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XIAMEN XIANGYU CO.,LTD.

2026 INTERIM REPORT SUMMARY

I. Key Accounting Data and Financial Indicators

Unit: million Yuan Currency: RMB

Item	At the end of reporting period	At the end of last year	Changes compared to the end of last year (%)
Total assets	136,134.73	128,697.05	5.78
Owner's equity attributable to the shareholders of the listed company	32,490.46	31,653.38	2.64
	Current reporting period	The same period last year	Changes on a YoY basis (%)
Operating revenue	209,045.21	203,948.25	2.5
Profit before income tax	1,661.27	1,504.18	10.44
Net profit attributable to shareholders of the listed company	1,066.00	1,032.12	3.28
Net profit attributable to shareholders of the listed company after deducting the non-recurring profit and loss	941.79	330.74	184.75
Net cash flow from operating activities	-13,866.11	-2,985.79	Not applicable
Weighted average return on equity (%)	5.04	4.99	Increased by 0.05 pp
Basic earnings per share (Yuan/share)	0.28	0.31	-9.68
Diluted earnings per share (Yuan/share)	0.28	0.31	-9.68

Remark:

The net profit attributable to shareholders of the listed company in the above table during the reporting period includes the interest of RMB 286 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 780 million. Perpetual bonds and interest were deducted when calculating the above-mentioned key 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 2026, geopolitical uncertainty continued to escalate, macroeconomic volatility intensified significantly, and the stability of the bulk commodity supply chain came under mounting pressure. Guided by the Outline of the 15th Five-Year Plan, industries associated with China's new quality productive forces continued to grow rapidly, while the overall macro economy remained stable. However, the recovery in end-market demand remained relatively weak, domestic and overseas demand for manufactured products diverged, and supply chain enterprises faced increasing pressure on profitability.

Against a backdrop of mounting operating pressures and structural transformation across the industry, leading enterprises continued to evolve toward diversified global operations and higher value-added industrial supply chain services. By leveraging digitalization and AI applications, they strengthened operational resilience and fostered new sources of profitability. Amid the restructuring of global industrial supply chains and the transformation of China's domestic industrial structure, these enterprises sought to capitalize on structural growth opportunities, build core competitive advantages that support sustainable, high-quality long-term development, and strengthen their resilience for future growth.

2. Industry Development Trends

(1) Industry Reshaping: Rising Industry Concentration

Global economic and geopolitical uncertainties have increased operating challenges across the industry, while tighter regulatory compliance requirements in China have accelerated the exit of smaller market participants. Leading enterprises have enhanced their resilience through counter-cyclical expansion through diversified and synergistic business development, continuously enhancing their upstream and downstream channel networks and strengthening their capabilities in resource control, customer retention, service enhancement and risk management. As a result, leading enterprises have continued to increase their market share. Measured by cargo volume, the CR5[1] market share[2] of China's bulk commodity

[1] 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.

[2] 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.

supply chain industry increased from 4.81% in 2021 to 6.24% in 2025. Despite the industry's fragmented market structure, the trend toward greater market concentration among leading enterprises is clear and well established.

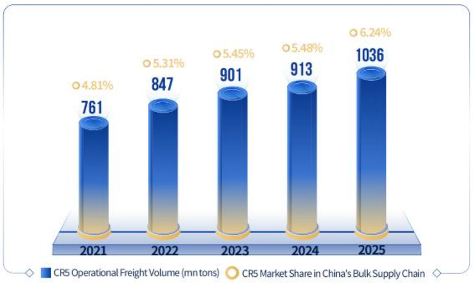

Figure 1：Operating Volume and Market Share of CR5 in China's Bulk Supply Chain Industry

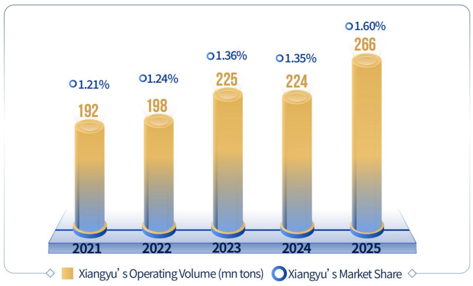

Figure 2：the Company's Revenue and Market Share in China's Bulk Supply Chain Industry

(2) Model Upgrading: Deepening Full-Industry-Chain Operations

As the competitive landscape continues to evolve, the focus of market competition is shifting from capabilities in individual segments toward comprehensive competition across the entire value chain. Leading enterprises are strengthening their upstream resource presence, expanding into midstream processing, and extending downstream into end-consumer markets, while complementing these efforts with integrated services and industrial investment. By fostering synergies across multiple business segments, they are deepening full-industry-chain operations, enhancing end-to-end service capabilities and customer stickiness, diversifying their earnings mix, and strengthening the drivers of sustainable growth.

(3) Global Expansion: New Growth Curves Emerging

The regional restructuring of global manufacturing capacity is driving growing demand for overseas procurement and sales, logistics and cross-border financial services. Industry players are accelerating their international expansion and broadening their operations across key resources, logistics hubs, manufacturing support services, investment in emerging industries and supply chain finance, seeking to capture new growth opportunities. At the same time, escalating geopolitical conflicts, rising resource nationalism and the increasing trade and compliance barriers associated with deglobalization are exposing traditional long-chain cross-border supply chains to greater risks of disruption and policy uncertainty. Relying solely on domestic ports and transit hubs is no longer sufficient to ensure supply chain autonomy and control, prompting industry players to shift from a “gateway-based overseas expansion” model toward “localized operations”. This involves establishing regional headquarters, operating centers and forward warehouses in key overseas markets and resource-rich regions, while building local business teams to mitigate geopolitical risks.

(4) Demand Evolution: New Quality Productive Forces Driving Demand Upgrades

The rapid development of the AI industry is shifting the focus of strategic competition among major economies toward computing power and data, driving explosive growth in related industries and has emerged as a key force reshaping the global economic landscape. The expansion of computing-power-driven industries is fundamentally reshaping the underlying demand dynamics of bulk commodities. On the one hand, it is generating structurally incremental demand for critical metals such as copper, aluminum and rare earths in data centers, grid upgrades and intelligent devices, giving these commodities new sources of structural growth. On the other hand, AI’s substantial energy consumption is also increasing demand for power-related fuels and supporting resources.

