

Stock Code: 600057

Stock Abbreviation: Xiamen Xiangyu

# **Xiamen Xiangyu Co., Ltd.**

## **2025 Interim Report (Summary)**

This report is prepared in both Chinese and English. The Chinese version shall prevail in case of any discrepancy between the Chinese and English texts.

## I. Key Accounting Data and Financial Indicators

Unit: million Yuan    Currency: RMB

Item	Current reporting period	The same period last year	Changes on a YoY basis (%)
Operating revenue	203,948.25	203,480.76	0.23
Net profit attributable to shareholders of the listed company	1,032.12	779.06	32.48
Net profit attributable to shareholders of the listed company after deducting the non-recurring profit and loss	330.74	255.04	29.68
Net cash flow from operating activities	-2,985.79	-10,495.88	Not applicable
Basic earnings per share (Yuan/share)	0.31	0.28	10.71
Diluted earnings per share (Yuan/share)	0.31	0.28	10.71
Weighted average return on equity (%)	4.99	3.98	Increased by 1.01 pp
	At the end of reporting period	At the end of last year	Changes compared to the end of last year (%)
Owner's equity attributable to the shareholders of the listed company	29,925.57	23,821.81	25.62
Total assets	136,698.30	123,872.66	10.35

Remark:

The net profit attributable to shareholders of the listed company in the above table during the reporting period includes the interest of RMB 232 million attributable to perpetual bond holders during the reporting period. After deduction, the net profit attributable to shareholders of the listed company during the reporting period is RMB 800 million. Perpetual bonds and interest were deducted when calculating the above-mentioned major financial indicators such as basic earnings per share, diluted earnings per share, and weighted average return on equity.

## II. Industry Analysis During the Reporting Period

### 1. Analysis of the Industry's Operating Conditions

In the first half of 2025, confronted with rapidly shifting external dynamics, China accelerated the implementation of more proactive counter-cyclical policies. As a result, major economic indicators exceeded expectations, new quality productive forces continued to strengthen, and the overall economy remained stable. Nevertheless, the global macroeconomic environment remained complex and challenging. Changes in tariff policies, persistent geopolitical conflicts, diverging monetary policy paths among major economies, and fundamental adjustments in global trade patterns have all contributed to heightened uncertainty and volatility across the bulk commodity supply chain sector.

As traditional industries such as real estate and infrastructure slowed, their demand-driving effect on raw materials such as steel, cement, and non-ferrous metals weakened. Meanwhile, emerging industries such as new energy and advanced manufacturing have yet to generate sufficient additional demand for bulk commodities. Consequently, the overall market was characterized by “stable growth with weak recovery”. In parallel, the “de-bubbling” effect driven by domestic “Anti-Involution” orientation (*aimed at curbing hyper-competition*) of domestic industrial chains has been steering the commodity manufacturing sector away from extensive expansion toward higher-quality growth. This shift, while echoing supply-side structural reforms, also introduces new variables into the industry's rebalancing of supply and demand.

In summary, the bulk commodity supply chain industry in the first half of the year remained confronted with multiple challenges: (1) tariff adjustments reshaped global trade flows of certain bulk commodities, disrupting the previously stable global supply chain system; (2) heightened geopolitical uncertainty amplified risks, while frequent monetary policy adjustments by major economies posed unprecedented external shocks; (3) domestic manufacturing faced dual pressures from supply-demand mismatches and rising external demand uncertainty, both of which have been exerting continuous pressure on the operations of supply chain enterprises.

In response to complex circumstances marked by multiple overlapping external uncertainties, leading bulk commodity supply chain enterprises accelerated transformation efforts and strengthened systemic risk resilience. On one hand, they intensified monitoring and assessment of macroeconomic conditions, international policy and industrial trends, establishing flexible global

supply chain systems and diversified sourcing channels. This reduced dependence on single countries or markets and enhanced overall supply chain resilience. On the other hand, in light of evolving demand patterns, leading enterprises proactively expanded into emerging sectors such as new energy, new materials, and green low-carbon industries, driving the transition of traditional resource-oriented businesses into integrated platforms combining “resources + technology + services”, unleashing greater developmental vitality. In addition, they accelerated digital and intelligent transformation through industrial chain collaboration, information-based platforms, and smart logistics deployment, achieving cost control, efficiency improvements, and rapid response capabilities. Furthermore, they strengthened mechanisms for managing exchange rate, price, and policy risks, employing tools such as hedging, insurance instruments, and long-term fixed-price agreements to mitigate operational impacts caused by external volatility and enhance operational stability. Overall, top-tier bulk commodity supply chain enterprises continued upgrading toward higher efficiency, greater value creation, and deeper globalization, seizing opportunities amid global competition and market adjustments while building sustainable moats for high-quality development.

## **2. Industry Development Trends**

### **(1) Industry Chain Restructuring Drives Further Consolidation and Full-Chain Integration among Supply Chain Leaders**

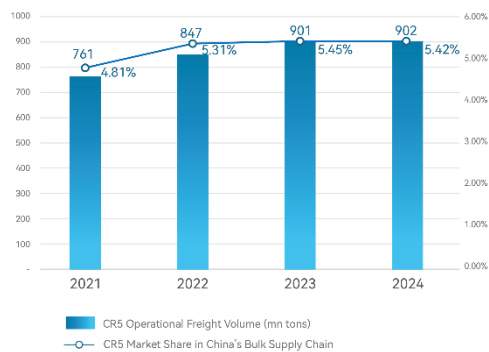
Surging volatility in global commodity prices, coupled with cyclical and structural headwinds across select industries, has heightened operational pressure on bulk commodity supply chain players. Top-tier companies, leveraging strengths in resource access, value-added services, and risk control, are actively expanding their channel networks and capturing greater market share, showcasing strong counter-cyclical expansion capacity. On a volume basis, the CR5<sup>1</sup> market share<sup>2</sup> of China’s bulk commodity supply chain industry rose from 4.81% in 2021 to an estimated 5.42% in 2024, reflecting a pronounced market leader effect and rising market concentration. Meanwhile, leading commodity enterprises are accelerating their transformation from traditional “trading intermediaries” into “full-chain service providers”. While consolidating their dominance in distribution, they are

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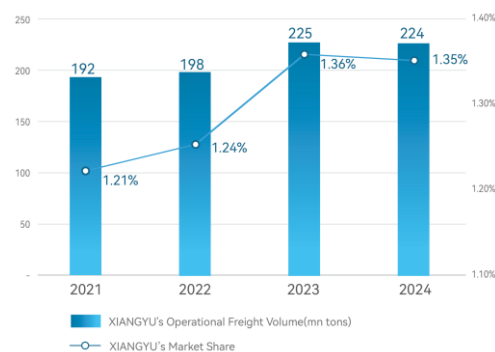
<sup>1</sup> specifically referring to Wuchan Zhongda Group Co., Ltd., Xiamen C&D Inc., Xiamen ITG Group Corp., Ltd., Xiamen Xiangyu Co., Ltd., Zheshang Development Group Co., Ltd..

