

Deyang Tianfu Jingcheng Investment Development Group Co., Ltd.

Summary

Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	27 October 2026

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

Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Deyang City (“the Deyang government”) would provide strong support to DTJID if needed. This mainly considers the Deyang government’s ownership of DTJID and DTJID’s strategic importance as an important local investment and development company for project development in Deyang. The linkage between the Deyang government and DTJID is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, we believe that the Deyang government has a strong willingness to ensure DTJID’s business and financial viability to safeguard its reputation and local financing activities.

Deyang is a prefecture-level city in Sichuan Province. Its GDP grew steadily by 5.4% to RMB338.7 billion in 2025, while the Deyang government’s budgetary revenue reached RMB21.0 billion, representing a year-on-year increase of 5.0%.

The Stable Outlook reflects our expectation that DTJID’s strategic importance would remain intact and that the local government will continue to support its stable operations.

Rating Rationale

Government’s Ownership and Supervision: DTJID is wholly owned by Deyang Investment Holding Group Co., Ltd. (“DIHG”), a flagship platform consolidating major LIDCs in Deyang. The State-Owned Assets Supervision and Administration Commission of Deyang (“Deyang SASAC”) is the actual controller of the company and delegates the management committee of Deyang Tianfu Jingcheng (“DTJ MC”) to oversee DTJID.

The local government exercises ultimate decision-making authority and strong oversight over DTJID, including the appointment of senior management and decisions on its major investment and financing plan. In addition, the Deyang government has an assessment mechanism over the company and regularly appoints auditors to review the company’s operating performance and financial position.

Strategic Alignment and Importance: DTJID is an important LIDC in Deyang with the essential role of implementing the local government’s blueprint for Tianfu Jingcheng, a priority development zone designed to promote Chengdu-Deyang integration and regional industrial upgrading. DTJID undertakes major development projects within the area, including urban infrastructure, public facilities, water conservancy initiatives, and social housing development. The company’s business operations and strategic planning remain tightly aligned with the local government’s development plans.

Strong Government Support: DTJID enjoys robust backing from the Deyang government, which includes advantageous policies, capital/asset injections and operational subsidies. The local government injected cash capital of RMB1,750 million and RMB900 million into DTJID in 2024 and 2025, respectively. Additionally, the company received operational subsidies related to its provision of public goods totaling RMB178 million between 2023 and

Analysts

Roy Luo, CFA, FRM, CESGA
(852) 3462 9582
roy.luo@lhratingsglobal.com

Chris Cao
(852) 3462 9579
chris.cao@lhratingsglobal.com

Applicable Criteria

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

the first half of 2026. Given DTJID's strategic significance in Deyang, we believe that DTJID is likely to continue receiving government support in the future.

DTJID's Financial and Liquidity Position: Reflecting ongoing infrastructure and urban development activities across Deyang, DTJID's asset base expanded noticeably to RMB26.7 billion at end-June 2026 from RMB19.7 billion at end-2024. The company relied heavily on external borrowings to finance its capital investments, resulting in total debt nearly doubling to RMB10.1 billion from RMB5.1 billion over the same period. This rapid debt accumulation weakened its capital structure, with the debt-to-capitalization ratio elevating to 46.1% from 31.8%.

The company's short-term debt servicing pressure is high. At end-June 2026, the company had cash of RMB2.1 billion (including restricted cash of RMB748 million), against short-term debt of RMB7.0 billion. Yet the company had access to multiple financing channels, including bank borrowings and bond issuances, to support its operation and debt repayment. The company had unused bank facilities of RMB2.9 billion at end-2025. We also expect the company to roll over most of its short-term bank borrowings (end-June 2026: RMB5.7 billion).

Rating Sensitivities

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

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

Operating Environment

Economic Condition of Deyang

Deyang is a prefecture-level city in Sichuan province and serves as an important regional hub within the Chengdu-Chongqing Economic Circle. The city's GDP expanded by 5.4% year-on-year to RMB338.7 billion in 2025. Fixed-asset investment maintained positive growth, though momentum moderated to 5.1% in 2025 from 8.5% in 2024, largely weighed down by weak property investment.

Deyang's Economic Condition			
(RMB billion)	2023	2024	2025
GDP	301.4	326.5	338.7
-Primary industry (%)	8.8	8.5	8.2
-Secondary industry (%)	51.1	51.4	49.5
-Tertiary industry (%)	40.2	40.2	42.3
GDP growth rate (%)	6.7	7.2	5.4
Fixed asset investment growth rate (%)	13.2	8.5	5.1
Population (million)	3.5	3.5	3.4

Source: Statistical Bureau of Deyang and Lianhe Global's calculations

Fiscal Condition of Deyang

The budgetary revenue of the Deyang government increased by 5.0% to RMB21.0 billion in 2025. The fiscal self-sufficiency improved but remained weak, with a budget deficit of 107.9%

in 2025, narrowing from 113.0% in 2024. The government fund income continued to decline to RMB18.7 billion in 2025 from RMB19.3 billion in 2024 and RMB21.5 billion in 2023, mainly due to lower land-use-right transfer revenue amid a prolonged property market downturn.

The outstanding debt of the Deyang government kept growing in the past three years. At end-2025, its outstanding debt increased to RMB112.4 billion from RMB76.1 billion at end-2024, mainly due to the issuance of special purpose bonds to support local public projects and to refinance existing implicit government debt. Consequently, the government debt ratio (measured by total government debt/aggregate revenue) rose to 183.6% from.

