Lianhe Global has upgraded the global scale Long-term Issuer and Issuance Credit Rating of China Hongqiao Group Limited to 'BBB' from 'BBB-'; Issuer Rating Outlook Stable

HONG KONG, 25 November 2025 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of China Hongqiao Group Limited (1378.HK) ("China Hongqiao" or "the company") to 'BBB' from 'BBB-'. The Issuer Rating Outlook remains Stable.

Lianhe Global has also upgraded the global scale Long-term Issuance Credit Rating of the senior unsecured USD bonds and notes issued by China Hongqiao to 'BBB' from 'BBB-' at the same time. A full list of issuance rating is included in this press release.

Key Rating Rationales

The Issuer Rating upgrade reflects China Hongqiao's continued improvement in profitability and operating performance, improving financial performance and metrics supported by the prevailing high aluminum prices and optimized financing structure, along with its established leading market position and cost advantage backed by its vertically integrated production platform and economy of scale. Besides, the ongoing production capacity migration will further enhance the company's competitive advantage. However, China Hongqiao's rating is constrained by the cyclical nature of the aluminum industry and its regulation and concentration risks.

The Stable Outlook reflects our expectation that China Hongqiao will maintain its operating performance and operating efficiency, which enables the company to mitigate the cyclical nature of the industry.

Rating Sensitivities

We would consider downgrading China Hongqiao's rating if (1) it were to increase its financial leverage as measured by its EBITDA interest coverage consistently below 5.0x or debt over EBITDA leverage consistently above 3.5x, or (2) it suffers a significant deterioration in operating performance in terms of revenue, margin or cash flow generation, or its liquidity is materially worsened.

We would consider upgrading China Hongqiao's rating if (1) it maintains and improves its operating performance, and (2) it continues to demonstrate prudent financial management and improves its financial leverage as measured by its EBITDA interest coverage and debt over EBITDA leverage consistently.

Any rating action on China Hongqiao's rating would result in a similar rating action on its USD bonds and notes.

Full List of Issuance Rating

- USD270 million 6.925% senior unsecured bonds due 2028 upgraded to 'BBB' from 'BBB-'
- USD330 million 7.05% senior unsecured notes due 2028 upgraded to 'BBB' from 'BBB-'
- USD300 million 1.5% senior unsecured convertible bonds due 2030 upgraded to 'BBB' from 'BBB-'

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

General Corporate Rating Criteria (published on 31 December 2021)
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.

Contact Information

Primary Analyst, Hong Kong
Jack Li, CESGA
Analyst
(852) 3462 9585
jack.li@lhratingsglobal.com

Secondary Analyst, Hong Kong
Toni Ho, CFA, FRM
Senior Director
(852) 3462 9578
toni.ho@lhratingsglobal.com

Committee Chairperson and Ratings Approver, Hong Kong
Roy Luo, CFA, FRM, CESGA
Director
(852) 3462 9582
roy.luo@lhratingsglobal.com

Investor and Media Relations Contact, Hong Kong
Alice Wang
Associate Director
(852) 3462 9568; (86) 185 1686 2143
alice.wang@lhratingsglobal.com

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