(5) Technology Enablement: Digitalization, Intelligence and Low-Carbon Transformation Creating New Value

Leading enterprises are increasingly establishing AI application platforms and exploring the application of AI technologies across key business scenarios, including intelligent risk management, collaborative services, demand forecasting and pricing management, thereby enhancing supply chain resilience and value creation capabilities. Meanwhile, the global transition toward green and low-carbon development is accelerating, with innovative sectors such as carbon trading, green electricity trading and green logistics gaining strong growth momentum. Leveraging their strengths in integrated services, leading enterprises are supporting the development of these emerging sectors and growing in tandem with them.

III. Business Analysis During the Reporting Period

The Company specializes in bulk supply chain services. Guided by its mission of “Rooted in the Supply Chain, Serving the Industrial Chain, Creating the Value Chain”, the Company focuses on its “Three New and One High” strategy, adopts a new strategic position in industrial chains, develops a new asset-management mindset, and advances a new multi-factor operating model. By reshaping organizational capabilities, the Company is committed to driving high-quality development and becoming “a global leader in industrial chain operations driven by supply chain services”.

1. Business Model

The Company has always placed manufacturing customers at the core of its business and expanded resources upstream and channels downstream along industrial chains. It has evolved from providing services in individual segments to offering an integrated suite of services, including raw material procurement, finished product distribution, inventory management, warehousing and logistics, and supply chain finance. Through these efforts, the Company has gradually established a full-industry-chain supply chain service model featuring Xiangyu’s distinctive capabilities.

Having established service advantages across the entire industry chain, the Company has further expanded into manufacturing segments where it can provide value-added support, initially developing an industrial chain operating model combining “supply chain services + manufacturing.” This model enhances overall returns and helps mitigate the impact of cyclical fluctuations in the industries in which the Company operates.

2026 marks the first year of the Company’s new five-year development plan for 2026–2030. Adopting a new strategic position as “a co-builder and orchestrator of industrial chains,” the Company is exploring opportunities across key segments of industrial chains, including resources, trading, logistics, services, processing and investment, while applying an asset-management mindset to the operation of each segment and developing a multi-factor operating model.

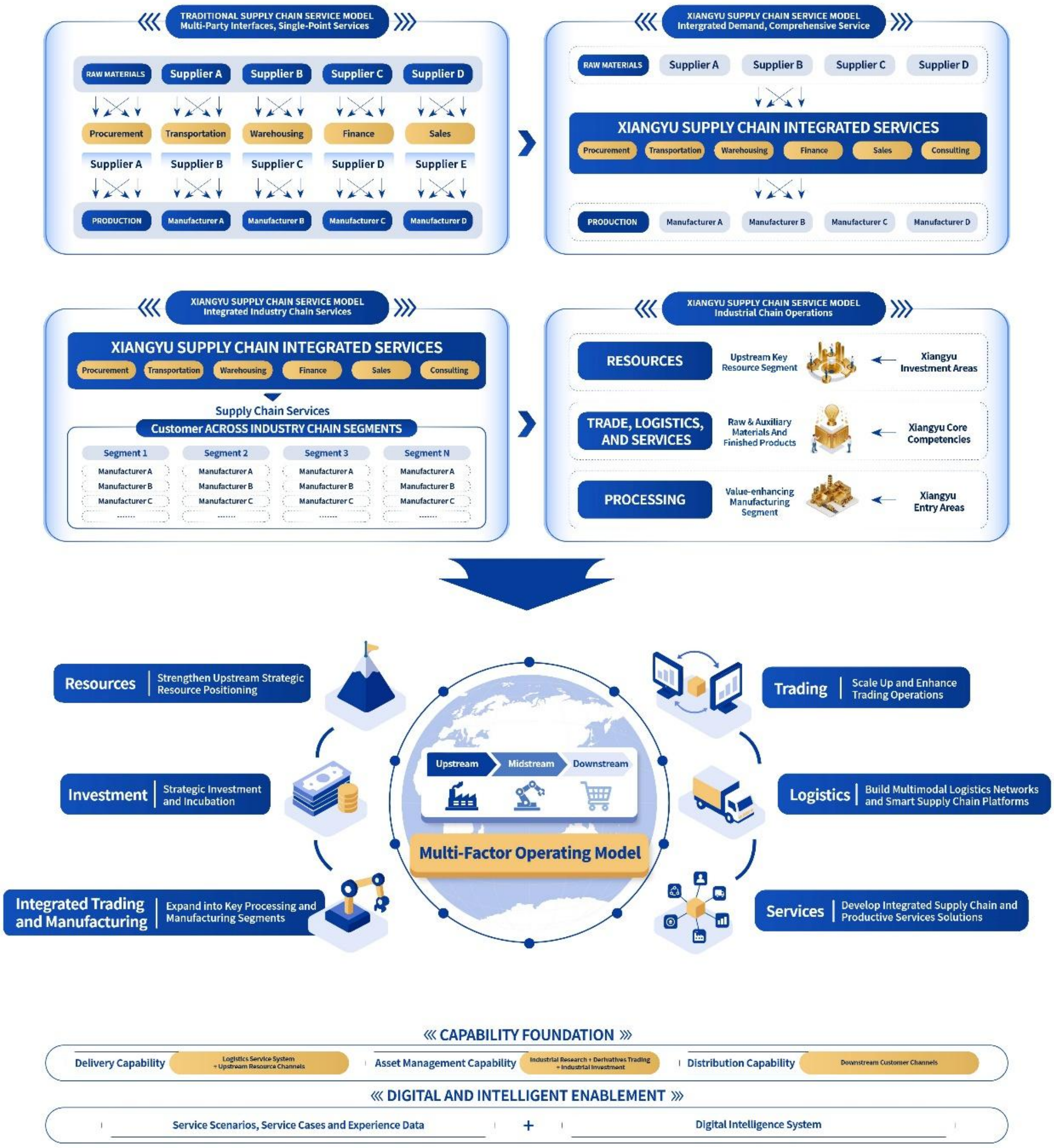

Figure 3：Company's Business Model

2. Business Portfolio

Under its multi-factor synergy strategy, the Company has established a “6+1” business portfolio, comprising six major commodity segments—steel, non-ferrous metals, energy, new energy, chemical materials and agricultural products—together with its logistics business. This diversified portfolio helps mitigate the risks arising from cyclical fluctuations in individual industries while enabling the Company to capture growth opportunities at different stages of industry development.

In terms of commodity portfolio, based on customer needs and its own business philosophy, the Company applies the following product selection criteria: ①high liquidity and ease of realization; ②high standardization and easy storage; ③substantial demand with extended industrial chains that enable integrated multi-stage services.

