Lianhe Global has affirmed 'BBB' global scale Long-term Issuer and Issuance Credit Rating of China Hongqiao Group Limited; Issuer Rating Outlook Revised to Positive

HONG KONG, 23 November 2026 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has affirmed 'BBB' global scale Long-term Issuer Credit Rating of China Hongqiao Group Limited (1378.HK) ("China Hongqiao"). The Issuer Rating Outlook has been revised to Positive from Stable.

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

Key Rating Rationales

The Issuer Rating reflects China Hongqiao's solid operating performance, profitability and financial performance which was supported by strong aluminum prices, as well as its optimized financing structure, improved leverage, established leading market position and cost advantage backed by its vertically integrated production platform and economy of scale. However, China Hongqiao's rating is constrained by the cyclical nature of the aluminum industry and its regulation and concentration risks.

The Positive Outlook reflects our expectation that China Hongqiao will continue to maintain and improve its operating performance and efficiency, financing structure, financial performance and metrics 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 its operating performance, and (2) it continues to demonstrate prudent financial management and maintain 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.

Full List of Issuance Rating

- USD270 million 6.925% senior unsecured bonds due 2028 affirmed at 'BBB'
- USD300 million 1.5% senior unsecured convertible bonds due 2030 affirmed at '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.

Rating Methodology

General Corporate Rating Criteria (published on 31 December 2025)
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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