<sup>2</sup> the CR5 market share = the CR5 business scale/ the scale of China’s bulk supply chain market scale, where the CR5 business scale represents the combined operating (or sales) volume of the supply chain segments of the CR5 companies, and the scale of China’s bulk supply chain market scale is the sum of the domestic production and import volumes of major bulk commodities.

progressively extending upstream into resource acquisition, expanding midstream processing, and exploring opportunities to engage with downstream consumer segments, thereby broadening operational boundaries, deepening industry chain involvement, and strengthening control across the full chain.



**Figure 1: Operating Volume and Market Share of CR5 in China's Bulk Supply Chain Industry**



**Figure 2: XIANGYU's Operating Volume and Market Share in China's Bulk Supply Chain Industry**

## **(2) Accelerating Iteration of Manufacturing Customer Demand Spurs Integrated, Full-Chain Supply Chain Services**

Against the backdrop of an ongoing nationwide shift to “Anti-Involution” within domestic industrial chains, manufacturing clients are shifting from scale-driven competition over existing market share toward pursuing value breakthroughs driven by quality and efficiency. This transition is leading to significantly higher demands for integrated supply chain services. In response, bulk supply chain enterprises are accelerating their transformation from traditional traders to integrated service providers. They are continuously enhancing their capabilities in bundled supply, chain coordination, channel integration, and customized services, which makes the advantages of the "trade-logistics linkage" model increasingly evident. Furthermore, leading enterprises are enhancing their overall service efficiency and customer loyalty by strengthening mid-to-upstream resource integration and boosting collaboration in mid-to-downstream segments-including logistics, warehousing, and financial services. As a result, integrated, full-chain, multi-category supply chain service systems are increasingly well established, providing robust support for the scale expansion and sustained profitability of leading enterprises.

## **(3) Accelerating Restructuring of Global Manufacturing Capacity and International Expansion Opens a “Second Growth Curve” for the Industry**

Driven by geopolitical disruptions, global manufacturing capacity is undergoing accelerated

regional restructuring. As Chinese manufacturing enterprises are increasingly expanding into Belt and Road Initiative countries, demand for overseas raw material sourcing, logistics services, and cross-border financial services is rising. In response, bulk supply chain enterprises are seizing opportunities to connect global resources and markets by accelerating the establishment of overseas warehousing networks, regional logistics centers, and international trade platforms, while also building global talent systems and localized operational capabilities. Against the backdrop of rising global geopolitical risks, the demand for supply chain security and resilience has become increasingly urgent than ever. Supply chain enterprises with comprehensive overseas service capabilities are expected to stand out as front-runners. Furthermore, industry chain investments in critical resources, key logistics nodes, and overseas processing are expected to propel these enterprises into a new phase of cross-cycle growth.

#### **(4) Rising Global Tariff Uncertainty Shakes the Commodity Industry, While Monetary Policy Shifts Could Trigger a Liquidity Turning Point**

The commodity industry currently faces interrelated policy and market uncertainties, with rising cross-border transaction costs, constraints on global investment and trade, and significantly increased commodity price volatility. Under the combined effect of a more dovish U.S. Federal Reserve, emphasizing a data-driven approach and policy flexibility, and China's proactive domestic policies, liquidity conditions are expected to improve. This should ease high financing costs and tight liquidity challenges for supply chain enterprises, providing external support for industry recovery and renewed growth.

#### **(5) Deepening Digital and Intelligent Infrastructure Enhances Efficiency and Extends the Value Chain in the Industry**

With rising requirements for efficiency and security in bulk commodity circulation, digitally intelligent supply chain upgrades have become a key driver for reshaping enterprise competitiveness. According to the "Special Action Plan for Accelerating the Development of Digital and Intelligent Supply Chains (2025)" jointly issued by eight ministries including the Ministry of Commerce, by 2030 a deeply embedded, intelligent, efficient, and autonomously controlled digital supply chain system will be established in key industries and critical sectors. Supported by favorable policies, leading enterprises are setting up AI-enabled supply chain application platforms and deepening AI integration into high-level applications such as digitally intelligent supply chain solutions, smart

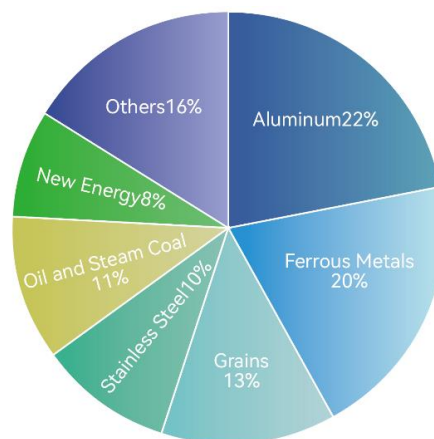
risk control, and industry chain collaboration. Concurrently, they are accelerating the digitalization of logistics systems, interconnection of multimodal transport platforms, and platform-based development of supply chain finance systems. AI and other technologies are becoming core drivers of supply chain resilience and value creation, increasingly embedded in critical areas including collaborative supply chain management, risk control systems, contract execution, and logistics monitoring, thereby enabling integrated management of commercial, logistical, informational, and financial flows.

### III. Business Analysis During the Reporting Period

The Company specializes in bulk supply chain services, with manufacturing enterprises as its core customers. It provides comprehensive supply chain solutions covering the procurement of bulk raw and auxiliary materials, product distribution, logistics and delivery, supply chain finance, and information consulting, etc. The Company is committed to becoming a global leader in industry chain operations driven by supply chain services.

#### 1. Business Structure

In terms of product portfolio, based on customer needs and its own business philosophy, the Company applies the following product selection criteria: ①high liquidity and easy monetization; ②high standardization and easy storage; ③substantial demand with extended industrial chains that enable integrated multi-stage services. The Company currently focuses on bulk commodities including metallic minerals, agricultural products, energy and chemicals, and new energy materials, covering seven core categories: ferrous metals, aluminum, stainless steel, new energy, coal, oil, and grains.



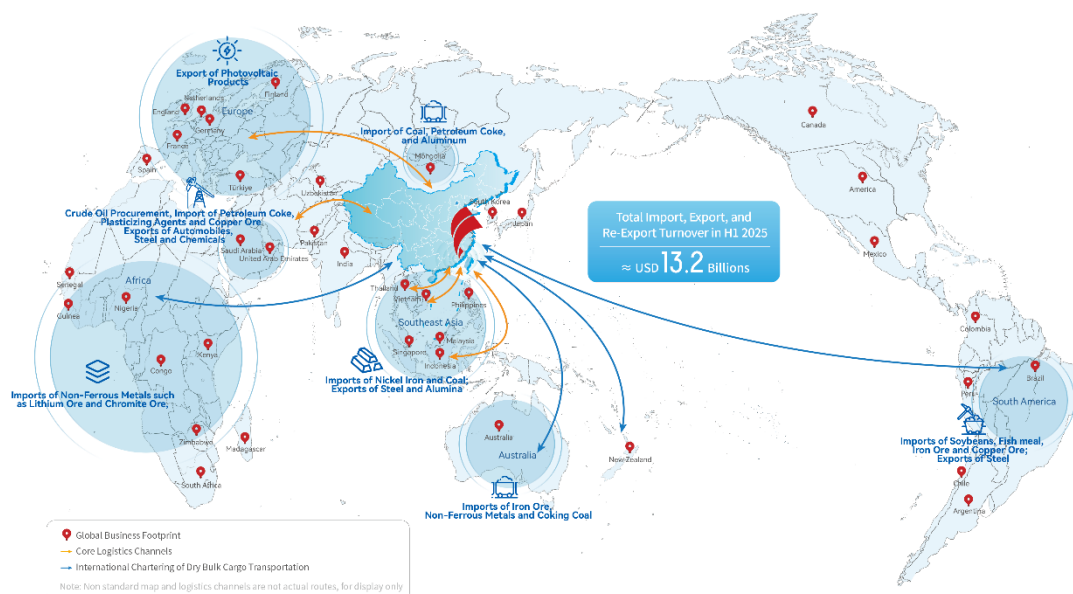
**Figure 3: Breakdown of Combined Spot and Futures Gross Profit in H1 2025**

In terms of customer structure, the Company's service volume for manufacturing clients remains stable at approximately 60% in the first half of 2025. Specifically, around 70% of services are within the new energy supply chain, over 60% within the ferrous metals, coal and stainless steel supply chains, and over 50% within the aluminum, oil and grain supply chains.

