

Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Chengdu Dongjin Industrial Investment Group Co., Ltd.

HONG KONG, 28 October 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating to Chengdu Dongjin Industrial Investment Group Co., Ltd. (“CDIIG” or “the company”). The Outlook is Stable.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Jintang County, Chengdu City (“Jintang government”) would provide very strong support to CDIIG if needed, in light of its full ownership of CDIIG, CDIIG’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for urban construction and industrial development in Jintang City (“Jintang”), Chengdu City (“Chengdu”), and the linkage between the Jintang government and CDIIG, including appointment of the senior management, strategic alignment, supervision of major investment and financing plan decisions and ongoing operational and financial support. In addition, the Jintang government may face significant negative impact on its reputation and financing activities if CDIIG encounters any operational and financial difficulties.

Jintang is a county in Chengdu City. Jintang’s GDP grew steadily by 6.2% to reach RMB70.6 billion in 2024. The budgetary revenue of the Jintang government increased to RMB5.1 billion in 2024.

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

Key Rating Rationales

Government’s Ownership and Supervision: The Jintang government holds 100% stake of CDIIG through State-owned Assets Supervision, Administration and Finance Bureau of Jintang County, Chengdu City (“Jintang SASAFB”). The Jintang government is the ultimate controller of the company. It has the final decision-making authority and supervises the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Jintang government has assessment mechanism over the company and appoints auditors to supervise the operating performance and financial position on a periodic basis.

Strategic Importance and Strategic Alignment: CDIIG is the key LIDC that is responsible for urban construction, state-owned assets operation and industrial investment in Jintang. The company mainly engages in urban operations, green development, rural revitalization, and cultural tourism integration for Jintang. Its specific business lines include the sales of agricultural and sideline products, labor dispatch services and urban maintenance and operations. Besides, CDIIG is the sole LIDC in the region for water-related business,

representing a unique strategic role that is difficult to replace. CDIIG plays an important role in promoting the economic and industrial development of the region. Its business operation and strategic planning have been aligned with the government's development plans.

Strong Government Support: CDIIG continued to receive financial subsidies and asset/capital injections from the Jintang government to support its business operations. Between 2022 and the first six months of 2025, CDIIG received financial subsidies of RMB74.5 million from the Jintang government. Meanwhile, the company received asset and capital injections from the Jintang government in the form of cash, buildings, construction projects, equity transfers and other assets. We believe the government support will remain intact given the company's strategic importance in Jintang.

CDIIG's Financial and Liquidity Position: CDIIG's asset base expanded over the past three years as it actively participated in Jintang's project development. Its asset size reached RMB35.3 billion at end-June 2025, up from RMB23.3 billion at end-2022. The company mainly relied on borrowings to finance its projects. As a result, CDIIG's financial leverage, as measured by debt-to-capitalization, rose to 45.1% at end-June 2025 from 35.3% at end-2022.

CDIIG's short-term debt servicing pressure is moderately high. At end-June 2025, the company's short-term debt totaled about RMB6.4 billion, compared with RMB642.3 million of cash on hand. Yet CDIIG retains access to a range of funding channels, including bank borrowings, bond issuance and non-traditional financing. The company had a total credit facility of RMB15.8 billion, of which RMB1.0 billion was unused, at end-2024.

Rating Sensitivities

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

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

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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