot Free Trade Zone, one of 21 nationally-endorsed zones intended to develop trade and foreign investment. The provincial capital city, Zhengzhou, one of nine “National Central Cities” designated by China’s central government, is the political, economic and technological center of Henan, as well as a key national transportation hub. Henan has jurisdiction over 17 prefecture-level cities and one county level city directly under the provincial government with an urbanization rate of c. 56.5% at end-2021.

The GDP of Henan reached approximately RMB5,888.7 billion, representing a year-over-year growth rate of 6.3% in 2021, which ranked 5th in terms of the GDP in China. The economic growth was mainly fueled by the secondary and tertiary industries, in which the tertiary industry accounted for 49.1% and the secondary industry accounted for 41.3% of the GDP in 2021. GDP per capita of Henan was c. RMB59,400 and disposable income per capita was RMB26,811 in 2021, representing year-over-year growth of 7.3% and 8.1%, respectively.

Henan’s GDP and Fixed Asset Investment

(RMB billion)	2019	2020	2021
GDP	5,425.9	5,499.7	5,888.7
-Primary industry (%)	8.5	9.7	9.5
-Secondary industry (%)	43.5	41.6	41.3
-Tertiary industry (%)	48.0	48.7	49.1
GDP growth rate (%)	7.0	1.3	6.3
Fixed asset investment	5,124.1	5,344.4	5,584.9
Fixed asset investment growth rate (%)	8.0	4.3	4.5
Residential Population (million)	96.4	99.4	98.8

Source: Bureau of Statistics of Henan and Lianhe Global’s calculation

Moderate Fiscal Conditions of Henan

Henan’s aggregate fiscal revenues were mainly derived from transfer payment and budgetary revenue, with less reliance on the relatively volatile government-managed fund income which decreased with a compound annual growth rate of -9.1% in 2019-2021 due to the decline in land transfer income. In terms of budgetary revenue, the tax revenue accounted for approximately 65%-70% of budgetary revenue in the past three years.

Henan’s debt level increased in the past three years. However, the gap between budgetary expenditure and budgetary revenue narrowed in 2021, given the growth rate of the budgetary expenditure was lower than that of budgetary revenue. At end-2021, Henan had RMB1,239.6 billion outstanding debts (RMB982.2 billion at end-2020), compared with the aggregate fiscal revenue of RMB1,325.0 billion. All in all, we expect central transfer payments to continue to play a key role in Henan’s aggregate fiscal revenue in the future.



Henan's Fiscal Conditions

(RMB billion)	2019	2020	2021
Budgetary revenue	404.2	415.5	434.7
Budgetary revenue growth rate (%)	7.3	2.8	4.3
Tax revenue	284.1	276.5	284.3
Tax revenue (% of budgetary revenue)	70.3	66.5	65.4
Government fund income	408.0	375.2	337.5
Transfer payment	461.5	548.9	548.9 ²
Aggregate revenue	1,278.5	1,343.1	1,325.0
Budgetary expenditure	1,017.6	1,038.3	1,042.0
Budget deficit ¹ (%)	-151.8	-149.9	-139.7

¹ Budget deficit = (1-budgetary expenditure / budgetary revenue) * 100%

² Transfer payment in 2021 is estimated given the lack of such information

Source: The Department of Finance of Henan Province and Lianhe Global's calculation

Ownership Structure and Profile

Government's Ownership with Strong Supervision

Zhongyuan AMC was established in August 2015 under the approval from the Henan provincial government with an initial registered capital of RMB3 billion. It is the first local AMC with the business of acquisition and disposal of the financial non-performing assets in Henan province. The Department of Finance of Henan Province is the controlling shareholder of Zhongyuan AMC with 57% stake, including 32% stake owned directly and 25% stake held indirectly via its wholly-owned Henan Agriculture Investment Group Co., Ltd. (河南省农业综合开发有限公司) and Zhongyuan Yuzi Investment Holding Group Co., Ltd. (中原豫资投资控股集团有限公司). Besides, the Finance Bureau of Zhengzhou holds a 15% stake in Zhongyuan AMC via Zhengzhou Development & Investment Group Co., Ltd. (郑州发展投资集团有限公司).