In terms of regional presence, the Company has long adhered to its international business strategy, establishing key platform subsidiaries in major overseas markets such as the United States, Hong Kong, Singapore, Vietnam, Indonesia, and South Africa. It continues to attract outstanding talent and strengthen its international team-building efforts, with subsidiaries or representative offices now operating in 10 countries and regions including Singapore, the United States, Germany, Saudi Arabia, Indonesia, Vietnam, South Africa, and Nigeria. By fully integrating its supply chain advantages, logistics services, and platform resources, the Company focuses on expanding access to high-quality upstream mineral resources overseas and tapping into the supply chain demands of large corporations in international markets. These efforts have led to simultaneous growth in both the scale and quality of its overseas operations, with business partners now spanning more than 110 countries and regions worldwide.

In the first half of 2025, the Company focused on expanding into emerging markets along the Belt and Road Initiative, including Southeast Asia, Africa, and South America, achieving diversified trade and a more balanced market presence. During this period, the volume of import, export, and transit businesses reached approximately 47 million tons, with the total value of about USD 13.2 billion, representing a year-on-year increase of 7%.





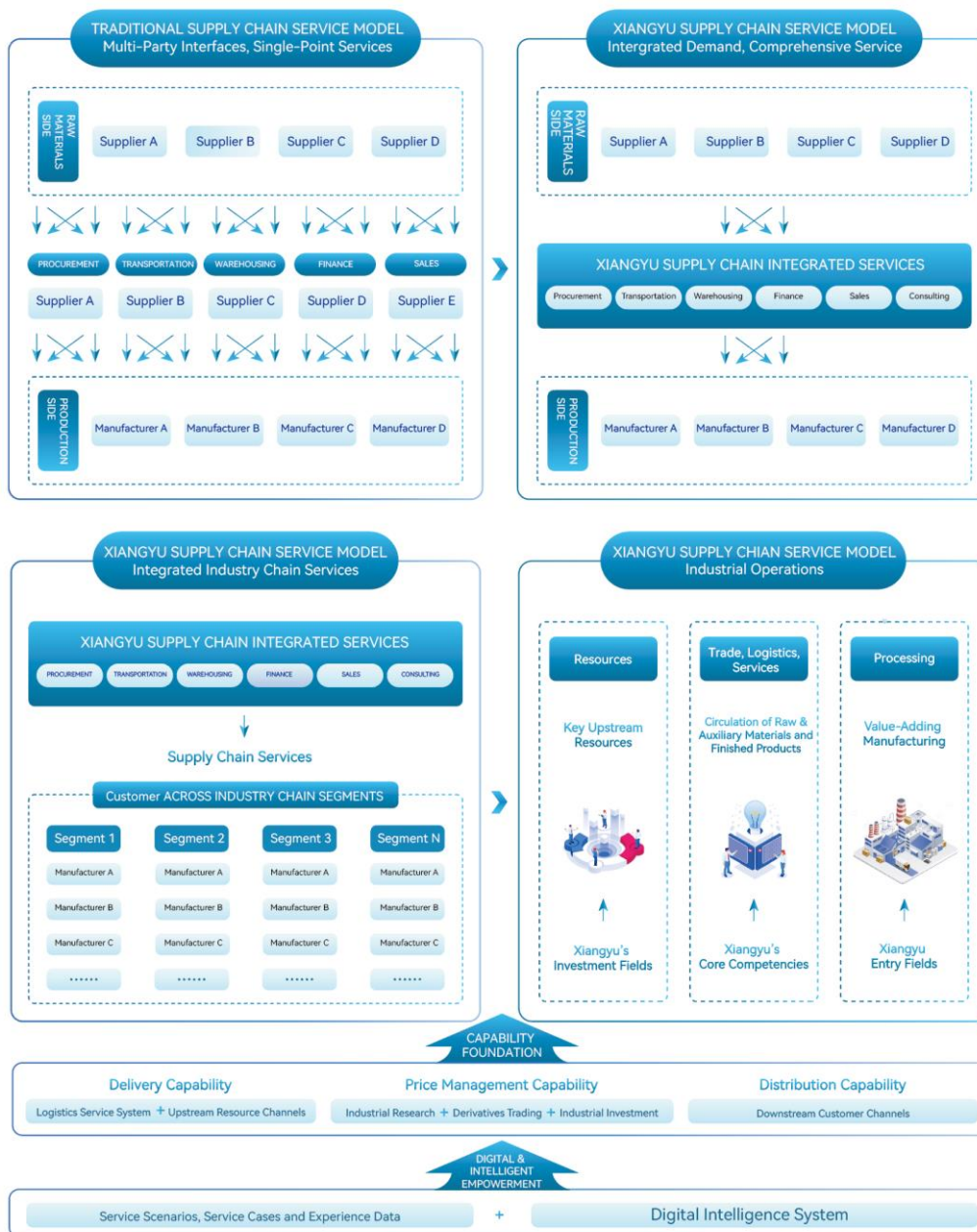
**Figure 4: Company's Global Business Footprints**

## 2. Business Model

The Company has consistently upheld the strategic vision of “Rooted in Supply Chains, Serving Industry Chains, and Creating Value Chains”. Guided by a customer-centric approach, it extends upstream to secure resources and downstream to expand channels. Its service portfolio has evolved from single-link support to a comprehensive industry-chain service model under the Company’s distinctive Xiamen Xiangyu model, encompassing raw material procurement, finished product distribution, inventory management, warehousing and logistics, and supply chain finance.

After achieving service advantages across the entire industry chain, the Company seized the opportunity to tap into value-adding manufacturing segments, forming an industrial chain operation model of “Supply Chain Services + Production Manufacturing”, which further enhanced comprehensive revenue profitability and buffered cyclical fluctuations.

As the industry enters a new era and faces emerging industrial patterns and international trends, the Company will drive industry chain operations through supply chain services. Adhering to an industry-chain perspective, the Company aims to develop an asset management mindset and cultivate a multi-factor business model. It also seeks to nurture core assets across different segments of the industry chain. The Company will gradually upgrade to a diversified industry-chain operation model encompassing “Resources, Trade, Logistics, Services, Processing, and Investment”. This transformation will further broaden its value realization channels and enable more diversified access to comprehensive benefits across the industrial chain.



