

CCXAP downgrades Jinke Property Group Co., Ltd.'s ratings to B_g; ratings remain on watch negative

Hong Kong, 24 May 2022 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has downgraded the long-term credit rating and senior unsecured debt rating of Jinke Property Group Co., Ltd. (“Jinke Property” or the “Company”) to B_g from BB_g-. The ratings remain on watch negative.

Corporate Profile

Founded in 1998, Jinke Property was listed on Shenzhen Stock Exchange (Stock Code: 000656.SZ) in 2011. The Company is one of the leading property developers in Chongqing with national market coverage. As of the end-2021, the Company's landbank area was 65.9 million sqm, covering 122 cities in China. As at 31 March 2022, Mr. Huang Hongyun and persons acting in concert had the ultimate control of the Company, owning 18.23% of the Company's stakes.

Rating Rationale

The rating downgrade reflects Jinke Property's heightened refinancing risk on its maturing debts and limited liquidity. On 23 May 2022, Jinke Property sought one-year extension on its RMB1.25 billion onshore corporate bonds “20Jinke03” puttable on 28 May 2022 because it failed to issue new bonds for refinancing as scheduled. For the extension plan, it expects to pay 25% of the outstanding principals by installments in 2022 and the rest in 2023. The extension indicated Jinke Property's weakened refinancing ability and heightened liquidity risk. We believe Jinke Property's liquidity and refinancing capability to be pressured from the weaker operating and funding conditions. Meanwhile, Jinke Property had around RMB7.5 billion of onshore bonds maturing or puttable in 2022, including the bonds seeking for extension, as of 30 April 2022.

Rating Outlook

The rating watch negative reflects the heightened repayment risk of Jinke Property on its maturing debts, which could lead to further downgrade to its ratings.

What could upgrade the rating?

Rating upgrade is less likely given the rating watch negative. However, positive rating action could be taken if the Company improves its liquidity buffer while demonstrating a better sales performance.

What could downgrade the rating?

The rating could be downgraded if the Company's liquidity and refinancing ability further deteriorate.



Regulatory Methodology

The methodology used in this rating is the Rating Methodology for [Real Estate Development Industry \(December 2019\)](#).

Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are available on its website at:

http://www.ccxap.com/en/rating_services/category/6/

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