Strategic Importance and Government Linkage

The Strategic Importance of Zhongyuan AMC to Henan

The Henan provincial government is willing to extend support to Zhongyuan AMC in view of its strategic important role as the major AMC of Henan to support the local economic development, as well as stabilize the regional financial system in Henan. Zhongyuan AMC's strategic planning and development have been aligned with the local government's economic and social policies, aiming to support Henan's economic development and stabilize the regional financial system.

Strong Linkage with Henan government

Zhongyuan AMC's linkage with the local government is strong as it is controlled by the Henan provincial government through the Department of Finance of Henan Province. The Henan provincial government directly and indirectly holds a 57% stake in Zhongyuan AMC as the controlling shareholder. The Henan provincial government has strong control and supervision over Zhongyuan AMC, including control of the board of directors, senior management appointments and major strategic, investing and financing plans.

Ongoing Government Support mainly in the form of Capital Injections

Zhongyuan AMC has received supports from the local government for its business operation, mainly in the form of capital injections. With an initial registered capital of RMB3 billion in 2015, both the registered capital and paid-in capital of Zhongyuan AMC increased to RMB5 billion at end-2021 after several capital injections.

In particular, on 17 December 2021, the Henan provincial government approved a capital injection of RMB4.3 billion to Zhongyuan AMC, which was included as capital reserve of Zhongyuan AMC at end-2021. According to the local government's planning, the government intends to increase the registered capital of Zhongyuan AMC to RMB10 billion by end-2022. We expect the Department of Finance of Henan Province to continue increasing its controlling ownership of Zhongyuan AMC from the current level by improving the company's shareholder structure. We believe Zhongyuan AMC is likely going to receive timely government support.

Business Profile

One of the Two Local Asset Management Companies in Henan Province

Established in 2015, Zhongyuan AMC is the first local AMC in Henan province. The company is the largest local AMC in Henan province in terms of total asset, and the only local AMC directly managed by the Department of Finance of Henan Province. Zhongyuan AMC adopted "One Body, Two Wings" business strategy with refocusing on distressed asset management as its primary business, supplemented by alternative asset management and integrated financial services businesses. In addition to the primary focus on financial-related business, Zhongyuan AMC participates in shantytown redevelopment projects through a non-wholly owned subsidiary. Overall, Zhongyuan AMC plays a significant role in Henan province's financial stability and carries out the directions and policies designated by Henan provincial government to support the local economy.

Zhongyuan AMC's Total Income Breakdown

(RMB billion)	2019	%	2020	%	2021	%	3M2022	%
Distressed Asset Management	1,915	45.7	1,383	32.6	970	21.6	172	30.0
Alternative Asset Management	1,475	35.2	1,035	24.4	1,394	31.0	199	34.7
Integrated Financial Services	796	19.0	736	17.4	706	15.7	147	25.6
Engineering Services	0	0.0	1,085	25.6	1,425	31.7	56	9.7
Others	7	0.2	1	0.0	3	0.1	0	0.0
*Total Income	4,193	100.0	4,240	100.0	4,499	100.0	574	100.0

**Notes: Total income includes reported revenue, investment income, profit or loss arising from changes in fair value and non-operating income*

Source: Zhongyuan AMC's audited annual reports and unaudited quarterly report

Distressed Asset Management

As a local AMC, Zhongyuan AMC acquires financial as well as non-financial distressed assets from financial institutions and non-financial enterprises, respectively, in Henan province. Zhongyuan AMC acquires distressed financial assets mainly from local banks or local branches of state-owned banks through open biddings. The company mainly adopts a high-turnover disposal model by selling acquired assets to other institutions such as



state-owned AMC from other provinces, lower-tier AMCs, and other alternative assets management funds.

Zhongyuan AMC has a relatively strong bargaining power against banks as it is one of two local AMCs in Henan province. Thus, it can keep a low discounted rate as measured by acquired distressed assets' purchasing price/face value at c.30%, and sell them at c.40%. The company aims to maintain the cash recovery cycle in three years on average.

On the other hand, Zhongyuan AMC also purchases non-financial distressed assets such as overdue debts or receivables due mainly from enterprises and LGFVs in Henan province, which encounter liquidity crunch or operating risks in the short term. Zhongyuan AMC resolves the difficulties of these enterprises through extending repayment terms, debt restructuring, debt-to-equity swap and introduction of institutional investors, etc. The average recovery cycle is two to three years.

