

CCXAP downgrades Jinke Property Group Co., Ltd.'s ratings to CCC_g, with negative outlook

Hong Kong, 31 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 CCC_g from B_g. At the same time, CCXAP has changed the rating outlook to negative and removed the ratings from 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 deteriorated liquidity position and heightened refinancing risk. We expect that Jinke Property will largely rely on its internal cash flow to repay its upcoming debt maturities given the Company's deteriorated access to external financing during the recent capital market volatility with weak investor confidence. The sluggish contracted sales of Jinke Property, together with the tight regulatory control in escrow cash accounts, has largely reduced the Company's available cash resources to repay its maturing debts. As of 31 May 2022, Jinke Property had around RMB6.3 billion of onshore bonds maturing or puttable in the rest of 2022, excluding the successfully extended onshore bonds of “20Jinke03” in May.

Rating Outlook

The negative outlook reflects the heightened repayment risk of Jinke Property on its maturing debts, given its weakened liquidity buffer and limited funding access.

What could upgrade the rating?

Rating upgrade is less likely given the negative outlook. However, the rating outlook could be revised to stable if the Company materially 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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The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Vincent Tong

Senior Analyst

+852-2860 7125

vincent_tong@ccxap.com

Elle Hu

Director of Credit Ratings

+852-2860 7120

elle_hu@ccxap.com

Client Services: +852-2860 7111



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China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656