**Figure 5: Company's Operating Model**

### 3. Profit Model

The Company prioritizes service and scale-driven profitability, while also capitalizes on price differentials to generate profits, and further enriches its profit model through an asset management approach. For a detailed breakdown of the Company's profit, please refer to the table below.

**Table 1: Profit Structure and Definitions**

Types of Profit		Interpretation
Service Profits		Leveraging its platform advantages and scaled operations, the Company provides customers with comprehensive services across the entire industry chain. These offerings encompass procurement and sales, processing, logistics and distribution, supply chain finance, and information consulting, through which the Company generates service-based revenue.
Transaction Profits	Scale-based Profit From Cargo Consolidation	Relying on its large business scale, the Company achieves cost advantages through centralized procurement and specialized operations, reducing operational costs across various segments and generating trading gains.
	Profits From Price Disparities	By utilizing its expertise in professional analysis, the Company conducts trades by studying commodity price trends over time and regional price differences across various areas to generate profitability.
Industry Operation Profits		By maintaining an industry-chain perspective, the Company engages in higher value-added segments and, with an asset management mindset, generates returns from resources, productive services, industrial investment, and global arbitrage opportunities.

## IV. Management Discussion and Analysis of Business Operation

### 1. Key Operating Results for H1 2025

Since 2023, the global macroeconomic environment has been increasingly complex and challenging, with persistent geopolitical conflicts, divergent monetary policy paths among major economies, and deep adjustments in global trade patterns, all posing significant challenges to bulk commodity supply chain enterprises.

In 2024, with the smooth succession of the Company's management team, the Company accurately assessed medium- to long-term trends amid market changes, flexibly adjusted its operational strategies, and resolutely optimized its customer structure and business portfolio. These efforts gradually mitigated the impact of external environmental changes on its operating performance, enabling the stabilization and improvement of its core business fundamentals. The industry-chain operation model centered on serving manufacturing clients demonstrated strong self-repairing capability and developmental resilience.

In the first half of 2025, the Company continued to strengthen research-driven decision-making and full-cycle risk management, consolidating advantages in integrated trade, digital intelligence, and upstream-downstream channel resources. By deepening full industry-chain operations and

promoting business model through organizational reforms and management innovation, the Company achieved growth in both operational volume and net profit. While maintaining a leading market share, key indicators rebounded, and overall performance continued to improve, highlighting the strengths of its business model and the effectiveness of its operational optimization. During the reporting period, the Company achieved an operational volume of over 120 million tons, representing a year-on-year increase of over 19.02%; revenue of RMB 203.9 billion, up 0.23% year-on-year; net profit attributable to shareholders of RMB 1.032 billion, up 32.48%; and a return on net assets of 4.99%, increasing by 1.01 percentage points year-on-year.

## **2. Key Management Achievements for H1 2025**

In the first half of 2025, standing at the starting point of the new five-year period (2026–2030), the Company’s management led all employees under the operational theme of “Enhancing Quality, Promoting Innovation, and Controlling Risks,” achieving significant results in strategic planning, organizational transformation, risk management, R&D deepening, and digital intelligence enablement.

**(1) Defining Strategic Direction.** Through over 50 in-depth strategy workshops, the Company conducted a comprehensive review and forward-looking planning, building consensus for the next five-year period (2026–2030) across key areas such as business model transformation and innovation, internationalization, logistics integration, industrial investment, new business development, and organizational control. This effort clarified the “Three New and One High” strategic orientation, introduced a new multi-element business model of “Resources, Trade, Logistics, Services, Manufacturing, and Investment”, and established new growth drivers with distinctive Xiangyu characteristics.

**(2) Advancing Organizational Transformation.** The Company integrated its steel, agricultural, and coal segments to strengthen centralized resource coordination and enhance overall operational efficiency. These efforts will establish a model for gradually forming specialized industrial sub-groups within different industry chains and lay the groundwork for reshaping organizational capabilities. Additionally, the Company will optimize its two-tier management system—covering operations management and industrial research—as well as refine the organizational structure of logistics management. This will clarify division of responsibilities, and achieve highly efficient collaboration.

**(3) Strengthening Risk Management.** By optimizing the commodity portfolio and adjusting the business structure, the Company mitigated risks from industry cyclicality; established a dynamic customer adjustment mechanism; addressed customer concentration issues and improved group-level customer credit management. The Company also advanced the development of risk governance systems and capabilities, continuously refining institutional frameworks.

**(4) Deepening Research and Analysis.** The Company enhanced market alerts and medium- to long-term analyses, assessing the impact of tariff policies on agricultural and metal businesses to help mitigate risks. Over 170 reports were produced covering overseas markets, industry benchmarking, niche end-markets, energy trends, technological iteration, and industry cycles, providing robust support for development. The commodity trading teams improved hedging, arbitrage, and options strategies, optimizing inventory exposure hedging solutions for the manufacturing segment to mitigate price risks and achieve profitability breakthroughs. At the same time, the Company expanded options-related business applications and deepened business model innovation.

**(5) Expanding Financing Channels.** The Company successfully issued a fixed-price private placement project, attracting two strategic investors—China Merchants Group and Shandong Port Group—and raised RMB 3.22 billion, thereby strengthening its capital base. Furthermore, overseas credit resources were further expanded to support the development of international operations.

**(6) Empowering Business with Digital Intelligence.** The Company completed the successful first pilot launch of its next-generation core ERP system, achieving full coverage of core business data and establishing an intelligent management support system. In parallel, it incubated and deployed the AI-powered “YuXiang Assistant”, achieving breakthroughs in intelligent document recognition, automated message processing, knowledge-based Q&A, voice-to-text conversion, and risk alert support, thereby significantly enhancing the effectiveness of digital intelligence enablement across the business.

### **3. Key Business Data for H1 2025**

#### **(1) Bulk Commodity Trading**

The Company leverages bulk commodities as its core business, entering into comprehensive agreements with clients to offer integrated supply chain services encompassing procurement, distribution, logistics, supply chain finance, information consulting, and processing. The revenue

and profitability from this segment are reflected in the results of core commodity trading, as outlined below:

Unit: billion, RMB

Category	Operating Volume		Operating Revenue		Combined Futures and Spot Gross Profit		Combined Futures and Spot Gross Profit Margin	
	Volume (mn metric tons)	YOY	Amount	YOY	Amount	YOY	Value	YOY
Commodity Trading	120.76	19.02%	193.4	0.14%	2.922	-3.66%	1.51%	Decrease by 0.06 ppt
Among these:								
Metallic Mineral	68.15	5.38%	109.9	-10.85%	1.665	-26.05%	1.52%	Decrease by 0.31 ppt
Energy and Chemical	44.08	42.84%	53.7	20.97%	0.458	51.54%	0.85%	Increase by 0.17 ppt
Agricultural Products	8.16	43.75%	22.3	14.92%	0.536	255.01%	2.40%	Increase by 1.62 ppt
New Energy	0.37	45.53%	6.4	11.83%	0.225	-25.41%	3.49%	Decrease by 1.74 ppt

Note: The Company provides integrated supply chain services and engages in spot trading to support its operations. It utilizes futures instruments to hedge against price volatility in the commodity markets, resulting in changes in fair value and gains or losses from the disposal of such instruments. The combined gross profit and gross profit margin of the futures and spot trading are calculated after accounting for the hedging gains or losses.