Zhongyuan AMC improved its accumulated cash collection rate to 80.4% at end-2021, up from 66.1% at end-2019. The ratio dropped significantly to 55.9% at end-March 2022, mainly due to the several large-scale acquisitions in the first quarter of 2022. We expect the company to maintain the accumulated cash recovery rate at a decent level of c. 75%-80%.

Distressed Assets Acquisition Cost and Cash Collection

(RMB billion)	2019	2020	2021	3M2022
Acquisition Cost	6.7	3.4	2.7	17.6
Cash Collection	8.9	6.2	3.8	0.7
Accumulated Acquisition Cost	31.3	34.7	37.4	55.1
Accumulated Cash Collection	20.7	26.3	30.1	30.8
Accumulated Cash Collection Rate (%)	66.1	75.8	80.4	55.9

Notes: Excluding Rural Credit Co-operative Restructuring Projects
Source: Zhongyuan AMC and Lianhe Global calculations

Also, in accordance with the Henan provincial government's strategic restructuring of the rural credit cooperatives into rural commercial banks, Zhongyuan AMC participated in the rural credit cooperative restructuring projects undertaken in 2015-2017. Zhongyuan AMC supported Henan's municipal and county governments to purchase assets from rural credit cooperatives and monetize these assets afterwards. In return, Henan's municipal and county governments paid service fees to Zhongyuan AMC for its services in the process of monetization. Therefore, this business was created under the specific policy backdrop, and Zhongyuan AMC has ceased to undertake any new fixed assets from rural credit cooperatives since May 2017.

Income Breakdown of Distressed Asset Management Segment

(RMB billion)	2019	%	2020	%	2021	%	3M2022	%
Financial Distressed Assets	403.4	21.1	362.6	26.2	454.9	46.9	17.8	10.3
Non-financial Distressed Assets	1,150.6	60.1	682.9	49.4	320.7	33.1	120.6	70.1
Rural Credit Cooperatives	360.8	18.8	337.5	24.4	194.6	20.1	33.6	19.5
Total	1,914.7	100.0	1,383.1	100.0	970.2	100.0	171.9	100.0

Source: Zhongyuan AMC

As the company returned its focus on financial distressed assets, its contribution to the income of the distressed asset management segment increased to 46.9% in 2021 from 21.1% in 2019, while that from non-financial distressed assets decreased to 33.1% from

60.1% during the same period. The company also plans to recover all outstanding balances from rural credit cooperatives projects by end-2027.

Zhongyuan AMC will concentrate on the distressed asset management business and focus on resolving NPLs of financial institutions in the next three years, according to the company's strategic planning. On 15 April 2022, Zhongyuan AMC acquired NPL packages at the consideration of RMB20.2 billion from three local banks, namely Zhongyuan Bank, Luoyang Bank and Pingdingshan Bank. The purchasing price/face value ratio was between 35%-40% for these newly acquired NPLs. We expect these transactions to boost Zhongyuan AMC's revenue from distressed asset management and the segment contribution to the total revenue in the next three years.

Alternative Asset Management

Zhongyuan AMC invested in the equity of both listed and non-listed companies through private placement and debt-to-equity swap to back the Henan provincial government's industrial development plans, attracting target corporates such as SAIC Motor (6001041.SH) and Power China (601669.SH) to build production plants in Henan province as well as supporting the development or alleviating difficulties of local companies such as Xinxiang Chemical Fibre Co., Ltd (000949.SZ) and Henan Magnesium Industry Co., Ltd.

Zhongyuan AMC exited these assets by selling in the secondary market or negotiating transfers in the past three years as a part of its effort to refocus on the distressed assets management business, reducing the balance of equity investments to RMB10.9 billion at end-March 2022 from RMB17.6 billion at end-2019.

The income of this segment was fluctuant in the past three years, given that a substantial part of Zhongyuan AMC's investments was subject to the mark-to-market valuation changes.

Integrated Financial Services

Zhongyuan AMC owns 51% shareholdings of Zhongyuan Aviation Leasing Co., Ltd ("Zhongyuan Aviation"), which had nine aircrafts for operating leasing at end-March 2022. Zhongyuan Aviation also engages in financial leasing activities for construction, transportation and manufacturing companies. Its asset quality was stable. The outstanding balance under the categories of special mention or below remained less than 2% of its total balance in 2018-2021.

