

The establishment of digital subsidiaries has become a key strategy for corporate groups seeking to accelerate cross-regional capital flows. Using data from the Enterprise Registration Database of China, this study provides strong evidence that investments in digital subsidiaries increasingly target more distant regions. These subsidiaries also serve as a crucial pathway for nondigital headquarters and less-digitalized groups to advance digital transformation. The results demonstrate that digitalization promotes interregional capital flows, reduces regional digital disparities, and supports more coordinated regional development.