Credit Opinion

30 July 2026

Ratings	
Senior Unsecured Debt Rating	A_g-
Long-Term Credit Rating	A_g-
Outlook	Positive
Category	Corporate
Domicile	China
Rating Type	Solicited Rating

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Xiamen Xiangyu Group Corporation

Surveillance credit rating report

CCXAP affirms the long-term credit rating of Xiamen Xiangyu Group Corporation at A_g-, with positive outlook.

Summary

The A_g- long-term credit rating of Xiamen Xiangyu Group Corporation ("Xiangyu Group" or the "Company") reflects the Company's (1) leading market position in comprehensive supply chain management and logistics industry; (2) strong logistics and resources network with diversified business services; and (3) good access to capital.

However, the rating is constrained by the Company's (1) earnings vulnerable to commodity price volatility and global economic conditions; (2) relatively weak profitability due to commodity price volatility; and (3) weak credit metrics, with high debt leverage and reliance on short-term debt financing.

The rating also reflects a high likelihood of receiving support from Xiamen Municipal Government, which is based on the Company's (1) direct and full ownership by the State-owned Assets Supervision and Administration Commission of Xiamen Government ("Xiamen SASAC"); (2) strategic importance to its shareholders; and (3) good track record of receiving support from Xiamen SASAC.

The positive outlook on Xiangyu Group's rating reflects our expectation that the Company will further consolidate and strengthen its leading market position in the comprehensive supply chain management industry in the next 12 to 18 months. It also reflects our expectation that the completion of private share placement of its listed subsidiary will lead to a sustained enhancement in the Company's capital structure.

Rating Drivers

- Leading market position in comprehensive supply chain management industry
- Strong logistics and resources network with diversified business services
- Earnings vulnerable to commodity price volatility and global economic condition
- Destocking pressure in property development business
- Relatively weak profitability due to commodity price volatility
- Weak credit metrics, with high debt leverage and large reliance on short-term debt financing
- Good access to capital
- High likelihood of support from the local government

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) Xiamen SASAC's willingness and capacity to provide support increases; and (2) the Company's stand-alone credit profile improves significantly, such as having a more diversified business profile or improved credit metrics.

What could downgrade the rating?

The rating could be downgraded if (1) Xiamen SASAC's willingness and capacity to provide support decreases; or (2) the Company's stand-alone credit profile weakens significantly, such as deterioration in credit metrics or weakened liquidity position.

Key Indicators

	2023FY	2024FY	2025FY	2026Q1
Total Assets (RMB billion)	331.6	338.9	376.3	393.5
Total Equity (RMB billion)	87.5	88.3	101.0	104.8
Total Revenue (RMB billion)	490.5	416.4	463.9	112.3
Net Profit (RMB billion)	1.0	1.3	4.0	1.0
EBIT Margin (%)	1.2	1.5	2.0	-
Return on Assets (%)	1.9	1.9	2.6	-
Total Debt/Total Capital (%)	69.2	74.3	78.7	79.6
Total Debt/EBITDA (x)	17.6	19.4	18.2	-
EBITDA/Interest (x)	1.5	1.7	2.2	-
FFO/Total debt (%)	2.0	2.0	4.0	-

All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

Corporate Profile

Founded in 1995, Xiangyu Group is a major municipal-level state-owned enterprise based in Xiamen, responsible for the development and operation services of Xiangyu Bonded Zone, Modern Logistics Park, and the small-amount commodity trading market in Xiamen. Its main business covering supply chain management services, comprehensive logistic services, property development, and financial services. The Company has a publicly listed subsidiary, Xiamen Xiangyu Co., Ltd. ("Xiamen Xiangyu", Stock Code: 600057.SH). According to the Fortune Global 500 list in 2025, Xiangyu Group ranked 241st with a total revenue of RMB463.9 billion. As of 31 March 2026, Xiangyu Group was wholly owned and controlled by the Xiamen SASAC.

