

Chengdu Dujiangyan Investment Development Group Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Chengdu Dujiangyan Investment Development Group Co., Ltd. (“DIDG”); Issuer Rating Outlook Stable

Summary

The Issuer Credit Rating reflects a high possibility that the Dujiangyan government would provide very strong support to Chengdu Dujiangyan Investment Development Group Co., Ltd. (“DIDG”) if needed. This mainly considers the Dujiangyan government’s full ownership of DIDG, DIDG’s strategic importance as the most important local state-owned entity for infrastructure construction and state-owned asset operation in Dujiangyan, and the strong linkage between the Dujiangyan government and DIDG, including control of the board of directors, appointment and supervision of senior management, strategic alignment, major investment and financing plan decisions and ongoing government support. We believe the local government has a very strong willingness to prevent DIDG from encountering any operational or financial difficulties in order to safeguard its reputation and financing activities.

Dujiangyan is a county-level city under the administration of Chengdu City. Its GDP grew steadily by 5.5% to RMB54.5 billion in 2024.

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

Rating Rationale

Government’s Ownership and Supervision: DIDG is wholly owned by the State-owned Assets Supervision and Administration Bureau of Dujiangyan City (“Dujiangyan SASAC”), which is also the company’s ultimate controlling shareholder. The Dujiangyan government maintains strong control and supervision over DIDG, including board control, appointment and supervision of senior management, strategic alignment, and decision-making over major investment and financing plans. DIDG also remains subject to ongoing government oversight in its budgeting, financing and operating activities.

Strategic Importance and Strategic Alignment: DIDG is the most important infrastructure construction and state-owned asset operation entity in Dujiangyan. It mainly engages in infrastructure construction and land development/consolidation within Dujiangyan and also operates housing sales, water services, property leasing, scenic area and tourism services, sand and gravel sales and other state-owned asset operations. Its infrastructure construction, land consolidation, water and sand-related businesses have strong regional franchise characteristics. DIDG therefore plays an important role in urban development, public utility operation and state-owned asset management in Dujiangyan. Its business positioning remains aligned with the local government’s development plans.

Strong Government Support: DIDG continued to receive government support mainly in the form of asset injections and operational subsidies. According to the financial data provided by the company, DIDG did not receive any cash capital injections in 2022, 2023, 2024 or the first half of 2025. Asset injections amounted to RMB1,490.6 million, RMB56.1 million, RMB270.0 million and RMB80.0 million, respectively, over the same periods. Operational subsidies amounted to RMB438.5 million, RMB296.1 million, RMB333.8 million

Summary

Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	8 April 2026

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Applicable Criteria

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

and RMB142.9 million, respectively. We expect the local government's support to remain intact given DIDG's important role in infrastructure construction, urban operation and state-owned asset management in Dujiangyan.

DIDG's Financial and Liquidity Position: Based on the financial statements provided by the company, DIDG's total assets continued to grow in recent years and reached RMB124.3 billion at end-June 2025, mainly driven by increases in inventories, accounts receivable and other receivables. DIDG's current assets accounted for 83.4% of total assets at end-June 2025, while its overall asset liquidity remained weak due to the large amount of inventories and receivables, which usually take a relatively long time to monetize.

DIDG's financial leverage remained elevated. As measured by total Debt-to-Capitalization Ratio, it increased to 53.5% at end-June 2025 from 50.8% at end-2024. Its total debt increased to RMB54.7 billion at end-June 2025 from RMB48.8 billion at end-2024.

DIDG's liquidity remained weak. At end-June 2025, DIDG had a monetary funds balance of RMB7.1 billion, compared with short-term borrowings of RMB6.4 billion and the current portion of non-current liabilities of RMB14.6 billion. Although its cash position improved, the company still faced relatively high short-term debt repayment pressure.

Rating Sensitivities

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

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

Operating Environment

Economic Condition of Dujiangyan

Dujiangyan is a county-level city in Sichuan Province under the administration of Chengdu. It is a well-known tourist city in China, and the tourism industry plays an important role in local economic development. Dujiangyan's GDP increased to RMB54.5 billion in 2024 from RMB50.9 billion in 2023. The GDP growth rate rose to 5.5% in 2024 from 5.2% in 2023. Economic development in Dujiangyan was mainly supported by the secondary and tertiary industries, which accounted for 27.2% and 65.3% of total GDP, respectively, in 2024. Meanwhile, fixed asset investment rebounded strongly, with its growth rate turning to 11.6% in 2024 from -20.6% in 2023. The permanent population of Dujiangyan remained broadly stable at around 0.7 million in 2024.

