

Chengdu Dongjin Huaitou Ronghe Industry Investment Co., Ltd.

Summary

Issuer Rating	BBB
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	16 January 2026

Lianhe Ratings Global Limited (“Lianhe Global”) has upgraded the global scale Long-term Issuer Credit and Issuance Rating of Chengdu Dongjin Huaitou Ronghe Industry Investment Co., Ltd. (“CDHRI” or “the company”) to ‘BBB’ from ‘BBB-’; Issuer Rating Outlook Stable

Summary

The Issuer Credit Rating upgrade reflects CDHRI’s enhanced strategic importance, driven by its optimized asset allocation via equity transfers, a shifted focus to high-potential sectors such as medical supplies, hospital logistics, and rural tourism, and ongoing involvement in local industrial development. The company has further expanded its role in the medical and rural tourism sectors, including the industrialization of its medical subsidiary, centralized procurement of medical supplies and pharmaceuticals, and the provision of integrated hospital logistics services. These involvements are fully aligned with the local government’s plan and development.

We believe this continues to reflect a high possibility that the People’s Government of Jintang County, Chengdu City (“Jintang government”) would provide strong support to CDHRI if needed, in light of its full ownership of CDHRI, CDHRI’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction and land consolidation in Jintang County, Chengdu City (“Jintang”), especially in Huaizhou Xincheng Functional Area (“Xincheng”), and the linkage between the Jintang government and CDHRI, including appointment and supervision of the senior management, strategic alignment, 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 CDHRI encounters any operational and financial difficulties.

Jintang is a county in Chengdu City. Jintang’s GDP grew steadily by 6.0% 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 CDHRI’s strategic importance would remain intact while the Jintang government will continue to ensure CDHRI’s stable operation.

Rating Rationale

Government’s Ownership and Supervision: The Jintang government holds the full ownership of CDHRI through the State-owned Assets Supervision, Administration and Finance Bureau of Jintang County, Chengdu City (“Jintang SASAFB”). The Jintang government is the actual 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.

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Applicable Criteria

China Local Investment and Development Companies Criteria
(31 July 2025)

Strategic Importance and Strategic Alignment: CDHRI remains as the key LIDC in Jintang that primarily responsible for the investment, development and operation of infrastructure and land consolidation projects within Xincheng. Serving as the key entity in charge of infrastructure-related projects throughout the region, CDHRI is mainly engaged in healthcare, rehabilitation, vocational education, and general aviation-related infrastructure projects with strong regional advantages. CDHRI optimized asset allocation via equity transfers, shifting focus to high-potential sectors. Spearheading the industrialization of its medical subsidiary, the company oversees centralized procurement of medical supplies and pharmaceuticals for hospitals, builds a medical consortium, and delivers integrated logistics services. CDHRI plays an important role in promoting the economic and social development of the region. Its business operation and development have been aligned with the government's development plans.

Ongoing Government Support: CDHRI received operational and financial support from the government. CDHRI received a total subsidy amount of RMB253.4 million from 2022 to the first nine months of 2025. The Jintang government continued to inject capital, land assets and other kinds of assets into CDHRI to expand its asset size. Besides, the Jintang government will repurchase some infrastructure projects and provide policy supports to CDHRI to ensure its business operation. Given that it is the key entity for infrastructure construction and operation in Jintang, CDHRI has an advantage in acquiring related resources and major projects. We believe CDHRI is likely going to receive government support to support its daily business operation.

CDHRI's Financial and Liquidity Position: CDHRI's total assets increased from RMB13.4 billion at end-2024 to RMB18.9 billion at end-September 2025. The total adjusted debt of CDHRI increased from RMB7.1 billion at end-2024 to RMB7.6 billion at end-September 2025. Similarly, the financial leverage, as measured by the debt to capitalization ratio, increased to 45.9% at end-September 2025, up from 44.8% at end-2024.

CDHRI's liquidity was weak, as it had an unrestricted cash balance of RMB1.4 billion at end-September 2025, compared with its outstanding debt of RMB3.5 billion to be due within one year. Nevertheless, the company is able to roll over most of its short-term debt from bank loan. Moreover, CDHRI has access to various financing channels, including bank loans, bond issuance and other non-bank financing to support its debt repayment and business operation. CDHRI has a total credit facility of RMB5.1 billion at end-2024, of which RMB0.6 billion was unused.

Rating Sensitivities

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

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

Any rating action on CDHRI's rating would result in a similar rating action on its bonds.