Zhongyuan AMC also participates in factoring services, including account receivables management and financing, bills discounting and supply chain financing. The company also provides warehousing to its supply chain financing clients as a value-add service. Clients are mainly commodity traders as well as medicine and medical equipment traders. Zhongyuan AMC did not record any NPLs in its factoring business.

In addition, Zhongyuan AMC operates an exchange center for account receivables and distressed assets, which contributed a small fraction to Zhongyuan AMC's total revenue in the past three years.

Engineering Services

Zhongyuan AMC acquired 51% shareholdings of Xiangcheng Development and Investment Co., Ltd ("XDI"), an LGFV of Xiangcheng, the county-level city located in Southeast of Henan Province, through a debt-to-equity swap project in 2016. The Xiangcheng government holds the rest of the 49% shareholdings of XDI. It is one of the major operating entities in Xiangcheng, which is responsible for the funding and



constructing of the city's infrastructure, primary land development as well as shantytown redevelopment.

XDI mainly engaged in shantytown redevelopment projects in the past three years. It acquired land parcels mainly from primary land development allocation and developed residential and commercial properties. A part of the properties was sold to the government as resettlement houses, and the rest were sold to the public market. As the projects were completed and delivered, the segment's revenue increased by 31.2% to RMB1,425 million in 2021 from RMB1,085 million in 2020.

At end-March 2022, XDI had four projects scheduled to be developed, with the planned investment of RMB8 billion to support XDI's development in the next three years.

Financial Profile

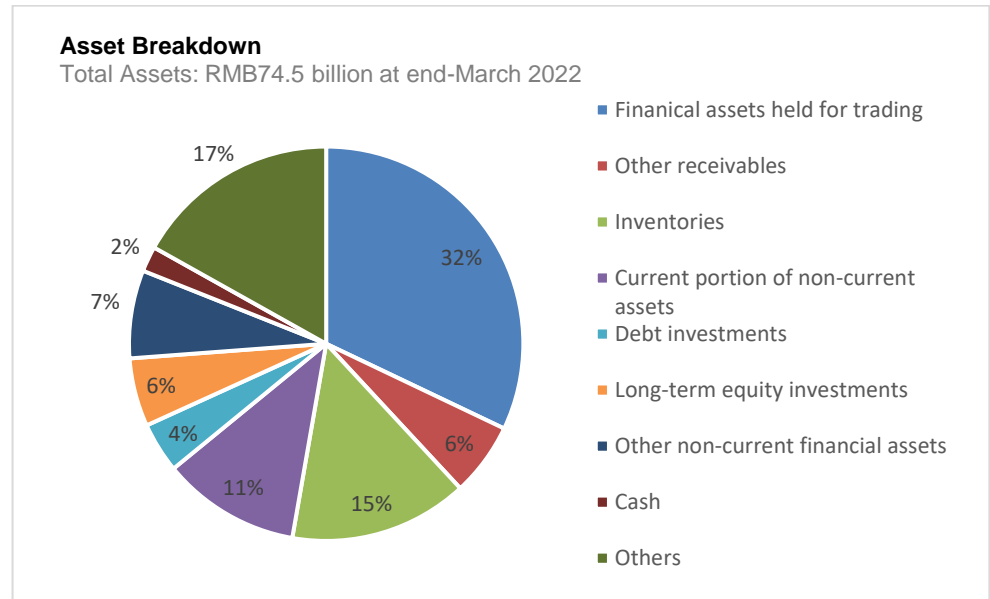
Balance Sheet Structure and Quality

Balance Sheet Structure and Quality				
(RMB million)	2019	2020	2021	March 2022
Total Assets	75,983	63,598	59,481	74,484
Current Asset	37,715	33,015	37,341	52,001
Equity	11,438	10,752	15,226	15,253
Debt	59,862	47,250	38,401	44,827
Debt / (Debt + Equity) (%)	83.8	81.4	71.6	74.6
LT Debt	34,505	22,366	15,986	23,207
LT Debt / (LT Debt + Equity)(%)	74.7	67.5	51.2	60.3
Total Liability /Total Asset (%)	84.9	83.1	74.4	79.5

Source: Zhongyuan AMC's audited annual reports, unaudited quarterly report and Lianhe Global's calculations

Zhongyuan AMC had shrunk its balance sheet between 2019 to 2021. Its total asset decreased to RMB59.5 billion at end-2021 from RMB76.0 billion at end-2020. This was mainly due to the company's effort to refocusing on the distressed assets management business, reducing the size of assets related to other activities such as non-financial distressed assets management, factoring and leasing, as well as alternative assets management. Accordingly, Zhongyuan AMC also experienced a deleverage in the past three years. Its total debt decreased to RMB38.4 billion at end-2021 from RMB59.9 billion at end-2019. The financial leverage as measured by total liabilities /total assets decreased to 74.4% from 84.9% during the same period.