Currently, the Company’s commodity portfolio covers seven core categories: ferrous metals, aluminum, stainless steel, new energy, thermal coal, oil, and grains. The Company dynamically adjusts its commodity mix in response to changes in industry cycles. Looking ahead, along the growth trajectory driven by demand from the AI industry chain and the development of new quality productive forces, the Company will explore opportunities in higher value-added categories, including metals related to the computing-power industry chain, advanced materials, strategic minerals and emerging energy sources.

Figure 4: The Company's "6+1" Business Portfolio

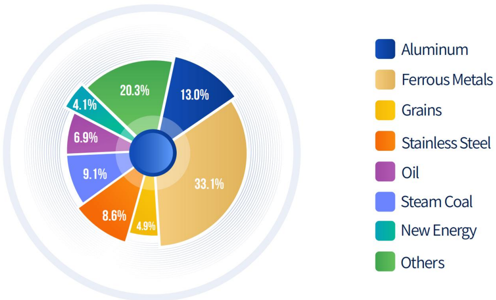

Figure 5: Revenue Proportion of the Company's Bulk Commodities by Category

In terms of customer structure, the Company’s service volume for manufacturing clients accounted for approximately 60% of total service volume in the first half of 2026. Specifically, over 70% of services were within the new energy supply chain; over 60% within the aluminum, stainless steel and coal supply chains; approximately 60% within the ferrous metals supply chain; and approximately 50% within the oil and chemical products and grains and agricultural commodities supply chains.

3. Profit Model

As the Company steadily advances its multi-factor operating model, it has developed a diversified profit structure comprising trading spread income, industrial chain service income, production-related service income and industrial investment income, enabling it to identify and capture value opportunities across industry cycles. The components of the Company’s profits and their definitions are set out in the table below.

Table 1: Profit Structure and Definitions

Operating Element	Types of Profit	Corresponding Business Activities
Resources	Income from Resource Acquisition	Strengthening the upstream positioning in key resources to secure stable access to commodity rights
Trading	Supply chain service income and scale-based consolidation gains, supplemented by trading spread gains	Leveraging platform advantages to conduct large-scale operations and provide integrated supply chain services, including procurement, distribution and logistics
Logistics	Logistics Service Income	Building a multimodal transportation logistics network and smart supply chain platform to provide integrated logistics solutions
Services	Production-related Service Income	Providing manufacturing customers with services including digital solutions, energy management, carbon management and price management
Integrated Trading and Manufacturing	Processing and Manufacturing Income and Supporting Trading Income	Leveraging supply chain service capabilities to participate in key processing and manufacturing segments and achieve synergies between trading and manufacturing
Investment	Investment Income	Focusing on key segments of strategically selected industry chains and high-potential and emerging sectors to implement strategic investment and incubation and cultivate value across industry cycles

IV. Management Discussion and Analysis of Business Operation

In the first half of 2026, amid a complex and rapidly evolving external environment, the Company rose to the challenge by consolidating its existing business foundation while expanding new growth drivers. At the same time, the Company dynamically optimized its risk management strategies and effectively managed the impact of futures price fluctuations on its gross margins from spot and futures trading. Overall, the Company maintained sound and improving operating performance and made a strong start to its new five-year development plan for 2026–2030.

During the reporting period, the Company achieved operating volume of 133 million tonnes, representing a year-on-year increase of 10.41%; operating revenue of RMB 209 billion, representing a year-on-year increase of 2.50%; net profit attributable to shareholders of the Company of RMB 1.07 billion, representing a year-on-year increase of 3.28%; and net profit of RMB 1.52 billion, representing a year-on-year increase of 19.40%. Both the gross profit margin and net profit margin s increased year on year. The Company maintained leading market shares in commodities including aluminum, new energy products, thermal coal, and coking coal/coke. Its iron ore operating volume increased significantly, further strengthening its industry position and resource access advantages. The Company also made initial progress in leveraging supply chain services to drive industrial chain operations.

1. Key Operating Results for the First Half of 2026

The Company steadily advanced its multi-factor operating model and coordinated development across multiple business segments, including resources, trading, logistics, services, integrated trading and manufacturing, and investment. Currently, the Company's business scale and profit contribution are primarily derived from the trading, logistics, and integrated trading and manufacturing segments. The resources and services segments remain in the early stages of development and account for relatively small proportions of business volume and gross profit, but are primarily contributing incremental business growth. The investment segment, while supporting the development of other business segments, also recorded an increase in investment income year on year.

(1) Resources, Services and Investment Segment

Resources. Focusing on major mining regions globally, the Company has strengthened its control over upstream resources and secured stable supply through mechanisms such as equity investment for commercial rights and services for commercial rights. During the reporting period, the Company's operating volume from stable mine supply exceeded 5 million tonnes, representing a year-on-year increase of over 70%. The Company established a Resources Division and developed an in-house mine investment, development and management system. Its wholly owned nickel mine in Indonesia entered construction stage and is expected to commence production in 2027.

Services. Leveraging its supply chain management capabilities, the Company provides production-related services, including the "YuLianTong" digital supply chain service platform (please refer to Section V, "Analysis of Core Competitiveness During the Reporting Period," subsection 3, "Digitalized Supply Chain Service Capability"), carbon trading, green electricity trading and service-oriented leasing, thereby enhancing customer stickiness and value-added services. Meanwhile, the Company has enhanced its price management services, further developed option-based business models, and expanded into overseas options markets to diversify its sources of value creation and build differentiated competitive advantages and momentum for medium- and long-term growth.

Investment. The Company carries out strategic investment centered on industrial chains to capture opportunities for cross-cycle positioning and value investing. It has established a joint venture for power plant investment and operation, participated in the strategic placement for the IPO of Makeng Mining Co., Ltd. to lock in commercial rights to high-quality iron ore resources, and launched strategic cooperation in areas including mineral resource development and supply chain. During the reporting period, investment income from long-term equity investments exceeded RMB 100 million, representing a year-on-year increase of more than 35%.