Dujiangyan's GDP and Fixed Asset Investment

(RMB billion)	2022	2023	2024
GDP	48.37	50.92	54.54
-Primary industry (%)	7.80	7.20	7.50
-Secondary industry (%)	30.90	28.50	27.20
-Tertiary industry (%)	61.30	64.30	65.30
GDP growth rate (%)	1.00	5.20	5.50
Fixed asset investment growth rate (%)	8.10	-20.60	11.60
Population (million)	0.71	0.72	0.71

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

Fiscal Condition of Dujiangyan

Dujiangyan's aggregate fiscal revenue was mainly derived from budgetary revenue, government fund income and transfer payments. In 2024, the Dujiangyan government recorded budgetary revenue of RMB4.1 billion, representing a year-over-year increase of 0.8%. Meanwhile, budgetary expenditure rose to RMB6.9 billion, and the budget deficit widened slightly to 70.3% in 2024 from 54.8% in 2023. Government fund income remained an important component of fiscal revenue, but it continued to be vulnerable to fluctuations in the property market and policy adjustments. In 2024, government fund income decreased by 4.5% year-over-year to RMB1.4 billion, mainly due to the decline in land sales income. On the other hand, transfer payments increased to RMB4.7 billion in 2024, helping lift aggregate revenue to RMB10.1 billion from RMB9.8 billion in 2023.

At end-2024, Dujiangyan's outstanding government debt was RMB22.9 billion, including RMB7.3 billion of general debt and RMB15.5 billion of special debt. Its government debt ratio, measured by total government debt outstanding to aggregate revenue, increased to 225.3% at end-2024 from 183.3% at end-2023, mainly due to the increase in special debt.

Dujiangyan's Fiscal Condition			
(RMB billion)	2022	2023	2024
Budgetary revenue	3.15	4.03	4.06
Budgetary revenue growth rate (%)	-22.00	28.00	0.80
Tax revenue	1.84	2.06	2.11
Tax revenue (% of budgetary revenue)	58.46	51.20	51.80
Government fund income	4.27	1.47	1.41
Transfer payment	3.44	4.28	4.68
Aggregate revenue	10.86	9.79	10.15
Budgetary expenditure	5.23	6.24	6.92
Budget balance ¹ (%)	-66.08	-54.78	-70.32

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

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

Company Profile

DIDG was established in March 2020 under the approval of the Dujiangyan government as the core local investment and development company in Dujiangyan, and the Dujiangyan government remains its ultimate and actual controller. Through its subsidiaries, DIDG undertakes infrastructure construction and land consolidation in Dujiangyan, while also engaging in water supply, sewage treatment, real estate sales, sand and gravel sales, urban and rural construction, and tourism-related businesses, supporting urban operation and regional economic development. Based on the financial data provided by the company, as of end-June 2025, DIDG had total assets of RMB124.3 billion, total equity of RMB47.4 billion and total debt of RMB54.7 billion. Its debt to capitalization ratio rose to 53.5% at end-June 2025 from 50.8% at end-2024.

Key Financial Data				
(RMB million)	2022	2023	2024	2025.6
Total Assets	102,247	112,039	117,391	124,283
Equity	46,276	47,357	47,329	47,447
Debt	39,398	48,855	48,786	54,661
Debt / (Debt + Equity) (%)	46.0	50.8	50.8	53.5
Unrestricted cash/ST Debts (x)	0.1	0.1	0.1	0.2
Debt/EBITDA (x)	28.6	31.9	31.1	-
Revenue	5,557	6,257	6,482	3,384



Operation Profit	749	751	793	166
Gross Margin (%)	17.4	18.2	17.7	15.0
Cash from sales or services/ Revenue (%)	68.7	97.6	117.6	60.3

Source: DIDG and Lianhe Global's calculations

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