Zhongyuan AMC received a capital injection of RMB4.3 billion in December 2021 and started to expand its balance sheet again. The company's total assets increased by 25% to RMB74.5 billion at end-March 2022. The amount of financial assets held for trading account, which mainly consisted of distressed debt, increased to RMB23.9 billion at end-March 2022 from RMB6.8 billion at end-2021. The company also utilized debts to fund its recent expansion, driving up its total debt to RMB44.8 billion and financial leverage to 79.5% at end-March 2022.



Source: Zhongyuan AMC's unaudited quarterly report and Lianhe Global's calculations

At end-March 2022, Zhongyuan AMC's assets were mainly generated by its distressed assets management, alternative asset management and engineering service activities. Financial assets held for trading (mainly distressed financial assets), the current portion of non-current assets (mainly debt investments due within one year), and debt investments (due more than one year) contributed 47% of Zhongyuan AMC's total assets. In addition, long-term equity investments and other non-current financial assets (mainly equity of non-listed companies) generated by the company's alternative investment activities contributed 13% of its total assets.

Zhongyuan AMC's engineering service business generated inventories (mainly consisting of land bank and construction costs) and other receivables due from local governments and corporates in Henan province, contributing 15% and 6% of Zhongyuan AMC's total assets, respectively. Nevertheless, Zhongyuan AMC's engineering service business is backed by long-term financing from the China Development Bank.

We believe Zhongyuan AMC's asset quality is stable based on its operation track record. The company also plans to increase the proportion of its mid-term and long-term debts to total debts to c. 60% in the next two years, in order to better match the duration between its assets and liabilities.

Cash Flow

Cash Flow (RMB million)	2019	2020	2021	3M2022
Cash Inflows from Operation	10,023	9,177	12,074	1,096
Cash Outflows from Operation	5,902	5,356	12,274	943
Net CF from Operation	4,120	3,821	-200	153
Cash Inflows from Investment	18,496	6,412	3,926	855
Cash Outflows from Investment	16,035	8,399	12,668	11,079
Net CF from Investment	2,460	-1,987	-8,741	-10,224
Cash Inflows from Financing	18,692	21,681	40,231	1,297
Capital Contribution	1,500	1,647	4,980	-
Borrowings	16,920	19,916	35,077	400
Others	272	118	174	897
Cash Outflows from Financing	25,050	25,982	28,685	919
Net CF from Financing	-6,358	-4,301	11,546	378



Net Increase in Cash and cash equivalent	223	-2,467	2,604	-9,693
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Source: Zhongyuan AMC's audited annual reports, unaudited quarterly report and Lianhe Global's calculations

Debt Servicing Capability

Zhongyuan AMC had c. RMB1.5 billion cash (including restricted cash of RMB455 million) at end-March 2022, compared with its debt due within one year of c. RMB21.6 billion. Nevertheless, the company had stocks of listed companies with the book value of c. RMB3.1 billion at end-March 2022. In addition, the company has access to multiple financing channels, including bank borrowings, onshore and offshore bond issuance, etc. The company had a total credit line of c. RMB65.6 billion at end-March 2022, of which c. RMB28.8 billion was available. Also, Zhongyuan AMC has unused onshore and USD bond issuance quotas of RMB7 billion and USD500 million, respectively, which the USD bond issuance quota will be expired in April 2023.

Debt Maturity Profile at end-March 2022

(RMB million)	Amount	Percentage
2Q2022	4,849	10.8%
3Q2022	2,307	5.1%
4Q2022	6,873	15.3%
2023	7,903	17.6%
2024	5,656	12.6%
2025	11,120	24.8%
2026	1,150	2.6%
2027 and thereafter	4,968	11.1%
Total	44,827	100.0%

Source: Zhongyuan AMC and Lianhe Global's calculations

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