

**Lianhe Global has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating with Stable Outlook to Taixing Zhiguang Environmental Protection Technology Co., Ltd.**

HONG KONG, 2 January 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Taixing Zhiguang Environmental Protection Technology Co., Ltd. (“TZEPT”). The Outlook is Stable.

**Key Rating Rationales**

The Issuer Credit Rating reflects a high possibility that the People’s Government of Taixing City (“Taixing government”) would provide strong support to TZEPT if needed, in light of its indirectly full ownership of TZEPT, TZEPT’s strategic importance as the important investment and development company (“LIDC”) responsible for infrastructure construction and land development in Jiangsu Taixing High-tech Industrial Development Zone, and the linkage between the Taixing government and TZEPT, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and other government support. In addition, the Taixing government may face significant negative impact on its reputation and financing activities if TZEPT encounters any operational and financial difficulties.

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

**Rating Sensitivities**

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

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