

**Lianhe Global has affirmed ‘A’ global scale Long-term Issuer Credit Rating of Wuxi Construction and Development Investment Co., Ltd.; Issuer Rating Outlook Stable**

HONG KONG, 7 January 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘A’ global scale Long-term Issuer Credit Rating of Wuxi Construction and Development Investment Co., Ltd. (“WCDI”). The Outlook is Stable.

**Key Rating Rationales**

The Issuer Credit Rating reflects a high possibility that Jiangsu’s Wuxi municipal government would provide strong support to WCDI if needed. This mainly considers the Wuxi municipal government’s full ownership of WCDI, the high importance of WCDI to Wuxi in the municipal infrastructure construction and landscaping construction, and the strong linkage between the Wuxi municipal government and WCDI, including management supervision, ongoing operational and financial support. In addition, the Wuxi municipal government may face significant negative impact on its reputation and financing activities if WCDI were to encounter any operational and financial difficulties.

The Stable Outlook reflects our expectation that WCDI’s strategic importance would remain intact while the Wuxi municipal government will continue to ensure WCDI’s stable operation.

**Rating Sensitivities**

We would consider downgrading WCDI’s rating if (1) there is perceived weakening in support from Jiangsu’s Wuxi municipal government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Wuxi municipal government’s ownership of WCDI, or (3) there is a downgrade in our internal credit assessment on the Wuxi municipal government.

We would consider upgrading WCDI’s rating if (1) there is strengthened support from the Wuxi municipal government, or (2) there is an upgrade in our internal credit assessment on the Wuxi municipal government.

**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 WCDI's rating is Lianhe Global's China Local Government Financing Vehicle 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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