

Lianhe Global has affirmed ‘A+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Wuxi Urban Construction Development Group Co., Ltd.

HONG KONG, 13 December 2023 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘A+’ global scale Long-term Issuer Credit Rating of Wuxi Urban Construction Development Group Co., Ltd. (“WUCD”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the Wuxi Municipal People's Government (“Wuxi government”) would provide strong support to WUCD if needed, in light of its full ownership of WUCD, WUCD’s strategic position as an important Local Investment and Development Company (“LIDC”) for urban construction and development in Wuxi City (“Wuxi”) and the strong linkage between the Wuxi government and WUCD including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Wuxi government may face significant negative impact on its reputation and business and financing activities should WUCD encounters any operational or financial difficulties.

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

Rating Sensitivities

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

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

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, 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 WUCD's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, which can be found at the website 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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