

**Lianhe Global has affirmed 'B+' global scale Long-term Issuer and Issuance Credit Rating of Jingrui Holdings Limited; Issuer Rating Outlook is Stable**

HONG KONG, 27 May 2021 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘B+’ global scale Long-term Issuer Credit Rating of Jingrui Holdings Limited (1862.HK) (“Jingrui” or “the company”). The Outlook is Stable.

Lianhe Global has also affirmed ‘B+’ global scale Long-term Issuance Credit Rating to the senior unsecured USD notes issued by Jingrui at the same time. A full list of affirmed issuance ratings is included in this press release.

**Key Rating Rationales**

The Issuer Rating reflects Jingrui’s operating track record and continuous expansion in tier 1 and 2 cities, especially in the Yangtze River Delta (“YRD”) region. However, Jingrui’s rating is constrained by its small operating scale, less competitive on land acquisition, moderately high financial leverage and moderate gross margin.

The Stable Outlook reflects our expectation that Jingrui will replenish its land bank portfolio and expand its operating scale, while managing its debt growth in tandem cautiously and improving its gross margin.

**Rating Sensitivities**

We would consider downgrading Jingrui’s rating if it were to (1) aggressively replenish its land bank which results in an increase in its financial leverage as measured by debt/capitalization to over 70% or a decrease in its EBITDA interest coverage to below 1.0x consistently, and/or (2) its operating performance were to deteriorate such that its contracted sales and/or revenue experience a material decline or liquidity profile is worsened.

We would consider upgrading Jingrui’s rating if it were to (1) expand its operating scale, and/or (2) maintain its financial leverage as measured by debt/capitalization at below 60% and EBITDA interest coverage at above 2.0x consistently.

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

**Full List of Issuance Ratings**

- USD200 million 10.875% senior unsecured notes due 2021 affirmed at 'B+'
- USD260 million 12% senior unsecured notes due 2022 affirmed at 'B+'
- USD350 million 14.5% senior unsecured notes due 2023 affirmed at 'B+'
- USD190 million 12.5% senior unsecured notes due 2023 affirmed at 'B+'

## **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 Jingrui's rating is Lianhe Global's General Corporate Rating Criteria published on 16 July 2018 which can be found at the website [www.lhratingsglobal.com](http://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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