Deyang's Fiscal Condition			
(RMB billion)	2023	2024	2025
Budgetary revenue	18.4	20.0	21.0
Budgetary revenue growth rate (%)	13.6	9.2	5.0
Tax revenue	10.9	10.9	11.1
Tax revenue (% of budgetary revenue)	59.6	54.5	52.7
Government fund income	21.5	19.3	18.7
Transfer payment	18.8	23.0	21.4
Aggregate revenue	58.8	62.5	61.2
Budgetary expenditure	39.2	42.7	43.7
Budget balance ¹ (%)	-113.3	-113.0	-107.9
Government debt ratio (%)	129.5	148.9	183.6

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

Source: Finance Bureau of Deyang and Lianhe Global's calculations

Company Profile

DTJID was established in November 2019 by DTJ MC. In 2022, DTJID's 100% shares was transferred to DIHG, a flagship platform controlling all major LIDCs in Deyang. By end-June 2026, the Deyang SASAC held 20.67% shares of DIHG; the remaining 79.33% shares were held by other government agencies in Deyang. Deyang SASAC is the actual controller of DTJID and authorized DTJ MC to manage the company.

DTJID is an important LIDC that is responsible for project development in Tianfu Jingcheng of Deyang. Its major sources of income are infrastructure construction and commodity sales. The company has also diversified into leasing and property management businesses. DTJID recorded total revenue of RMB2,630 million, 3,791 million and 6,105 million in 2023, 2024 and 2025, respectively, representing an upward trend. Yet its gross margin was reduced to 3.5% from 5.2%, owing to the higher contribution of low-margin commodity sales to the total revenue.

Key Financial Data				
(RMB million)	2023	2024	2025	2026.6
Total Assets	14,572	19,725	22,433	26,686
Equity	9,034	10,888	11,584	11,772
Debt	2,570	5,076	7,318	10,060
Debt / (Debt + Equity) (%)	22.1	31.8	38.7	46.1
Unrestricted cash/ST Debt (x)	0.8	0.2	0.1	0.2
Debt/EBITDA (x)	12.9	24.6	29.3	-
Revenue	2,630	3,791	6,105	2,341
Gross Margin (%)	5.2	4.1	3.5	2.4
Cash from sales or services / revenue (%)	63.7	94.5	94.1	157.5

Source: DTJID and Lianhe Global's calculations

Disclaimer

Ratings (including credit ratings and other rating products) and research reports published by Lianhe Ratings Global Limited ("Lianhe Global" or "the Company" or "us") are subject to certain terms and conditions. Please read these terms and conditions at the Company's website: www.lhratingsglobal.com

A rating is an opinion which addresses the creditworthiness of an entity or security or the assessment of an instrument. Ratings are not a recommendation or suggestion to buy, sell, or hold any security or instrument. Ratings do not address market price, marketability, and/or suitability of any security nor its tax implications or consequences. Ratings may be subject to upgrades or downgrades or withdrawal at any time for any reason at the sole discretion of Lianhe Global.

All ratings are the products of a collective effort by accredited analysts through rigorous rating processes. No individual is solely responsible for a rating. All ratings are derived by a rating committee vesting process. The individuals identified in the reports are solely for contact purpose only.

Lianhe Global conducts its rating services based on third-party information which we reasonably believe to be true. Lianhe Global relies on information generally including audited financial statements, interviews, management discussion and analysis, relevant third-party reports, and publicly available data sources to conduct our analysis and uses reasonable measures so that the information it uses in assigning a rating is of sufficient quality to support a credible rating. However, Lianhe Global has not conducted any audit, investigation, verification or due diligence. Lianhe Global does not guarantee the accuracy, correctness, timeliness, and/or completeness of the information. Ratings may contain forward-looking opinions of Lianhe Global which may include forecasts about future events which by definition are subject to change and cannot be considered as facts. Please see Lianhe Global's website for the last rating action and the rating history. Please see Lianhe Global's website for the methodologies used in determining ratings, further information on the meaning of each rating category, and the definition of default.

Under no circumstances shall Lianhe Global, its directors, shareholders, employees, officers and/or representatives or any member of the group of which Lianhe Global forms part be held liable to any party for any damage, loss, liability, cost, expense or fees in connection with any use of the information published by the Company.

Lianhe Global receives compensation from issuers, underwriters, obligors, investors or principals for conducting rating services for solicited ratings. An unsolicited rating is a rating that is initiated by the Company and not requested by the issuer, underwriters, obligors, investors or principals.

Ratings included in any rating reports are disclosed to the rated entity (and/or its agents) prior to publishing. Rating reports and research reports published by Lianhe Global are not intended for distribution to, or use by, any person in any jurisdiction where such use would infringe local laws and regulations. Any user relying on information available through rating reports and research reports is responsible for consulting the relevant agencies or professionals accordingly to comply with the applicable local laws and regulations.

All published rating reports and research reports are the intellectual property of Lianhe Global. Any reproduction, redistribution, or modification, in whole or part, in any form by any means is prohibited unless such user has obtained prior written consent from Lianhe Global.

Lianhe Global is a subsidiary of China Lianhe Credit Rating Co., Ltd. The rating committee of Lianhe Global has the ultimate power of interpretation of any methodology or process used in the Company's independent ratings and research.

Copyright © Lianhe Ratings Global Limited 2026.