In the metallic mineral segment, the Company actively integrated upstream resources and strengthened refined services for end customers. Trading volumes of iron ore, nickel ore, steel, and other commodities recorded year-on-year growth, driving an increase of more than 5% in overall operating volume. The aluminum supply chain effectively maintained its market share through long-term contracts and prudently utilized hedging instruments to secure profit margins, achieving year-on-year growth in spot-futures gross profit. However, the stainless steel and coking coal markets remained weak and volatile, which compressed industry chain profitability. Coupled with adjustments in the product and customer structure of the stainless steel supply chain, the spot-futures gross profit of the metallic minerals supply chain declined year-on-year.

In the energy and chemicals segment, the Company maintained steady operations during the coal downcycle, with market share in steam coal steadily rising. At the same time, crude oil was developed as a breakthrough commodity, driving rapid expansion of the oil internationalization business. Both the scale of the oil supply chain and combined spot-futures gross profit recorded significant growth, making it a new growth engine for the segment.

In the agricultural products segment, the Company continued to optimize its operating model, business structure, and product portfolio. Supply chains for grain raw materials, oils & oilseeds, and cotton & yarn all achieved double-digit growth in both trading volume and revenue, while profitability further improved.

In the new energy segment, the Company expanded and consolidated its procurement channels, scaling up operations in key commodities such as lithium ore and lithium carbonate, resulting in year-on-year growth in total trading volume. However, combined spot-futures gross profit declined year-on-year, reflecting structural adjustments within the industry.

## (2) Bulk Commodity Logistics

The Company's logistics system not only responds to internal supply chain business needs but also leverages its internal operations to develop market-facing service capabilities, further feeding back into the supply chain business and fostering synergies between commodity trading and logistics services. In parallel, the Company develops industrial logistics capabilities to provide comprehensive supply chain logistics solutions, as well as professional logistics capabilities to implement these solutions effectively, accelerating the establishment of a logistics system where supply chain resources and logistics services complement and empower each other. The operating results of the Company's market-oriented logistics services are accounted for separately, as outlined below:

Unit: million, RMB

Category	Operating Revenue		Gross Profit		Gross Profit Margin	
	Amount	YOY	Amount	YOY	Value	YOY
Commodity Logistics	4,996	17.39%	427	20.51%	8.54%	Increase by 0.22 ppt
Among these:						
Integrated Logistics	3,442	16.39%	351	31.11%	10.19%	Increase by 1.14 ppt
Among these:						
Aluminum Logistics	211	406.09%	9	19.14%	4.26%	Decrease by 13.84 ppt
Railway Logistics	1,447	20.75%	63	73.35%	4.36%	Increase by 1.32 ppt
Agricultural Product Logistics	108	6.74%	13	-74.67%	11.77%	Decrease by 37.82 ppt

Note:

- Integrated logistics mainly includes international shipping routes, international freight trains, inland water transport, road transport, and domestic and overseas warehousing. Among these, aluminum industry logistics refers to market-oriented logistics services provided by the Company's subsidiary Xiangyu Aluminum Union;
- Railway logistics and agricultural product logistics refers to market-oriented logistics services provided by the

Company's subsidiary Xiangdao Logistics and Xiangyu Agricultural Products, while agricultural logistics primarily includes services related to for national and provincial grain reserves.

In integrated logistics, both revenue and gross profit increased year-on-year, primarily driven by expanded external customer acquisition, deeper engagement in international logistics, and strengthened partnerships with key clients. Business volumes on the China–Indonesia and China–Vietnam routes grew by over 15% and 50% year-on-year, respectively, while a new Brazil route was also launched. The Company deepened its engagement with industry-chain clients and strengthened internal coordination, focusing on segments such as new energy and metal minerals to build a professional logistics service system and facilitate the onboarding of strategic clients and new business. In the aluminum industry logistics business, the Company focused on overseas advantageous mines and developing core factory clients, establishing a full-chain international logistics channel from source to domestic sales regions, achieving revenue growth of over 400%. As aluminum industry logistics business has been still in its initial stage, the gross margin remained volatile; however, it is expected to gradually stabilize and improve as the business structure matures.

In railway logistics, the Company actively expanded new routes and service categories, reinforced “head-to-head” strategic cooperation with major industrial clients, and embedded railway logistics services into corporate supply chains by tapping into upstream and downstream logistics demand. As a result, business volume grew by over 20% year-on-year. Efficiency was enhanced through optimized allocation of logistics resources, lean management, and cost control. In addition, profitability improved through developed operations at asset-heavy terminals and higher turnover efficiency of self-owned vehicles and containers.

Agricultural logistics, however, experienced a decline in gross profit and gross margin due to business structure adjustments and lower average warehouse utilization. To address this, the Company is actively expanding provincial reserves, temporary reserves, and entrusted storage services to enhance warehouse capacity utilization.

### **(3) Production & Manufacturing**

After establishing a service advantage throughout the industry chain, the Company strategically ventured into the value-added production and manufacturing sector. This move resulted in the development of an integrated industrial chain operating model that combines supply chain services



with production and manufacturing, aiming to enhance overall profitability and mitigate the impact of cyclical fluctuations in the industry. The operating results in the manufacturing segment for this period are as follows:

Unit: million, RMB

Category	Operating Revenue		Gross Profit		Gross Profit Margin	
	Amount	YOY	Amount	YOY	Value	YOY
Production & Manufacturing	5,284	-6.71%	581	-19.09%	10.99%	Decrease by 1.68 ppt
Among these: Shipbuilding	3,192	-4.97%	471	-22.98%	14.74%	Decrease by 3.45 ppt

Note:

- The manufacturing segment includes shipbuilding, beneficiation and oil processing. The business entity of shipbuilding sector is the Company's subsidiary, Nantong Xiangyu Shipbuilding & Offshore Engineering.
- In the shipbuilding segment, exchange rate fluctuations of the U.S. dollar led to a decline in reported gross profit margin. However, by using financial instruments to hedge against foreign exchange risks, the Company achieved a year-on-year increase in actual hedged gross profit margin.

The shipbuilding segment overcame fluctuations in the international ship market, consolidated its leading position in core vessel types, and optimized and upgraded its product portfolio. Through lean production management and improved production line configuration, the segment achieved industry-leading efficiency in the construction of bulk carriers and chemical tankers, significantly shortening dock and slipway cycles. In the first half of the year, 15 new orders were signed, bringing the backlog to 91 vessels, including the first order from a renowned international shipowner for a 210,000 DWT large bulk carrier, reflecting notable progress in the mid-to-large vessel market.

The year-on-year decline in revenue was primarily due to the transfer of certain orders to the Qidong new shipyard, which was still in its ramp-up phase during the first half, resulting in lower overall completions compared with the same period last year. With the Qidong shipyard reaching full production capacity, Nantong Xiangyu Marine Equipment is expected to see comprehensive improvements in both capacity and profitability in the second half of the year.

