

China Hongqiao Group

A global trailblazer for innovative and environmental aluminium production

The world's second-largest economy by some distance, China is the backbone of economic globalisation. Since its accession to the World Trade Organisation (WTO) two decades ago, China has contributed an average of nearly 30% to global growth annually, becoming the world's largest goods trader in the process, according to the UNCTAD. Today, its stable economic fundamentals, relatively low government debt, renewed openness to FDI, and highly entrepreneurial population are helping to drive new business opportunities and growth across the country. According to the IMF, China's GDP will grow by 4.6% in 2024, following 5.4% growth in 2023.

China is the world's biggest aluminium producer and consumer and accounted for 59% of global primary aluminium production in 2022, according to the International Aluminium Institute. Aluminium's heavy use by the automotive industry, such as in electric vehicles (EVs), as well in solar energy - the metal accounts for 85% of the mineral material demand for solar PV components, according to the World Bank - means its production plays a vital role in China - and the world's - push for decarbonisation. The industry itself is undergoing its own sustainability journey, with many top players relocating production to the hydropower-rich Yunnan province in southwestern China to reduce their reliance on coal.

Founded in 1994, China Hongqiao Group is the world's largest privately owned aluminium producer and a keystone of the global industry supply chain. Initially a yarn-dyed denim producer and distributor, China Hongqiao shifted to aluminium in 2006 and is now widely recognised as an industry leader in technological innovation.

China Hongqiao's diverse product portfolio encompasses everything from alumina, hot liquid aluminium alloy, and aluminium alloy ingots to rolled and cast aluminium, high-precision aluminium plates, and new materials. It is the preferred supplier to some of the industry's biggest names, such as CITIC Dicastal - the world's largest aluminium wheel manufacturer - and Bohai Piston - Asia's largest piston manufacturer. When it comes to high-end applications, China Hongqiao's immense production capacity, unique automation techniques for deep processing, and innovation lab in Suzhou ensure downstream customers always have access to the highest quality and most advanced products.

The Group's latest innovation is a new alloy material created using a revolutionary, cost-cutting moulding technique capable of reaching 130 MPa - surpassing the previous standard of 105 MPa. "This achievement, secured with international patents, will play a vital role in enhancing our aluminium supply to car makers, particularly in the EV sector," says China Hongqiao's Chairman, Zhang Bo, who adds, "as the sole patent holder for the technique internationally, it represents a substantial advancement in the field and positions us as a leader in the industry."

Indeed, with 13 production bases worldwide and a customer base spanning 120 countries, China Hongqiao is well-placed to take advantage of the surge in demand for EVs, electronics, and solar energy. In the long term, the Group's overarching goal is to establish the world's most influential manufacturing corporation. "Our commitment to achieving this ambitious objective involves rigorous cost control, ensuring sustained robustness, and consistently delivering long-term returns to our investors. To accomplish this, we seek understanding and support from investors who share our dedication to long-term goals," says Zhang.

China Hongqiao counts the likes of BlackRock, Vanguard, and the Abu Dhabi National Investment Fund as major shareholders. Besides the Group's global leadership, Zhang says what investors truly prize is the "consistent, generous, and stable long-term dividends we offer." It is also a matter of placing trust in the Group's management team, which collectively boasts over 30 years of experience running the business and has accumulated a profound wealth of industry knowledge.

China Hongqiao's biggest strength is its comprehensive, vertically integrated business model, from being one of the world's top



Zhang Bo
Chairman & CEO
China Hongqiao Group

bauxite mining enterprises to a pioneer in ultra-low thermoelectricity energy production. As such, China Hongqiao offers a constant stream of opportunities to prospective international and domestic partners across its whole supply chain. For Zhang, fostering relationships and embracing global collaboration is essential to the Group's win-win growth strategy, whether in China or its overseas enterprises in Indonesia and Guinea: "We extend a warm welcome to international friends who can contribute to new skills and technology. There's always room for new collaborators."

Going forward, as China's aluminium industry shifts to clean energy, Zhang believes the Group's relocation to Yunnan province, announced in 2019, will help keep costs down and protect its stable growth. "Our commitment to greener energy, cost-saving measures, and the implementation of advances like AI for intelligent production, combined with sustained robust demand, ensures we'll gradually improve profits every year."

China Hongqiao's extraordinary evolution into a global aluminium giant stands as a testament to the world-leading potential imbued in many of China's biggest industries. For Zhang, it also highlights the outstanding role of local and central government in accelerating enterprises like it. "Our accomplishments are inseparable from the robust support we've received, and in this regard, China is a global leader," he says, adding, "with the wealth of resources available here, I firmly believe China currently offers some of the most significant investment opportunities in the world."



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