

# Zhongyuan Asset Management Co., Ltd.

**Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘A+’ global scale Long-term Issuer and Issuance Credit Rating of Zhongyuan Asset Management Co., Ltd. (“Zhongyuan AMC”); Issuer Rating Outlook Stable**

## Summary

Issuer Rating	A+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	25 June 2026

## Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Henan Province (“the Henan government”) would provide strong support to Zhongyuan AMC if needed. This mainly considers the Henan government’s vast majority ownership of Zhongyuan AMC and the company’s strategic position as a major financial assets management company (“AMC”) in Henan Province (“Henan”), which plays an important role in resolving financial risks and maintaining the financial stability within the region. The linkage between the Henan government and Zhongyuan AMC is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, we believe that the Henan government has a strong willingness to ensure the issuer’s business and financial viability to safeguard its reputation and local financing activities.

Located in central China, Henan holds a critical strategic position and significant economic importance. In 2025, Henan’s GDP grew by 5.6% to RMB6,663.3 billion, while the Henan government’s budgetary revenue increased by 2.5% to RMB450.2 billion.

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

Lianhe Global has also affirmed ‘A+’ global scale Long-term Issuance Credit Rating of the senior unsecured USD Notes issued by Zhongyuan AMC at the same time. A full list of affirmed issuance ratings is included in this report.

## Rating Rationale

**Government Ownership and Supervision:** Department of Finance of Henan Province (“Finance Department”), as the actual controller, directly and indirectly owns vast majority stakes in Zhongyuan AMC and has strong control and supervision over the company, including its major strategic, investment and financing plans. The Henan government is responsible for senior management appointments of Zhongyuan AMC. In addition, the local government has an assessment mechanism over the company and appoints auditors to supervise the operating performance and financial position on a periodic basis.

**Strategic Importance and Strategic Alignment:** As a major local AMC in Henan, Zhongyuan AMC plays an important role in regional financial risk resolution and stability maintenance. Its strategic planning remains closely aligned with local government priorities, and we expect it to continue supporting the consolidation and restructuring of local financial institutions, while undertaking other policy tasks assigned by the Henan government.

In 2022, it acquired a RMB20.2 billion distressed asset package to support Zhongyuan Bank’s consolidation of three city commercial banks, a key initiative of the Henan provincial government to build a flagship bank with trillion-yuan assets. In 2024, it acquired another

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## Applicable Criteria

[China Local Investment and Development Companies Criteria \(31 July 2025\)](#)

RMB10.0 billion package from Bank of Zhengzhou. In 2025, it continued to acquire asset packages from local rural commercial banks to support their reform and risk mitigation.

**Strong Government Support:** Zhongyuan AMC has received strong support from the Henan government, mainly in the form of capital injections. The company completed three rounds of capital injections amounting to RMB5 billion, 3 billion and 2 billion in 2022, 2024 and 2025 respectively, enhancing Zhongyuan AMC's capital base to RMB18.7 billion at end-March 2026. Given its strategic importance in Henan, we expect Zhongyuan AMC to receive timely government support in the future.

**Zhongyuan AMC's Financials and Liquidity Position:** Zhongyuan AMC's total asset increased significantly to RMB75.0 billion at end-March 2026 from RMB70.9 billion at end-2024, as the company acquired several large asset packages in this period. Its total debt also increased to RMB52.2 billion from RMB48.1 billion over the same period to support its asset expansion. Thanks to the government's capital injections, the company's financial leverage, as measured by debt to capitalization, stayed at approximately the 72%-73% level.

Zhongyuan AMC's short-term debt servicing pressure is moderately high. At end-March 2026, Zhongyuan AMC had an unrestricted cash balance of RMB2.8 billion, against short-term debts of RMB13.2 billion. Yet the company has access to multiple financing channels, including bank borrowings, onshore and offshore bond issuance, to support its business operations and debt repayment. At end-March 2026, the company had unused bank facilities amounting to RMB31.7 billion and bond issuance quota of RMB3.3 billion.