(2) Trading Segment

The Company leverages its bulk commodity supply business as the foundation, capitalizes on its platform advantages to operate at scale, and provides integrated supply chain services, including procurement, distribution and logistics. Revenue and profit are reflected in the operating results of its core commodity businesses, as detailed below:

Unit: RMB billion

Category	Operating Volume		Operating Revenue		Combined Futures and Spot Gross Profit		Combined Futures and Spot Gross Profit Margin	
	Volume (10,000 metric tons)	YoY	Amount	YoY	Amount	YOY	Value	YOY
Trading Segment	12,813	8.85%	191.8	-0.05%	2.85	-2.31%	1.48%	Decrease of 0.03 pp
Among these: Metallic Mineral	8,095	18.79%	122.4	11.42%	3.23	94.07%	2.64%	Increase of 1.12 pp
Energy and Chemical	3,941	-3.98%	39.3	-24.88%	0.55	21.21%	1.40%	Increase of 0.53 pp
Agricultural Products	745	-8.71%	21.2	-4.77%	0.25	-53.77%	1.17%	Decrease of 1.24 pp
New Energy	29	-17.72%	7.6	19.93%	-1.19	N/A	-15.53%	N/A

Notes:

a. To support its physical supply chain operations, the Company uses futures instruments to hedge against commodity price volatility. As a result, fair value changes and gains or losses on disposal are recognized. The reported gross profit and gross margin on a combined spot-and-futures basis incorporate the impact of hedging results from futures positions.

b. During the reporting period, taking into account its business operations and market conditions, the Company dynamically optimized its risk management strategies and proactively reduced the futures positions held for hedging purposes. The resulting losses on the futures side were recognized in the current-period financial statements.

c. During the current period, certain resource-related businesses previously included under "Bulk Commodity Operations" were reclassified to the "Resources" segment. The remaining businesses constitute the "Trading

Segment" presented in the table above, and the prior-period figures have been adjusted accordingly on a comparable basis.

Metal and mineral products. The ferrous metals supply chain reaped the benefits of organizational restructuring, optimized resource allocation and product mix, deepened the integrated trading and manufacturing model, and accelerated its international expansion. It maintained counter-cyclical growth despite the downward phase of the industry cycle, with iron ore operating volume increasing 42% year on year and steel operating volume increasing 14% year on year. The aluminum supply chain expanded its access to overseas resources and downstream processing capabilities, further deepened full-industry-chain operations, and maintained a leading market position in terms of operating scale, with profitability improving year on year. The stainless steel supply chain optimized its commodity mix, actively expanded its international business, improved its nickel ore procurement channels, and broadened its sources of overseas ores, including South Africa, further strengthening its profitability.

Energy and chemicals. The coal supply chain continued to deepen its international operations, increased the proportion of long-term contracts and overseas sales, and achieved a 12% year-on-year increase in operating volume, with profitability improving year on year. Amid heightened fluctuations in international oil prices resulting from escalating geopolitical conflicts, the oil products supply chain adopted a prudent approach to related activities, resulting in a temporary contraction in operating scale.

Agricultural products. The Company strengthened volume-based operations and inventory rolling strategies, deepened cooperation with strategic customers, expanded its international operations, and broadened overseas sales channels for grains and edible oils. However, spot-futures gross profit declined year on year due to the temporary increase in corn procurement costs.

New energy. In response to market conditions, the Company enhanced the flexibility of its risk management strategies and proactively adjusted its hedging strategy in the second quarter to mitigate the impact of futures price fluctuations on spot-futures gross profit. Through systematic resource integration and deepened industrial chain operations, the Company continued to develop its presence in the three major production regions of Australia, South America and Africa, as well as in Jiangxi, Sichuan and Qinghai, leveraging its strengths in upstream mineral resources, smelting and processing, and logistics to put the business back on a path of stable and sound development.

(3) Logistics Segment

While the Company's logistics system serves the needs of its internal supply chain operations, it also leverages its internal business base to develop market-oriented service capabilities, which in turn support and enhance its supply chain operations, creating a mutually reinforcing relationship between commodity operations and logistics services. The Company separately accounts for the operating results of its market-oriented logistics services, as detailed below:

Unit: RMB million

Category	Operating Revenue		Gross Profit		Gross Profit Margin	
	Amount	YoY	Amount	YoY	Value	YoY
Logistics Segment	5,733	14.74%	473	10.90%	8.25%	Decrease of 0.29 pp
Among these: 1. Professional Logistics	4,183	2.60%	326	-5.70%	7.79%	Decrease of 0.69 pp
1.1 Integrated Logistics	3,015	14.61%	269	-4.85%	8.92%	Decrease of 1.82 pp
1.2 Railway Logistics	1,169	-19.23%	57	-9.51%	4.88%	Increase of 0.52 pp
2. Industrial Logistics	1,550	68.63%	147	81.85%	9.49%	Increase of 0.69 pp
2.1 New Energy Logistics	594	-1.11%	46	-22.65%	7.71%	Decrease of 2.51 pp
2.2 Aluminum Industry Logistics	593	181.35%	69	668.09%	11.63%	Increase of 7.37 pp
2.3 Agricultural Products Logistics	363	236.80%	32	154.55%	8.89%	Decrease of 2.87 pp

Note:

a. Railway logistics, agricultural logistics, and aluminum industry logistics refer to the market-oriented logistics services provided by the Company's subsidiaries Xiangdao Logistics, Xiangyu Agricultural Products, and Xiangyu Aluminum Union, respectively.

b. Integrated logistics refers to the market-oriented logistics services offered by Xiangyu Superchain and other logistics subsidiaries, primarily including international shipping routes, cross-border rail freight services, inland waterway transport, highway transportation, and domestic and overseas warehousing.

c. During the current period, the service-oriented leasing business previously included under "Bulk Commodity Logistics" was reclassified to the "Services" segment, with the remaining businesses forming the basis for the "Logistics Segment" figures presented in the table above. The prior-period figures have been adjusted accordingly on a comparable basis.

A. Professional Logistics

Integrated Logistics. The Company continued to expand its customer base in industrial sectors by promoting synergies between commodity trading and logistics. It consolidated its advantages in key logistics routes and hubs connecting China with Southeast Asia, Africa, South America, Europe and Central Asia, continued to expand its nationwide network of delivery warehouses and broaden the range of commodities eligible for delivery. Business volume grew steadily. However, rising fuel procurement costs driven by geopolitical conflicts and intensifying industry competition compressed the segment's profitability, resulting in a decline in gross profit.

Railway Logistics. While continuing to deepen its operations in core commodities such as coal and aluminum, the Company actively developed higher value-added businesses including multimodal rail transportation and warehousing services, optimized the allocation and utilization of logistics resources, and consolidated its advantages on existing routes. Gross profit margin increased year on year. Gross profit declined year on year due to changes in business mix.

