

**Lianhe Global downgrades Jinke Property Group Co., Ltd.’s global scale Long-term Issuer Credit Rating and Long-term Issuance Credit Rating to ‘B+’ from ‘BB’; on Rating Watch Negative**

HONG KONG, 23 May 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has downgraded the global scale Long-term Issuer Credit Rating of Jinke Property Group Co., Ltd. (000656.SZ) (“Jinke” or “the company”) to ‘B+’ from ‘BB’.

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

All ratings have been put on Rating Watch Negative (RWN).

**Key Rating Rationales**

The downgrade reflects Jinke’s increasing refinancing pressure and worsening liquidity. The company has c. RMB7 billion of securities maturing or becoming puttable from May to December 2022, with c. RMB1.25 billion being puttable on May 28, 2022. The very recent trading performance of Jinke’s onshore securities significantly deteriorated while Jinke’s refinancing/repayment plan is not materializing as planned, hence the refinancing and liquidity risks for Jinke have heightened more than previously expected. There is increasing uncertainty on how Jinke would repay/refinance its maturing or puttable indebtedness.

The RWN reflects the increasing refinancing risk of Jinke on its immediate upcoming maturing securities, which could lead to further downgrade to the company’s ratings. We would remove the RWN when the company has demonstrated its capability to manage its maturing financial obligations in the near to medium terms.

**Rating Sensitivities**

We would consider downgrading Jinke’s rating if (1) it were to fail to meet its near and medium term financial obligations when they become due, and/or (2) its operating performance were to deteriorate such that its contracted sales and/or revenue continue to experience a material decline or liquidity profile is worsened.

An upgrade is unlikely given the RWN on Jinke. We will resolve the RWN as soon as practicable.

Any rating action on Jinke’s rating would result in a similar rating action on its USD notes.

**Full List of Issuance Rating**

- USD325 million 6.85% senior unsecured notes due 2024 downgraded to 'B+' from 'BB'

### **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 Jinke's rating is Lianhe Global's Chinese Property Developer Rating Criteria published on 31 December 2021, 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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