#### 4. International Business Progress in H1 2025

In the commodity operations, the Company achieved approximately 47 million tons in import, export, and re-export volumes in the first half, with a total value of around USD 13.2 billion,

representing a year-on-year increase of 7%. The aluminum supply chain accelerated its global expansion, continuing to build logistics capabilities in West Africa and actively developing overseas downstream channels for alumina in India and the UAE. The Company also successfully participated in the IPO of Nanshan Aluminum International, securing high-quality commercial rights. For the stainless steel supply chain, the Company promoted stable long-term agreements with overseas mines and carried out orderly expansion and operation of mining rights. The oil supply chain extended upstream resources in South America and West Africa, while stabilizing downstream refineries, maintaining steady international growth. In the new energy supply chain, the Company deepened its presence in lithium battery products across Africa, South America, and Australia, partnering with leading resource-based enterprises in Africa to jointly explore overseas markets.

Regarding commodity logistics, the China-Indonesia premium shipping route further strengthened its market influence, with the Sulawesi-China route maintaining the leading market share, and route capabilities gradually being replicated and expanded to emerging markets such as India and Africa. International container allocation and overseas client development capabilities steadily improved. In aluminum logistics, the Company has built initial end-to-end logistics capabilities from West African mines to aluminum processing plants. By integrating multimodal transport capacity and consolidating cargo at both ends, it has developed a branded bulk shipping route connecting the Atlantic and the Far East.

## **5. Key Operating Plans for H2 2025**

While achieving phased results in the first half of the year, the Company remains keenly aware of the slowing pace of global economic recovery, profound shifts in industry competition, and its position in a critical phase of transformation and upgrading. At this new starting point, with management succession underway and strategic development about to enter a new stage, the Company will not only maintain strategic focus but also strengthen risk awareness and continuously cultivate new competitive advantages. In the second half of the year, to ensure the successful conclusion of the last Five-Year Plan (2021–2025) and lay a solid foundation for the formulation and implementation of the next Five-Year Plan (2026–2030), the Company will continue to consolidate hard-won achievements and focus on the following key tasks in strategic development, organizational management, business operations, international expansion, risk control, investment

research support, and digital-intelligent transformation:

**Strategic Development:** On one hand, the Company will solidly advance the conclusion of the last Five-Year Plan(2021–2025), ensuring high-quality achievement of all key targets; on the other hand, it will complete the formulation of the next Five-Year Plan (2026–2030), laying a solid foundation for a new phase of high-quality development.

**Organizational Management:** The Company will systematically advance the transformation of its headquarters governance model and facilitate the integration of industrial sub-groups, progressively building an organizational structure that aligns with its development strategy for the next Five-Year Plan period (2026–2030).

**Business Operations:** The Company will deeply integrate into the industrial chain ecosystem, strengthen the comprehensive supply chain service system, enhance control over critical resource channels, accelerate the adjustment of low-efficiency businesses, and cultivate innovative businesses to drive structural transformation and upgrade. The Company will also coordinate internal and external resources, strengthen cross-functional collaboration, and build distinctive core capabilities and service brands.

**International Development:** First, the Company will accelerate the establishment of overseas platforms in key regions such as Africa and South America, effectively leveraging them as regional support hubs and forward bases. Second, it will expedite the recruitment and development of international talent, strengthen local overseas teams, and deeply explore regional business opportunities. Third, the Company will deepen international research efforts, focusing on key regions including Africa, Central Asia, the Middle East, and Southeast Asia, to identify project opportunities in areas such as mineral resources and logistics hubs..

**Risk Management:** The Company will establish quantitative risk management standards and cross-departmental coordination mechanisms, strengthen overseas compliance oversight, and promote the transition to a “Dynamic Risk Management + Value Creation” model.

**Investment Research Support:** The Company will focus on the second growth curve and strengthen research on industrial cycles, identifying profit growth opportunities in areas such as mining rights investment, international expansion, and new business incubation.

**Digital-Intelligent Transformation:** The Company will promote the Phase II rollout of its next-generation ERP system to enhance full-chain visibility and dynamic management, improving overall operational efficiency. It will also promote deep collaboration between AI-enabled intelligence and supply chain operations, establishing an end-to-end closed-loop intelligent ecosystem from customer demand response to high-quality delivery, thereby unlocking AI’s core capabilities in enhancing supply chain resilience and value creation.

## 6. Outlook on the New Strategic Plan

In the new five-year strategic planning period (2026–2030), the Company envisions becoming a global leader in industrial chain operations driven by supply chain services, guided by the mission “Rooted in the Supply Chain, Serving the Industrial Chain, Creating the Value Chain”. The Company will focus on the “Three New, One High (3N1H)” strategy- adopting a new industry positioning as a co-builder and organizer of the industrial chain, and embracing diversified capital management approaches to foster high-quality growth. Based on the characteristics of different industrial chains, the Company will advance multi-faceted operations across resources, trade, logistics, services, processing, and investment in a phased and structured manner, generating new development momentum distinctive to Xiangyu. Through the reshaping of organizational capabilities, the Company will form specialized industrial sub-groups and drive high-quality development.



**Figure 6: The Company’s “3N1H” Strategy**

Looking ahead, the Company will pursue proactive capital deployment, leveraging industrial investments to enhance its supply chain operating capabilities and unlock asset value. First, it will target key nodes within existing industrial chains to secure access to core resources, continuing to drive industrial chain operations through supply chain services. Second, it will actively participate in strategic equity investment of industry leaders, leveraging equity participation to secure commercial rights and strengthen channel control. Third, it will accelerate the development of the

Company’s second growth curve through investments in mining rights, international expansion, and new business incubation. Fourth, it will establish industrial funds around key strategic or industrial chain investment projects, introducing external capital to amplify scale and accelerate growth.

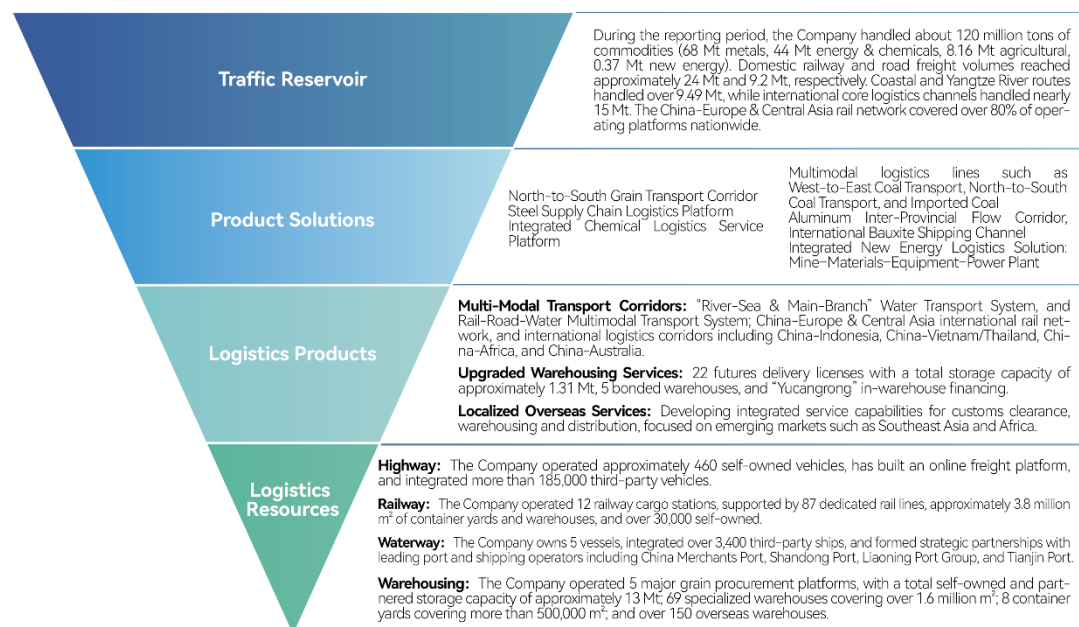
**Table 2: Comparative Overview of the Company’s Strategic Plans at Different Stages**