B. Industrial Logistics

New Energy Logistics. Focusing on Southeast Asia and Africa, the Company expanded into the South American market while consolidating its existing advantages in logistics routes. Gross profit declined amid rising costs of international shipping services.

Aluminum Industry Logistics. The Company accelerated the development of overseas logistics hubs in Southeast Asia and East Africa around emerging production regions and expanded into West African hubs, supporting the growth of business volume. Meanwhile, it continued to strengthen its in-house transportation capacity and significantly improved gross profit by diversifying its transportation capacity mix.

Agricultural Products Logistics. The Company deepened multi-party cooperation and expanded transportation services for new commodity categories. The overall transportation volume along the "North-to-South Grain Transportation" routes increased steadily, driving growth in business scale and revenue. As the gross profit margin of agricultural products transportation services is lower than that of warehousing services, the overall gross profit margin of the Agricultural Products Logistics segment declined year on year. Nevertheless, gross profit continued to increase significantly year on year.

(4) Integrated Trading and Manufacturing Segment

Building on its established competitive advantages in full-industry-chain services, the Company selectively expanded into manufacturing segments where it could create mutual synergies, promoting deeper integration between supply chain services and physical manufacturing, optimizing its overall earnings mix, strengthening operating resilience, and mitigating the impact of industry cycles. The operating results for the current period are as follows:

Unit: RMB million

Category	Operating Revenue		Gross Profit		Gross Profit Margin	
	Amount	YoY	Amount	Amount	YoY	Amount
Integrated Trading and Manufacturing Segment	7,659	44.95%	921	58.51%	12.02%	Increase of 1.03 pp
Among these: Shipbuilding	4,796	50.24%	870	84.93%	18.15%	Increase of 3.40 pp

Note: The manufacturing segment comprises shipbuilding, beneficiation, grain and oil processing, and steel processing. The shipbuilding business is operated by the Company's subsidiary, Nantong Xiangyu Shipbuilding & Offshore Engineering.

The shipbuilding business significantly enhanced its brand recognition in the global markets for mid-sized bulk carriers and specialized chemical tankers, while increasing the proportion of higher value-added products. Its product portfolio expanded from small and mid-sized bulk carriers to a more diversified range including large bulk carriers, specialized chemical tankers, and multipurpose heavy-lift vessels. Green and low-carbon vessel designs also continued to evolve. Following the completion of the renovation and upgrade of the Qidong Shipyard, production capacity has been steadily ramped up, while vessel delivery cycles have continued to shorten. During the reporting period, the Company delivered 14 vessels and secured 32 new orders. As of the end of June 2026, the Company had 148 vessels in its order book.

2. Key Management Achievements for the First Half of 2026

The Company closely aligned its management initiatives with the strategic priorities of its new five-year development plan for 2026–2030 and achieved significant progress in organizational transformation, investment and research capabilities, performance assessment and incentives, risk management, and digital and intelligent enablement.

First, organizational transformation has unlocked new vitality. The Company accelerated the establishment of its “6+1+3”[3] business organizational structure, including the establishment of a Logistics Industry Group, an International Business Division and a Resources Division, while deepening the integration of businesses and teams within the Agricultural Products and Mineral & Energy sub-

[3] The “6+1+3” structure refers to six industrial sub-groups—Steel, Non-ferrous Metals, Energy, New Materials, New Energy and Agricultural Products—plus one Logistics Industry Group and three business divisions covering Derivatives, Internationalization and Resources.

groups. The Company also developed a strategic management-oriented headquarters, streamlined management layers and simplified approval processes to improve organizational efficiency.

Second, a strengthened investment and research system has enhanced business support. The Company developed multi-frequency investment research reports covering four key areas—risk alerts, price warnings, strategy recommendations and business enablement—to support business development through research and analysis. Guided by strategic implementation, the Company identified investment opportunities across industrial chains, while strengthening the breadth and depth of post-investment project evaluations to drive operational improvements or orderly exits from existing investments.

Third, performance assessment has driven strategic execution. Closely aligned with the Company's "6+1+3" business organizational structure and its multi-factor operating model covering resources, trading, logistics, services, integrated trading and manufacturing, and investment, the Company systematically revamped its incentive model to create a dual focus on short-term performance and long-term value. The Company also enhanced team performance assessment schemes tailored to different business models, with a focus on strategic execution.

Fourth, strengthened risk management has safeguarded business development. The Company strengthened dynamic and in-depth credit management of customers and business counterparties, as well as customer concentration management. It established an integrated price risk management framework comprising a price management system, price management standards, and closed-loop monitoring of price risks. The Company also established a comprehensive risk inventory, focusing on key areas and critical processes to respond rapidly to market disruptions.

Fifth, digital and intelligent technologies have enhanced quality and efficiency. The Company achieved breakthroughs in multiple AI application scenarios, including multimodal transportation solutions, ocean freight rate analysis, price forecasting, vehicle-cargo matching, and alerts for abnormal events during logistics operations. Meanwhile, the Company advanced its top-level AI planning, strengthened risk management through a digital foundation, and leveraged digital and intelligent products to enhance industrial chain operations.

V. Analysis of Core Competitiveness During the Reporting Period

1. Global Channel and Resource Integration Capabilities

The Company proactively aligns with the ongoing restructuring of global supply chains and has cultivated a portfolio of high-quality leading customers across industrial chains such as metal minerals, agricultural products, energy and chemicals, and new energy, thereby establishing a mature and stable global business network. By integrating diversified resources—including industrial, information, logistics, and financial resources—the Company delivers integrated supply chain solutions to its customers. Leveraging years of deep industry expertise and well-established channel advantages, the Company has developed a global development framework characterized by “supply chain leadership, logistics support, localized operations, and investment-driven growth”, and has built strong capabilities in global channel development and resource integration. During the reporting period, the Company remained focused on its internationalization strategy and accelerated the expansion of its business segments into overseas markets. International business volume exceeded 50 million tonnes, with total international business value reaching approximately US$12.3 billion.

