Lianhe Global has upgraded the global scale Long-term Issuance Credit Ratings of Feicheng Huayu Industry Group Co., Ltd.'s CNY Bonds to 'A+'

HONG KONG, [ ] November 2026 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has upgraded the global scale Long-term Issuance Credit Rating of the Credit Enhanced Bonds issued by Feicheng Huayu Industry Group Co., Ltd. ("FHIG"; 'BBB'/Stable) to 'A+' from 'A-'. The Credit Enhanced Bonds have the benefit of an irrevocable Standby Letter of Credit ("SBLC") issued by Bank of Qingdao Co., Ltd. ("BQD"; 'A+'/Stable), Tai'an Branch.

Lianhe Global has also upgraded the global scale Long-term Issuance Credit Rating of the Guaranteed Bonds issued by FHIG to 'A+' from 'A'. The Guaranteed Bonds are unconditionally and irrevocably guaranteed by Chongqing San Xia Financing Guarantee Group Co., Ltd. ("CSFG").

A full list of issuance ratings is included in this press release.

Key Rating Rationales

The Credit Enhanced Bonds are rated at the same level as BQD's global scale Long-term Issuer Credit Rating of 'A+', primarily reflecting the credit enhancement provided by the irrevocable SBLC issued by BQD's Tai'an Branch. BQD is a leading city commercial bank in Qingdao, with a dual-listing status on both the HKEX and SZSE. BQD's Issuer Rating reflects its established market position in Shandong's Qingdao City, one of five municipalities with independent planning status in China, stable asset quality, good profitability as well as strong funding and liquidity profile. The rating is also underpinned by a high possibility of extraordinary government support if needed, given BQD's strategic importance in maintaining regional financial stability and supporting the local real economy, especially in Qingdao and Shandong Province. Under the SBLC, BQD will be obligated for any amount that FHIG has failed to pay according to the pre-funding requirements and the full amount of the outstanding principal due and interest accrued on the Credit Enhanced Bonds in the events of default.

The Guaranteed Bonds' Issuance Rating upgrade reflects the upgrade in our internal credit assessment on CSFG, which is a key state-owned company in Chongqing City providing diversified and comprehensive financial services, including credit enhancement and financing guarantees, to a wide range of companies nationwide. We expect a high possibility of extraordinary support to be provided by the People's Government of Chongqing City, if needed, considering their strong linkage, including Chongqing State-owned Assets Supervision and Administration Commission's indirect largest ownership in CSFG and management supervision, as well as CSFG's enhanced strategic importance in Chongqing following its acquisition of Chongqing Xingnong Financing and Guarantee Group Co., Ltd. and Chongqing Import and Export Financing Guarantee Co., Ltd. CSFG's obligations under the guarantee

shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Rating Sensitivities

Any rating action on BQD would result in a similar rating action on the Credit Enhanced Bonds.

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

Full List of Issuance Ratings

- CNY248 million 3.5% Credit Enhanced Bonds due 2028 with the benefit of Standby Letter of Credit provided by Bank of Qingdao Co., Ltd. Tai'an Branch upgraded to 'A+' from 'A-'
- CNY152 million 4.5% Guaranteed Bonds due 2028 guaranteed by Chongqing San Xia Financing Guarantee Group Co., Ltd. upgraded to 'A+' from 'A'

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)
Non-Bank Financial Institutions Criteria (published on 21 November 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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