

Lianhe Global has assigned ‘A-’ global scale Long-term Issuance Credit Rating to Zhongyuan Asset Management Co., Ltd.’s proposed USD notes

HONG KONG, 22 November 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A-’ global scale Long-term Issuance Credit Rating to the senior unsecured USD notes (“the USD notes”) to be issued by Zhongyuan Asset Management Co., Ltd. (“Zhongyuan AMC”; ‘A-’/Stable)’s indirect wholly-owned subsidiary, Zhongyuan Dayu International (BVI) Co., Ltd., which is unconditionally and irrevocably guaranteed by Zhongyuan AMC.

Zhongyuan AMC intends to use the net proceeds from this offering for refinancing its existing indebtedness.

Key Rating Rationales

The USD notes are rated at the same level as Zhongyuan AMC’s global scale Long-term Issuer Credit Rating of ‘A-’ as Zhongyuan AMC has unconditionally and irrevocably guaranteed the USD notes. Zhongyuan AMC’s obligations for the USD notes shall at all times at least rank pari passu with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the Henan provincial government would provide strong support to Zhongyuan AMC 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 Sensitivities

Any rating action on Zhongyuan AMC’s rating would result in a similar rating action on the USD notes.

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.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local government financing vehicles, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this Zhongyuan AMC's rating is Lianhe Global's LGFV Rating Criteria published on 31 December 2021 which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

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