

Lianhe Global has assigned ‘A-’ global scale Long-term Issuance Credit Rating to Feicheng Huayu Industry Group Co., Ltd.’s Proposed CNY Credit Enhanced Bonds

HONG KONG, 14 October 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A-’ global scale Long-term Issuance Credit Rating to the proposed CNY Credit Enhanced Bonds (“the Bonds”) to be issued by Feicheng Huayu Industry Group Co., Ltd. (“FHIG”; ‘BBB’/Stable). The Bonds will have the benefit of an irrevocable Standby Letter of Credit (“SBLC”) issued by Bank of Qingdao Co., Ltd. (“BQD”), Taian Branch.

FHIG intends to use the net proceeds from this offering for project construction and replenishment of working capital.

Key Rating Rationales

The Issuance Credit Rating primarily reflects the credit enhancement provided by the irrevocable SBLC issued by BQD’s Taian Branch and underpinned by the credit strength of BQD. Under the SBLC, BQD will be obligated for any amount that the issuer has failed to pay according to the pre-funding requirements and the full amount of the outstanding principal due and interest accrued on the Bonds in the events of default.

BQD is a major city commercial bank in Qingdao. We expect a moderate possibility of extraordinary support to be provided by the Qingdao Municipal People’s Government, if needed, considering BQD’s important role in supporting local economic development and maintaining financial stability, as well as its shareholding in BQD.

Rating Sensitivities

Any downgrade or upgrade in our internal credit assessment on BQD would result in a similar rating action on the Bonds.

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)
Banking Rating Criteria (published on 20 March 2023)

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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