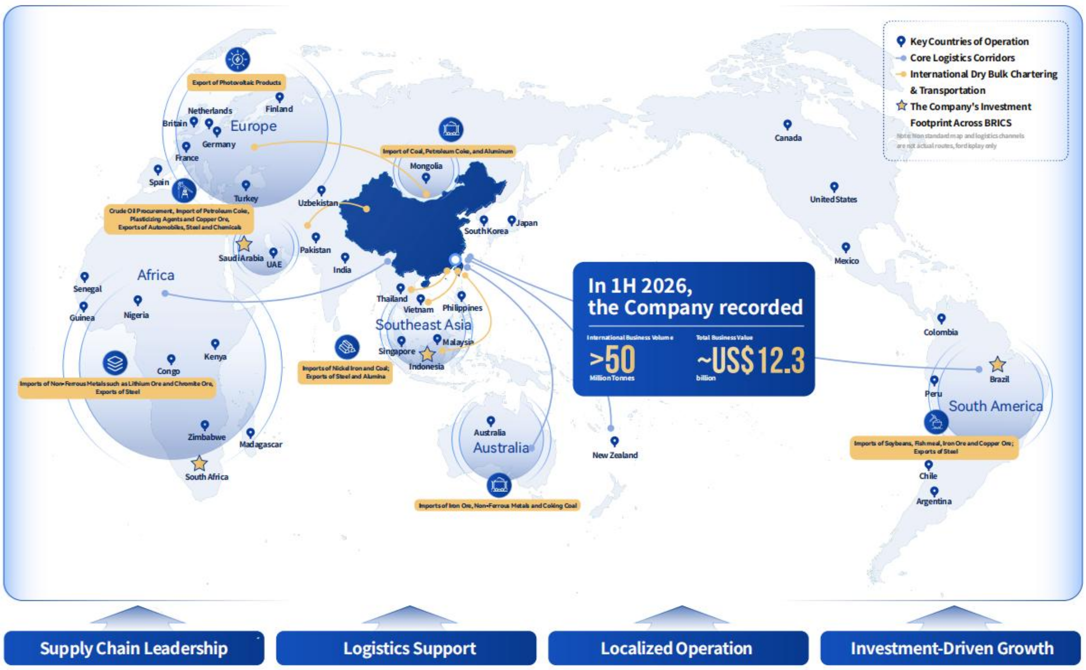

Figure 6: Company’s Global Business Footprints

First, a well-established global supply chain ecosystem. The Company continued to develop emerging markets in Southeast Asia, Africa, Latin America and countries along the Belt and Road. In Southeast Asia, capitalizing on industrial relocation and upgrading driven by resource endowments and industrial policies, the Company developed end-to-end supply chain service systems across the stainless steel, aluminum, steel and photovoltaic industry chains. In Africa, the Company developed mineral resource supply chains, securing stable supplies of bauxite and titanium ore from West Africa; its mineral processing services in Nigeria covered more than 90% of the market, while its lithium ore services supported leading new energy companies. In Latin America, the Company deepened trade and economic cooperation in minerals, agricultural products and energy, while establishing a distribution network covering major consumer markets in Europe and the Middle East.

Second, a well-developed global logistics network. Focusing on resource-rich regions where infrastructure remains relatively underdeveloped, the Company has adopted a "logistics-first" internationalization strategy, providing integrated customs clearance, warehousing and distribution services to customers in China and overseas. It has established key logistics corridors connecting China with Southeast Asia, Africa and South America, with the Indonesia Sulawesi–China and China–West Africa routes maintaining leading market positions. The Company has established partnerships with more than 200 high-quality international logistics providers, maintains more than 70 overseas warehousing nodes on a regular basis, and has strategically planned more than 150 nodes, providing customers with efficient and reliable supply chain service support.

Third, strengthened localized capabilities for global operations. The Company established an International Business Division to strengthen organizational support and build and continuously enhance its professional capabilities for international operations. During the reporting period, the Company accelerated the development of overseas platforms in key regions. Building on its established platforms in Hong Kong, Singapore, Indonesia and Vietnam, the Company strengthened the capabilities of its Brazil platform and steadily expanded the business scale of its South Africa platform. The number of overseas subsidiaries increased to 52. Local operations expanded into additional commodity categories, while international business continued to enrich its service scenarios and operating models, extending from trading and logistics coordination to integrated services including localized operations and industrial support.

Looking ahead, the Company will pursue acquisitions or equity investments in upstream and downstream segments of its existing industry chains and industries targeted for future development, focusing on core mineral resources, key production and processing nodes, and critical logistics assets. These initiatives are expected to further expand the Company's international footprint and establish a second growth curve.

2. Networked Logistics Service Capabilities

As a nationally recognized 5A-level logistics enterprise, the Company leverages its multimodal logistics capabilities across highway, railway, waterway, and warehousing, together with its resource integration strengths, to accelerate the coordinated development between professional logistics and industrial logistics. With logistics resources as its foundation, product enhancement as its driver and deep industry engagement as its core, the Company continues to build a funnel-shaped logistics ecosystem that enables two-way value creation between capability development and commercial realization and connectivity across the entire operating network, supported by a growing pool of business flows. Through this ecosystem, the Company provides global customers with efficient, reliable and resilient supply chain logistics solutions.

Figure 7: The Company's Funnel-Shaped Logistics Ecosystem

First, capability foundation: integrating logistics resources across the network, developing a multi-dimensional product portfolio and strengthening the foundation for value realization.

In terms of logistics resources, the Company follows a strategic path of "node anchoring – route connection – regional coverage – network formation", developing a three-dimensional logistics resource network centered on "highway, railway, waterway, and warehousing" hubs, connecting domestic and international markets and strengthening the underlying capabilities of its logistics services.

In terms of logistics products, the Company deeply integrates service capabilities across different segments and develops key international logistics corridors covering Southeast Asia, Africa, South

America, Europe and Central Asia. It has upgraded its warehousing service portfolio, expanded into diverse formats including futures delivery warehouses and bonded warehouses, and enhanced its warehousing capabilities across a broad range of application scenarios.

Second, value realization: developing customized end-to-end industrial service solutions and using accumulated business flows to drive continuous product enhancement.

In terms of industrial solutions, the Company provides customers with high-quality, end-to-end and scenario-based services, developing specialized service capabilities in vertical sectors including aluminum, new energy, agricultural products, steel, minerals and energy, and chemicals. In aluminum industry logistics, the Company has established a multimodal transportation network covering the entire route from overseas bauxite mines to port hubs, central and western China smelting facilities, and eastern China processing facilities, and developed more than 10 premium logistics routes. In coal logistics, the Company has strengthened its capabilities along key routes including China–Indonesia import corridors, west-to-east coal transportation and north-to-south coal transportation. Logistics services for new energy, agricultural products, steel and chemicals have continued to be optimized, creating differentiated competitive advantages.