## Rating Sensitivities

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

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

## Full List of Issuance Rating

A full list of issuance ratings is included below. Any rating action on Zhongyuan AMC's rating would result in a similar rating action on the USD notes:

- USD100 million 5.7% senior unsecured notes due 2028 affirmed at 'A+'

## Operating Environment

### Economic Condition of Henan

Located in central China, Henan is a core national transportation and logistics hub, holding a critical strategic position and significant economic importance in China. Its GDP ranked 6<sup>th</sup> nationwide and 1<sup>st</sup> among the central provinces. Henan's GDP increased to RMB6,663.3 billion in 2025 from RMB6,355.7 billion in 2024, with its economic growth rate increasing to 5.6% from 5.1% in 2024 and 4.2% in 2023.

<b>Henan's Economic condition</b>			
<b>(RMB billion)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
GDP	6,062.8	6,355.7	6,663.3
-Primary industry (%)	8.8	8.6	8.3
-Secondary industry (%)	38.1	38.3	37.4
-Tertiary industry (%)	53.1	53.1	54.3
GDP growth rate (%)	4.2	5.1	5.6
Fixed asset investment growth rate (%)	2.1	7.0	4.0
Population (million)	98.2	97.9	97.4

*Source: Statistical bureau of Henan and Lianhe Global's calculations*

## Fiscal Condition of Henan

The Henan government's budgetary revenue rebounded by 2.5% to RMB450.2 billion in 2025. However, the fiscal self-sufficiency rate remained relatively weak, with a budget deficit of 155.8%. The outstanding debt of the Henan government has kept growing over the past few years. At end-2025, the Henan government's outstanding debt increased to RMB2,488.4 billion from RMB1789.3 billion at end-2023, mainly due to the issuance of special debts to support local public projects and replace government implicit debts. Its government debt ratio, as measured by the total government debt/aggregate revenue, surged to 200.1% at end-2025 from 165.9% in 2024.

<b>Henan's Fiscal Condition</b>			
<b>(RMB billion)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Budgetary revenue	451.8	439.3	450.2
Budgetary revenue growth rate (%)	6.3	-2.6	2.5
Tax revenue	285.5	273.6	275.9
Tax revenue (% of budgetary revenue)	63.2	62.3	61.3
Government fund income	193.2	185.8	158.3
Transfer payment	600.7	632.1	618.6*
<b>Aggregate revenue</b>	<b>1,260.9</b>	<b>1,284.3</b>	<b>1,243.7</b>
Budgetary expenditure	1,105.3	1,146.1	1,151.6
Budget balance <sup>1</sup> (%)	-144.6	-160.5	-155.8
Government debt ratio (%)	141.9	165.9	200.1

<sup>1</sup> Budget balance = (1-budgetary expenditure / budgetary revenue) \* 100%

*Source: Financial Bureau of Henan and Lianhe Global's calculations*

\* Estimated by Lianhe Global

## Company Profile

Zhongyuan AMC was established in August 2015 under the approval of the Henan government. It is the first local AMC with the business of acquisition and disposal of financial non-performing assets in Henan Province. The Henan government authorizes Finance Department to perform the duties as Zhongyuan AMC's shareholder.

By end-2025, Finance Department, as the actual controller of the company, owns 83.46% stake in Zhongyuan AMC, including 12.31% of direct holding and 71.15% indirect stake held via Henan Investment Group Co., LTD. and other SOEs under Finance Department.

Zhongyuan AMC's revenue declined to RMB1.5 billion in 2025 from RMB2.6 billion in 2024, partially reflecting the contraction of its commodity sales business as the company refocused on its core AMC operations.

**Zhongyuan AMC's Key Financial Data**

<b>(RMB million)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026.3</b>
Total Assets	72,544	70,870	74,470	75,039
Equity	16,072	18,320	18,663	18,670
Debt	48,377	48,136	51,170	52,221
Debt / (Debt + Equity) (%)	75.1	72.4	73.3	73.7
Unrestricted cash/ST Debts (x)	0.1	0.1	0.2	0.2
Debt / EBITDA (x)	14.8	17.1	22.1	-
Revenue	4,006	2,618	1,473	298
Operating Profit	823	564	178	1
Operating Margin (%)	20.6	21.5	12.1	0.4

*Source: Zhongyuan AMC and Lianhe Global's calculations*

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