<b>Period</b>	<b>2021–2025 (the last “Five-Year” Plan Period)</b>	<b>2026–2030 (the next “Five-Year” Plan Period)</b>
Positioning	The Company aims to become a world-class integrated supply chain service provider, achieving the transition from traditional trade to integrated services, and initially exploring the supply chain operation model.	The Company aspires to become a global leader in industrial chain operations driven by supply chain services, establishing a new industry positioning as a co-builder and organizer of industrial chains, and advancing the upgrade of a multi-element operation model integrating “Resources, Trade, Logistics, Services, Processing, and Investment.”
Strategic Direction	The Company has identified platformization, internationalization, and digitalization as its key development directions, with a focus on enhancing comprehensive supply chain service capabilities.	The Company proposes the "3N1H" strategy, promoting multi-element operations-covering resources, trade, logistics, services, processing, and investment-through a diversified, profit-oriented asset management mindset, establishing specialized industrial sub-groups, and driving high-quality development.
Organizational Structure	The Company has enhanced its market-oriented and professional service capabilities by establishing an internal competition mechanism.	The Company plans to establish a “strategic-control headquarters + specialized industrial sub-groups” structure to strengthen resource integration and coordination, aiming to enhance overall operational performance.
Profit Structure	The Company has prioritized service- and scale-driven profitability, and has also capitalized on price differentials to generate profits.	The Company will enhance the overall returns across all links of the industrial chain, entering higher value-added segments and leveraging an asset management mindset to capture gains from resources, productive services, industrial investments, and global arbitrage, thereby further diversifying risks from commodity market fluctuations and improving both profitability and stability.
Growth Drivers	The Company has focused on its core industrial chain, expanded its market leadership in key products, and established itself as a leader in niche markets; it has also targeted regions along the Belt and Road Initiative, developing its international markets.	The Company will engage in multi-element industrial chain operations, participating in the management of all segments along the chain. Through proactive investments, it aims to accelerate the development of its second growth curve, including investments in mining rights, international expansion, and new business incubation. By implementing industrial fund projects, the Company seeks to leverage capital to achieve larger-scale and faster-growing development.

## V. Analysis of Core Competitiveness During the Reporting Period

### 1. Networked Logistics Service Capability

As a national 5A-level logistics enterprise, the Company has developed three key logistics operating entities-Xiangyu Superchain, Xiangdao Logistics, Xiangyu Agricultural Products- and built a top-tier logistics service team characterized by professionalism, market orientation, and international expertise. With resource integration as its foundation, product upgrading as its driving force, deep industry engagement as its core, and digital intelligence innovation as its enabler, the Company has established a fully connected logistics ecosystem. This ecosystem embodies an interconnected and dynamically evolving logistics service model, delivering efficient, reliable, and highly resilient supply chain logistics solutions to clients worldwide.



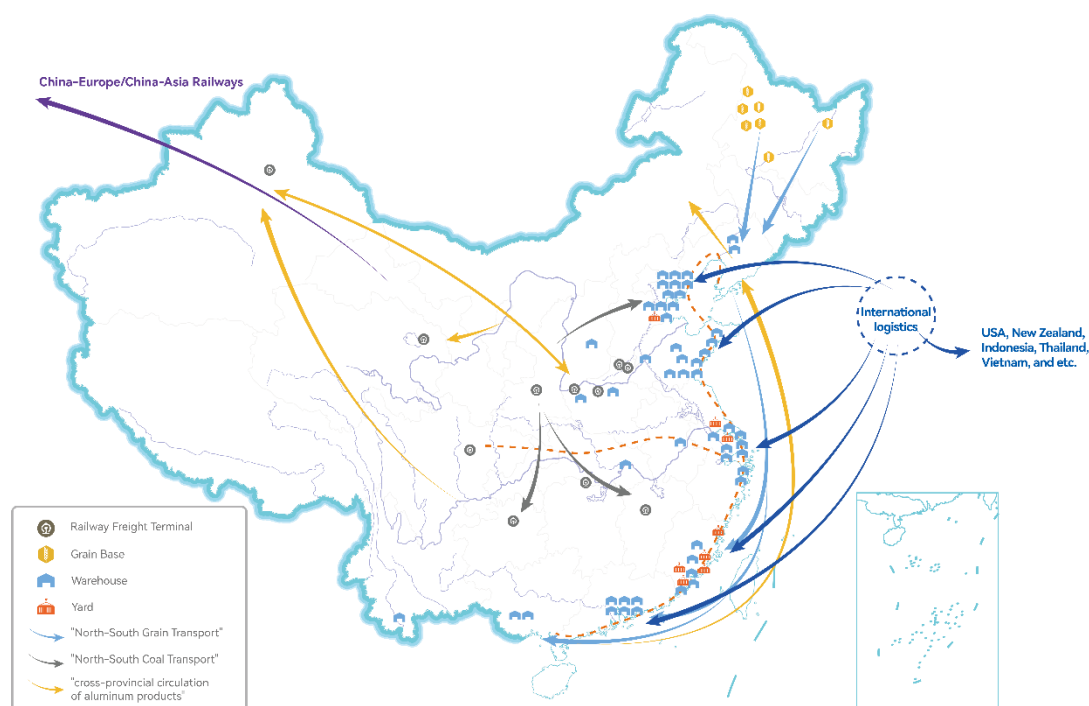
Note: Railway freight volume and railway logistics resources include Yulin Xiangdao, which is entrusted to be managed by the Company's subsidiary Xiangdao Logistics.

**Figure 7: Company's Logistics Ecosystem**

The company implements the strategic path of "Checkpoints-Link-Surface-Network", comprehensively integrating core logistics elements such as highways, railways, waterways, and warehouses. Taking the lead in the industry, it has built an efficient multimodal transport system centered on these hubs, forming a three-dimensional logistics resource network connecting domestic and international markets. Currently, the Company has established a railway network spanning the east-west economic corridor and connecting north-south industrial nodes, a highway transport matrix covering the nation's core economic regions, a waterway transport layout based on domestic

hub ports and extending along the Belt and Road Initiative, and an intelligent warehousing cluster covering the eastern coast and bulk commodity distribution belts in central and western China. Simultaneously, it has developed an international shipping and rail corridor network, along with localized overseas operations, linking global markets. Domestically, the Company has enhanced navigation capacity along the Yangtze River main waterway, forming a “River-Sea Intermodal + Main-Branch Linkage” water transport system and launching multiple premium routes such as the inter-provincial aluminum circulation corridor, North-to-South Grain Transport, West-to-East Coal Transport, and North-to-South Coal Transport, achieving efficient integration of land and water transport. Internationally, it has established China-Europe and China-Central Asia international rail corridors, as well as international logistics routes including China-Indonesia, China-Vietnam, China-Thailand, China-Africa, and China-Australia, creating a three-dimensional transport network covering major economic regions worldwide.