In terms of the business-flow reservoir, the Company leverages the extensive service cases and data assets accumulated through its bulk commodity trading activities. Powered by AI technologies, it focuses on improving operational efficiency and optimizing supply chain coordination, and has launched logistics technology products covering multimodal transportation solution planning, price analysis, transportation capacity matching and end-to-end risk alerts in domestic and international markets. It continues to deepen its development of premium global logistics corridors. The continuous accumulation and coordinated evolution of business flows and scenario data have created a self-reinforcing virtuous cycle with continuously enhanced value.

3. Digitalized Supply Chain Service Capability

The Company focuses on its multi-factor operating model covering resources, trading, logistics, services, manufacturing, and investment. Leveraging its digital foundation covering the full business chain of bulk commodity trading and core platforms for supply chain management and smart logistics, the Company promotes the deep integration of AI with industrial scenarios and drives the evolution of its digital and intelligent capabilities from internal enablement to external service provision and from a cost center to a value center.

During the reporting period, the Company accelerated the integration of AI technologies with supply chain scenarios, focusing on bulk commodity market research, intelligent multimodal transportation, operational efficiency improvement and risk management. The Company continued to enhance the intelligence of its supply chain operations.

First, the Company advanced the development of commodity market analysis and forecasting models and explored the application of multi-source data integration and analysis capabilities.

Second, the Company continued to develop its smart multimodal transportation network. Focusing on scenarios including intelligent transportation capacity matching, intelligent freight rate analysis, intelligent risk identification and intelligent logistics solution recommendations, it developed a series of intelligent models to improve logistics organization efficiency and supply chain coordination.

Third, the Company advanced the application of AI in operations management and risk management, enhancing intelligent support in scenarios including document processing, operational analysis and safety alerts, thereby supporting the optimization and upgrading of its supply chain service model. To date, multiple AI application scenarios have been included in the first batch of scenario capabilities under Xiamen's National Artificial Intelligence Application Pilot Base.

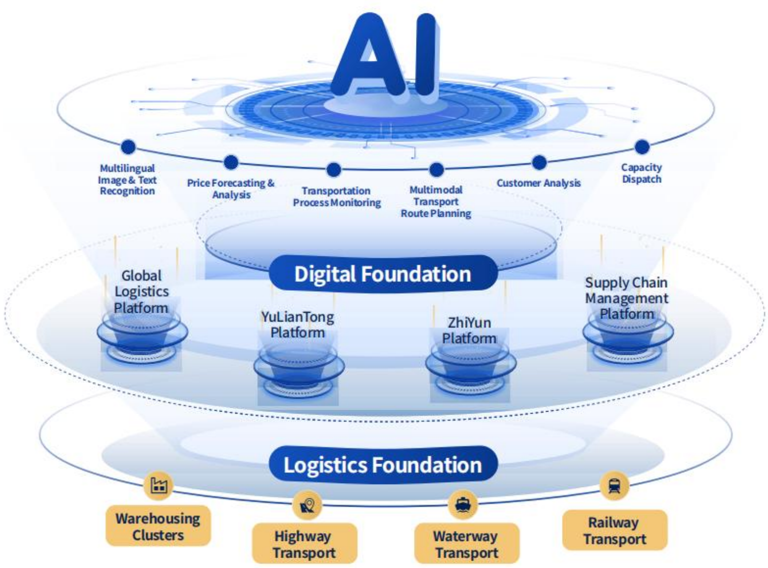

Figure 8: Architecture for the Integrated Development of the Company's Supply Chain and AI

The Company continued to advance end-to-end management and value realization of data assets. Its core platform “YuLianTong” has developed innovative supply chain finance products that bridge information gaps between industrial enterprises and financial institutions, transforming inventories and goods in transit into visible, controllable and financeable credit assets and unlocking the collaborative value of data as a factor of production. In intelligent risk management, the platform has launched AI-powered IoT intelligent monitoring and an AI price-monitoring dynamic assessment model, enabling round-the-clock visualized monitoring of pledged assets and dynamic alerts on commodity values, thereby improving both risk prevention and settlement efficiency.

Figure9: YuLianTong Digital Supply Chain Service System

4. Systematic Risk Management Capability

The Company has long adhered to the operating philosophy of “risk first, profit second and scale third”. In line with its strategic planning, the Company has established a three-tier risk management structure comprising the Company headquarters, industrial sub-groups and business entities, with each level responsible for supervision, management and execution, respectively. The Company has clarified the allocation of responsibilities and authorities and coordination mechanisms across the three levels, promoting the evolution of risk governance toward a more strategically driven model.

The Company has consistently focused on bulk commodities characterized by high liquidity, ease of realization, a high degree of standardization and ease of storage as its core products. As its business model has evolved, its risk management scope has gradually expanded to comprehensively cover industry-level risks arising from full-industry-chain operations across resources, trading, logistics, services, manufacturing, and investment. The Company has established a comprehensive risk inventory and a penetrating, closed-loop risk management system covering pre-emptive system design and in-process monitoring of business execution, and post-event review and remediation.

Against the backdrop of increasingly complex international trade conditions and intensifying market competition, the Company continued to strengthen its policy research, risk identification and early-warning mechanisms for international markets. It closely monitors and systematically assesses changes in policies and laws, the evolution of trade barriers and geopolitical developments across major overseas markets. Leveraging its presence in key regions including Southeast Asia, Africa and South America, the Company strengthened localized risk management teams and local compliance capabilities, ensuring that its risk management standards and emergency response mechanisms remain aligned with the depth and breadth of its international operations.

5. Multidimensional Industry Research Capability

The Company has deepened the role of its two-tier research system in supporting business operations. It conducts in-depth research into market cycles, industry trends and price fluctuations of its core commodities, providing timely alerts to business operations and mitigating risks. Its research teams combine extensive industry expertise with capabilities in the application of financial instruments and produce research outputs across multiple dimensions, including frontline operating strategies, business model innovation and corporate development strategies.

The Company has optimized its two-tier investment system and implemented tiered and categorized management of investment projects to facilitate the implementation of strategic investments, industrial chain investments and operating investments. Based on research into industrial chain opportunities and strategic emerging sectors, the Company supports investment evaluation and decision-making, proactively creates value, covers the full life cycle of industrial chains and enhances investment quality.

6. Specialized Supply Chain Service Team

Talent is the core foundation of the Company's development. The Company places great emphasis on talent cultivation and team building, and has established a market-oriented, professional, and internationally oriented supply chain service team. The team possesses deep industry insight, strong solution design capabilities, and efficient global resource integration capabilities, enabling it to accurately understand customer needs and deliver tailored supply chain solutions for clients across different industries and regions.

