



CCXAP assigns first-time A_g+ to Beijing Easyhome Investment Holding Group Co., Ltd., with stable outlook

Hong Kong, 19 November 2018 -- China Chengxin (Asia Pacific) Credit Ratings (“CCXAP”) has assigned a first-time long-term credit rating of A_g+ to Beijing Easyhome Investment Holding Group Co., Ltd. (“Easyhome”). The rating outlook is stable.

Rating Rationale

The A_g+ rating of Beijing Easyhome Investment Holding Group Co., Ltd. (“Easyhome” or the “Company”) is underpinned by the Company’s (1) solid market position in Mainland China with reputable brand name; (2) reputable brand recognition and multiple mall network underpinned by asset-light model; and (3) adequate liquidity buffer. However, the rating is also constrained by (1) the volatile business nature of China’s property market which may affect the retail market of chain home improvement; (2) increased capital expenditure pressure due to self-owned shopping mall project pipeline; and (3) rapid expansion of franchised shopping malls which may exert pressure on management capability.

Rating Outlook

The stable outlook reflects our expectation that Easyhome will continue to be the market leader in chain home-improvement retail mall sector, benefitting from strong home refurbishment demand and rising number of home buyers. The Company is expected to generate steady earnings and cash flows from its mall business.

What could upgrade the rating?

The rating could be upgraded if the Company (1) improves its market share in home improvement retail mall sector in Mainland China; (2) achieves a track record of enhancing profitability; (3) improves its credit metrics; and (4) robust asset quality, such as growing holding of well-located properties.

What could downgrade the rating?

The rating could be downgraded if the Company’s (1) profitability deteriorates obviously; (2) credit metrics worsen than anticipated; or (3) liquidity weakens significantly.

Rating Methodology

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means. The methodology used in this rating is Rating Methodology for REITs and REOCs dated July 2018, available at www.ccxap.com (Rating Process -> Rating Methodology).

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