

**Lianhe Global has assigned 'A-' global scale Long-term Issuer Credit Rating with Stable Outlook to Quzhou Great Garden Construction Investment Development Group Co., Ltd.**

HONG KONG, 30 December 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A-’ global scale Long-term Issuer Credit Rating to Quzhou Great Garden Construction Investment Development Group Co., Ltd. (“QZGG” or “the company”); The Outlook is stable.

The Issuer Credit Rating reflects a high possibility that the People's Government of Quzhou City (“Quzhou government”) would provide very strong support to QZGG if needed, in light of its indirect majority ownership of QZGG, QZGG's strategic importance as an important local investment and development company (“LIDC”) that is responsible for infrastructure construction and cultural tourism operation in Quzhou, and the linkage between the Quzhou government and QZGG, including appointment and supervision of senior management, strategic alignment, and ongoing operational and financial support. In addition, the Quzhou government may face significant negative impact on its reputation and financing activities if QZGG encounters any operational or financial difficulties.

Quzhou is a prefecture-level city of Zhejiang Province. In 2024, Quzhou's GDP grew by 6.4% to RMB226.3 billion and its budgetary revenue reached RMB20.9 billion.

The Stable Outlook reflects our expectation that QZGG's strategic importance would remain intact while the Quzhou government will continue to ensure QZGG's stable operation.

**Key Rating Rationales**

**Government's Ownership and Supervision:** The Quzhou government holds the majority ownership of QZGG through Quzhou State-owned Assets Supervision and Administration Commission (“Quzhou SASAC”), Quzhou State-owned Capital Operation Co., Ltd. (“QZSCO”) and Quzhou Holding Group Co., Ltd. The remaining 1.8% stake of QZGG is indirectly held by the Zhejiang Provincial Department of Finance. Quzhou SASAC and QZSCO are the actual controller and controlling shareholder of QZGG, respectively. The Quzhou government has the final decision-making authority and supervision over the company, including appointment and supervision of senior management, strategic alignment, and ongoing operational and financial support. In addition, the Quzhou government has an assessment mechanism over the company and regularly appoints auditors to review the company's operating performance and financial position.

**Strategic Importance and Strategic Alignment:** As an important LIDC in Quzhou, QZGG is primarily responsible for infrastructure construction and cultural tourism operation in Quzhou. QZGG is the sole prefectural-level LIDC responsible for cultural tourism operation in Quzhou. QZGG concentrates on investment, construction and operation in the agriculture, commerce,

culture and tourism sectors. Its business operations and strategic planning have been aligned with the Quzhou government's economic and social development plans.

**Ongoing Government Support:** QZGG continues to receive various ongoing support from the Quzhou government, including financial subsidies and capital and asset injections and equity transfers. During 2021-2024, the Quzhou government transferred various assets to QZGG including water resource rights, sand and gravel resource operation rights, advertising franchise rights, raw water supply rights, properties and nursery assets. Also, the Quzhou government transferred equity stakes in several local state-owned entities to QZGG during the same period. Additionally, QZGG received subsidies with a total amount of RMB56 million during 2021-2024.

**QZGG's Financial Matrix and Liquidity Position:** QZGG's total assets increased steadily over the past few years, reaching RMB23.5 billion at end-September 2025, up from RMB15.6 billion at end-2022. This was mainly driven by the growth in investment properties, construction in progress and other equity investments. At end-September 2025, the company's assets mainly consisted of intangible assets, construction in progress and other non-current assets.

The company mainly relied on bank borrowings to fund its asset expansion. At end-September 2025, QZGG's total debt reached RMB4.9 billion, with short-term debt accounting for 22.1% of the total debt. The financial leverage, as measured by debt to capitalization ratio, increased to 27.9% at end-September 2025 from 10.6% and 26.5% at end-2023 and end-2024, respectively.

The short-term debt servicing pressure of QZGG remained moderately high. At end-September 2025, QZGG had a total cash balance of RMB1.0 billion, compared with its short-term debt of RMB1.1 billion. The company has access to financing channels, including bank loans and other non-traditional financing tools, to support its debt repayments and business operations. Also, at end-August 2025, the company had unused bank credit facilities of RMB1.96 billion.

### **Rating Sensitivities**

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

We would consider upgrading QZGG's rating if there is an upgrade in our internal credit assessment on the Quzhou 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.

## **Principal Methodology Applied**

*China Local Investment and Development Companies Criteria* (published on 31 July 2025)  
The methodology 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. None of the aforementioned entities nor its related parties participate in the rating process aside from providing information requested by Lianhe Global.

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