The Company provides clients with high-quality, end-to-end, and scenario-based industrial logistics solutions, effectively supporting the resilient operation of industrial supply chains and enabling efficient logistics value realization. During the reporting period, the Company handled over 26 million tons of coal logistics and, under the market-oriented reforms of China State Railway Group, implemented 14 railway logistics turnkey projects, helping clients reduce coal railway transportation costs by 10%-25%. The Company handled approximately 6.7 million tons of aluminum logistics, establishing multiple premium rail-road intermodal routes for alumina. Meanwhile, leveraging its ultra-large-scale business flow pool, extensive service cases and rich data assets accumulated across business scenarios, the Company continuously iterates and optimizes logistics service solutions, meticulously developing global premium logistics corridors.



**Figure 8: Company's Nationwide and International Networked Logistics Service Ecosystem**

## 2. Digitalized Supply Chain Service Capability

The Company is committed to leading the way in smart supply chain services and serving as a frontrunner in the industrial Internet. Built on a three-pronged capability system of “strategic resources, channel networks, and solutions”, and leveraging vast business data, an extensive customer base, and rich application scenarios, the Company integrates AI to create an end-to-end intelligent ecosystem that seamlessly links customer demand response with secure final delivery.

The Company leverages its digital platform as the foundation to address the pain points of traditional bulk commodity supply chains, including low efficiency, challenging decision-making, and weak collaboration. During the reporting period, it successfully launched the pilot of its next-generation core system for bulk commodity supply chains, ensuring comprehensive coverage of core trade documents and data assets, and building an intelligent management and operation support framework. Meanwhile, the Company has deeply integrated artificial intelligence, embedding smart computing capabilities into scenarios such as decision analysis, intelligent recognition, and risk warning, making the entire supply chain visible, manageable, and traceable, ensuring real-time business tracking with transparent, well-controlled processes and forming a closed-loop intelligent supply chain. Furthermore, the Company continued to upgrade its “YuLianTong” digital supply



chain service platform, securing a total credit line of RMB 11.9 billion. The platform serves as a trusted data bridge between funding providers and customers.



**Figure 9: YuLianTong Digital Supply Chain Service System**

Leveraging digital technologies such as artificial intelligence, big data, and the Internet of Things(IoT), the Company will further enhance supply chain collaboration, including internal coordination, external collaboration, and upstream-downstream integration. It aims to build a green, efficient, safe, and resilient digital ecosystem across the industrial chain, providing comprehensive end-to-end solutions for intelligent supply chains and injecting new momentum into the high-quality development of both the Company and the industry.

### 3. Global Channel and Resource Integration Capability

The Company has accumulated a portfolio of leading enterprise clients across the industrial chains of metals and minerals, agricultural products, energy and chemicals, and new energy, establishing mature and stable global business channels. By integrating abundant industrial, informational, logistics, and financial resources, the Company delivers comprehensive supply chain solutions to its clients. Leveraging years of deep industry experience and channel advantages, the Company has developed a global development framework characterized by “supply chain leadership, logistics support, and investment-driven growth,” underpinned by strong global channel networks and resource integration capabilities.

First, the Company extends along key industrial chain nodes, continuously building internationally competitive regional ecosystems. In Africa, it has built a mineral resource supply chain system,

ensuring stable supply of bauxite and titanium in West Africa as well as chrome in South Africa; it has invested in establishing a West African subsidiary and an East African mining joint venture to strengthen access to new energy minerals; furthermore, it is advancing the establishment of a regional subsidiary in South Africa to extend the industrial chain and enhance value through localized operations. In Southeast Asia, the Company has developed a full industrial chain model covering resource import, deep processing, and global sales, supported by a localized logistics network, delivering end-to-end one-stop services in the ASEAN market. In the Americas, the Company deepens cooperation in minerals, agricultural products, energy trade, and new energy, and is preparing to launch a Brazilian platform to strengthen regional market presence. In the Middle East, it focuses on high-value commodities to accelerate the global penetration of “Made in China”. In resource-rich countries such as Australia, the Company builds stable and diversified supply channels to safeguard national energy and resource security.

Second, the Company systematically advanced global logistics capabilities. Focusing on the outbound needs of Chinese manufacturing and the development of core industries, it strategically deployed operations in Southeast Asia, Africa, and South America to establish a global logistics service network. The Company extended the presence of overseas logistics subsidiaries and joint ventures, including investment in a shipping joint venture in Guinea during the first half of the year, leveraging trade-logistics synergies. Capitalizing on its advantages in international multimodal transport, it established core logistics corridors connecting China with Southeast Asia, Africa, South America, and Europe/Central Asia, maintaining a leading market share on the Indonesia-Sulawesi-China route and pioneering multimodal connections across East, West, and Southern Africa.. Innovative bulk shipping routes have also been developed for commodities such as lithium and chromium in Africa. The Company continuously optimized its global logistics network, collaborating with over 200 high-quality international logistics providers, operating more than 150 overseas warehouses, including locations in Vietnam, the United States, and the Netherlands.

#### **4. Systematic Risk Management Capability**

The Company has long upheld the business philosophy of “Risk First, Profit Second, Scale Third”. It implements a three-layered risk defense framework encompassing frontline business teams, the headquarters risk management function, and the central audit unit. By establishing pre-control

systems, in-process monitoring, post-event review and system optimization, as well as maintaining a balanced focus on collaboration and professionalism, the Company has built a multi-departmental risk prevention and control mechanism.

In addition, the Company consistently focuses on highly liquid, easily monetizable, standardized, and easily stored commodities as its core products. It has developed a comprehensive, full-cycle risk management system encompassing pricing, marketing research, and customer management, embedding risk control deeply throughout the entire business lifecycle.

Against the backdrop of a complex and volatile international trade environment and intensifying market competition, the Company continues to improve its mechanisms for policy analysis, risk identification and early warning in international markets. It closely monitors and assesses changes in international policies and regulations, developing targeted response strategies based on specific business conditions.

## **5. Multidimensional Industry Research Capability**

The Company strengthens the enabling role of its three-tiered research system in supporting business practice, conducting in-depth analyses at the macro, industry, and micro levels to study market cycles, industry trends, and key commodity price fluctuations. Combining deep industry experience with expertise in financial tools, the research team delivers insights across multiple dimensions, such as frontline operational strategies, business model innovation, and corporate strategies. By aggregating and analyzing internal and external data, the Company develops a more comprehensive market perspective. In addition, it enhances cross-departmental collaboration and continuously improves the research-risk management linkage, enabling timely warnings and effective responses to market fluctuations caused by macroeconomic uncertainties, thereby enhancing overall risk management capabilities.

## **6. Specialized Supply Chain Service Team**

The Company places strong emphasis on talent development and team building, cultivating a market-driven, specialized, and globally-oriented supply chain service team capable of designing professional supply chain solutions tailored to customer needs. Meanwhile, the Company consistently enhances its international human resources system, providing clear career pathways

and platforms for value creators, and follows a dual approach of “external recruitment and internal cultivation”. In the first half of 2025, the Company actively recruited domestic and international business talents, along with supporting measures to ensure project implementation, accelerate integration and performance realization, building a pipeline of elite professionals with global vision and service expertise.