Full List of Issuance Ratings

A full list of upgraded issuance ratings is included below. Any action on CDHRI's rating would result in a similar rating action on its bonds:

- CNY40.8 million 7.40% senior unsecured bonds due 2026 to 'BBB' from 'BBB-'
- CNY341.3 million 7.40% senior unsecured bonds due 2026 to 'BBB' from 'BBB-'
- USD68.1 million 7.60% senior unsecured bonds due 2028 to 'BBB' from 'BBB-'
- CNY439.9 million 7.60% senior unsecured bonds due 2028 to 'BBB' from 'BBB-'

Operating Environment

Economic Condition of Jintang

Jintang's economy maintained stable growth in the past few years and its GDP reached RMB70.63 billion in 2024, representing a year-on-year growth of 6.2% (2023: 8.1%). Jintang's economic growth was mainly fueled by secondary and tertiary industries, which accounted for 39.3% and 50.4% of GDP in 2024, respectively. The GDP per capita of Jintang was RMB80,500 in 2024, demonstrating solid economic development momentum as a county under Chengdu City's administration in Sichuan Province.

Jintang's Economic Condition (RMB billion)	2022	2023	2024
GDP	60.29	65.03	70.63
-Primary industry (%)	11.90	12.60	10.30
-Secondary industry (%)	40.60	38.40	39.30
-Tertiary industry (%)	47.50	49.00	50.40
GDP growth rate (%)	6.50	8.10	6.20
Fixed asset investment growth rate (%)	5.30	-6.54	11.30
Population (million)	0.80	0.81	0.81

Source: Financial Bureau of Jintang, statistical bureau of Jintang and Lianhe Global's calculations

Fiscal Condition of Jintang

The budgetary revenue of the Jintang government increased to RMB5.11 billion in 2024 from RMB4.48 billion in 2023, representing a growth of 14.2%, with the contribution of tax revenue declining to 34.9% from 38.1% over the same period. The fiscal self-sufficiency rate of the Jintang government remained weak, with the budget deficit increasing to 79.6% at end-2024, compared with 68.4% in 2023.

The outstanding debt of the Jintang government kept growing in past few years. At end-2024, the Jintang government's outstanding debt increased to RMB30.92 billion from RMB27.76 billion at end-2023, mainly due to the issuance of special purpose bonds to support local infrastructure and public projects. However, its government debt ratio, as measured by the total government debt to aggregate revenue, decreased slightly to 207.5% at end-2024 from 208.5% at end-2023.

Jintang's Fiscal Condition (RMB billion)	2022	2023	2024
Budgetary revenue	4.07	4.48	5.11
Budgetary revenue growth rate (%)	-3.00	10.10	14.20
Tax revenue	1.53	1.71	1.78
Tax revenue (% of budgetary revenue)	37.54	38.11	34.89
Government fund income	4.01	3.81	3.52
Transfer payment	4.61	5.04	6.27
Aggregate revenue	12.68	13.32	14.90
Budgetary expenditure	6.91	7.54	9.18
Budget balance ¹ (%)	-69.99	-68.39	-79.61
Government debt ratio (%)	190.89	208.50	207.54

¹ Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%

Source: Financial Bureau of Jintang, statistical bureau of Jintang and Lianhe Global's calculations

Company Profile

CDHRI was established in March 2018 with an initial registered capital of RMB50 million, funded by the Jintang SASAFB. After an array of capital injections, the company's registered and paid-in capital were both RMB1.0 billion at end-September 2025. CDHRI had a shareholding structure in which the Jintang SASAFB, as the sole shareholder and actual controller of the company, held 100% of the company's equity.

CDHRI, as an important LIDC in Jintang, is mainly responsible for the infrastructure construction and land consolidation within the region, with a strong regional advantage. The primary sources of operating revenue for CDHRI are sand and gravel sales, while it also engaged in other operating business such as leasing and commodity sales, etc. The company realized revenue of RMB1.4 billion, RMB3.7 billion, RMB5.2 billion and RMB3.6 billion in 2022, 2023, 2024 and the first nine months of 2025, respectively. The overall gross profit margin has remained stable between 2%-7% over the past years.

Key Financial Data				
(RMB million)	2022	2023	2024	2025.9
Total Assets	15,022	19,174	13,397	18,941
Equity	8,372	8,902	8,690	8,946
Debt	4,814	7,355	7,053	7,594
Debt / (Debt + Equity) (%)	36.5	45.2	44.8	45.9
Unrestricted cash/ST Debts (x)	0.5	0.5	0.4	0.4
Debt/EBITDA (x)	16.5	24.6	18.7	-
Revenue	1,410	3,702	5,231	3,637
Operation Profit	135	126	128	11
Gross Margin (%)	7.0	3.2	2.3	2.5
Cash from sales or services/ Revenue (%)	149.7	100.9	109.9	87.2
<i>Source: The company and Lianhe Global's calculations</i>				

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