The Company continues to enhance its international human resources system and adheres to a dual-driven talent strategy of "external recruitment and internal development". It actively attracts high-quality professionals from both domestic and international markets while building a robust internal training system and promotion pathways. By providing clear growth channels and development platforms for value creators, together with well-established incentive mechanisms and project support measures, the Company accelerates talent integration and team development.

VI. Key Operating Plans for the Second Half of 2026

In the second half of 2026, the Company will remain focused on its "Three New and One High" strategy, deepen its multi-factor operating model covering resources, trading, logistics, services, manufacturing, and investment, and focus on the following key priorities:

Strategic execution. First, the Company will deepen organizational transformation across its industrial sub-groups, accelerate the development of a strategic management-oriented headquarters, and enhance synergies and resource integration across the sub-groups. Second, the Company will strengthen the closed-loop strategic management process, conduct tiered strategic reviews, and develop innovative mechanisms for execution diagnostics and performance tracking, ensuring that strategic priorities are effectively cascaded down to frontline operations and accountability for key strategic targets is clearly assigned, thereby ensuring precise and effective strategy execution.

Internationalization. First, the Company will strengthen top-level planning for international expansion and coordinate resources across the organization, refine overseas expansion strategies by commodity category, geographic region and business model, and accelerate its global market expansion. Second, the Company will improve its localized operating framework and strengthen its local talent pipeline and international governance system.

Logistics system. The Company will leverage the Logistics Industry Group's capabilities in coordinating internal and external resources, focus on core industry chains, deepen synergies between commodity trading and logistics, strengthen its capabilities in developing dynamic global logistics solutions, accelerate the deployment of AI large-model applications in multimodal transportation, systematically build a logistics service system with Xiangyu's distinctive characteristics, and enhance its differentiated competitiveness in industrial chain operations.

Operational quality enhancement. First, building on the significant improvement in vessel delivery capacity driven by shipbuilding expansion, the Company will optimize the development of higher value-added vessel types, refine lean management across the entire value chain, and consolidate its leading advantages in brand strength and profitability. Second, focusing on resource-based and industrial customers, the Company will leverage synergies between commodity trading and logistics and its integrated service capabilities, further unlock the value of strategic customer relationships, enhance the effectiveness of its multi-factor operating model, and optimize its earnings mix. Third, the Company will identify high-quality opportunities for strategic investment, industrial investment and capital operations, and leverage investment to further support the development of industrial chain operations.

Management efficiency improvement. First, the Company will strengthen research-driven management, improve its price early-warning system, and enhance the integration of industry-level research with customer-level risk management, thereby strengthening its resilience to business cycles and market volatility. Second, the Company will further strengthen its multi-layered risk management and compliance framework, enhance its capabilities and mechanisms for dynamic strategy adjustment, and maintain a dynamic balance between business expansion and risk management. Third, the Company will coordinate the advancement of digital and intelligent initiatives, accelerate the implementation of its AI roadmap, promote the transformation of digital capabilities into products, deepen scenario reuse and ecosystem collaboration, and unlock the overall benefits of digitalization. Fourth, the Company will closely follow the latest regulatory requirements, strengthen internal control standards and production safety management, and further reinforce the foundation for sustainable development.

VII. Potential Risks

1. Macroeconomic and Commodity Price Volatility Risks

The world is undergoing accelerated changes unseen in a century, with an increasingly complex and challenging external environment. Unilateralism and protectionism are intensifying, the multilateral trading system is facing increasing constraints, tariff barriers are rising, and geopolitical tensions remain elevated. Global industrial and supply chains are exposed to multiple risk shocks, while international commodity markets continue to experience significant price volatility. The Company's industry is closely linked to domestic and global macroeconomic conditions; therefore, macroeconomic fluctuations may, to a certain extent, affect its operating performance.

Response Strategies: The Company will continue to strengthen its price risk management framework. At the business model level, it will further deepen full-industry-chain operations to mitigate the impact of price fluctuations at individual stages of the value chain. At the mechanism level, it will strengthen monitoring and analysis of industry cycles, continuously refine its bulk commodity price forecasting models, and provide timely early warnings in response to changes in the external environment. At the system level, the Company will enhance its ability to identify risks in a timely manner and further leverage hedging instruments.

2. Operational Management Risks

While China's economy maintains a long-term positive trajectory, the foundation of economic recovery remains unstable, with insufficient effective demand—particularly weak consumption—and operational difficulties faced by certain enterprises. Industrial chain clients are encountering significant business challenges, exposing the Company to risks related to customer credit management, business model, price volatility, and cargo rights control.

Response Strategies: The Company will further enhance its digital-intelligence-enabled operational management system and strengthen the separation of three key rights—business operations, financial management, and logistics and cargo ownership. Through a combination of measures—including increasing the proportion of manufacturing customers and reducing customer concentration from the customer perspective, optimizing its commodity mix, upgrading its business models, and strengthening its risk management framework—the Company will effectively manage operational risks.

To address customer credit risks, the Company will continue to strengthen its full-lifecycle customer and counterparty management capabilities based on a risk management philosophy centered on controllable and manageable risks. It will effectively manage customer concentration, establish appropriate management thresholds and indicators, leverage AI to enable dynamic monitoring of customers and counterparties, and continuously improve its customer credit risk management system.

3. Risks in International Expansion

The Company regards internationalization as one of its key development strategies and conducts business with customers and counterparties across more than 140 countries and regions. Policies and regulations in different countries and regions remain subject to uncertainties and changes in areas including trade access, foreign exchange controls, tax regulation, local operations, resource development and environmental compliance. In addition, fluctuations in international shipping markets and foreign exchange rates, as well as changes in social security conditions in certain regions, may have an impact on the Company’s overseas business expansion, supply chain stability and operating performance.

Response Strategies: Through its International Business Division, the Company will continue to improve its global operating framework, establish localized operating platforms and professional teams in key regions, strengthen monitoring and analysis of political, economic, legal, regulatory and industry policy developments in key countries and regions, improve its overseas compliance framework, and establish risk early-warning and emergency response mechanisms for international operations. Meanwhile, the Company will continue to optimize its global resource and market footprint, diversify its sources of procurement, sales markets and logistics routes, and enhance supply chain resilience. In addition, the Company will strengthen its ability to withstand risks associated with international operations by utilizing foreign exchange and price risk management instruments, strengthening credit risk management and optimizing the allocation of financial resources.