Exhibit 1. Revenue structure in 2025

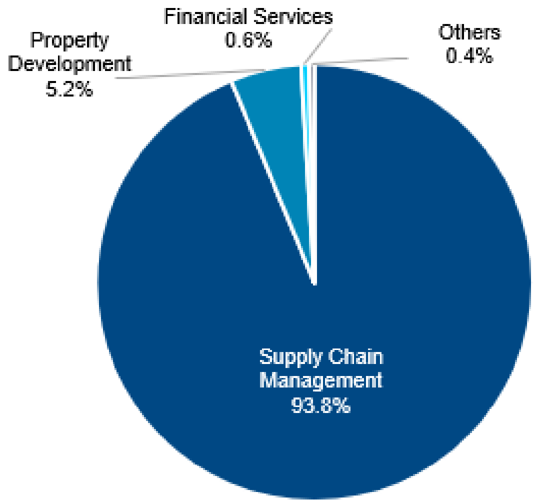
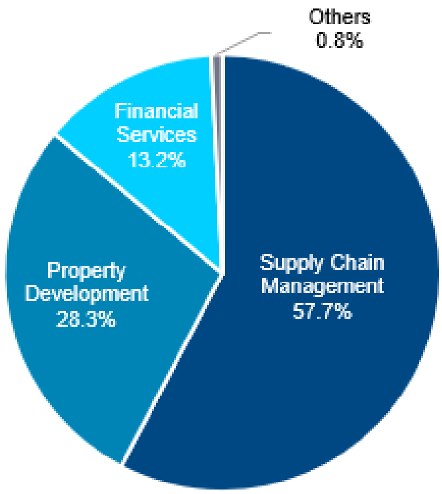


Exhibit 2. Gross profit structure in 2025



Source: Company information, CCXAP research

Rating Considerations

Business Profile

Leading market position in comprehensive supply chain management and logistics industry

Xiangyu Group is primarily engaged in supply chain management business, mainly involving the trading of agricultural products, metal minerals, energy and chemicals, and new energy. The Company has demonstrated a leading market position and strong market competitiveness in comprehensive supply chain management industry, as well as logistic industry. Xiangyu Group ranked 241st in Fortune Global 500 list in 2025. Meanwhile, the Company ranked 2nd among the top 50 Chinese logistics enterprises in 2025.

Exhibit 3. Revenue breakdown of commodity management services from 2023 to 2026Q1

	2023		2024		2025		2026Q1
	Volume (mn tons)	Revenue (RMB bn)	Volume (mn tons)	Revenue (RMB bn)	Volume (mn tons)	Revenue (RMB bn)	Revenue (RMB bn)
Energy and chemicals	73.2	86.8	70.2	80.1	98.7	103.1	21.4
Metal minerals	131.3	271.5	139.8	214.9	149.4	214.1	55.3
Agricultural products	20.4	60.7	13.9	40.2	16.8	47.2	10.4
New energy	0.4	19.2	0.5	9.3	1.2	18.1	5.3
Others	-	1.0	-	0.9	-	2.7	0.7
Total	**225.2**	**439.2**	**224.5**	**345.3**	**266.0**	**385.2**	**93.1**

Source: Company information, CCXAP research

Xiangyu Group has actively expanded its distribution channels, driving a continuous increase in the operation volume of its core commodities over the past few years. The total commodity operation volume rose from 225.2 million tons in 2023 to 266.0 million tons in 2025, reflecting strengthened market penetration. However, due to external economic pressures and weak market demand, major commodity prices have trended downward over the past few years, leading to a fluctuation in overall revenue. The total revenue of commodity management services decreased from RMB439.2 billion in 2023 to RMB385.2 billion in 2025.

Strong logistics and resources network with diversified business services

The supply chain logistics services of Xiangyu Group are provided through a logistics and resources network, connecting highways, railways, shipping and warehouses. Such combined mode of transportation, supported by the Company’s intelligent logistics service platform, forms its core logistics services. In addition, the supply chain business services of the Company are diversified and comprehensively distributed across various regions, providing customers with a rich variety of business services. The Company provides a full spectrum of supply chain services, including raw material procurement, finished product distribution, warehousing and logistics, supply chain financing, and information consulting.

The Company's logistics business has formed four major logistics systems: comprehensive logistics services, agricultural product logistics services, railway logistics services, and aluminum industry logistics services. The comprehensive logistics services cover warehousing, transportation, customs declaration and inspection. It also operates professional logistics parks, forming a nationwide logistics park network. As of 31 March 2026, the Company operated 2,286,000 square meters of warehouses nationwide. In the field of agricultural product logistics, the Company has built 5 grain purchasing platforms in grain-producing areas, providing grain loading, drying, warehousing and multimodal transport services, and charging related fees and subsidies. For railway logistics services, the Company has 12 railway freight stations and 87 dedicated railway lines. It mainly transports coal, alumina, aluminum ingots and tiles.

Benefited from its long operating track record, the Company has a strong resource channel advantage. The Company focuses on the needs of manufacturing clients and continuously optimizes its customer structure. In 2025, manufacturing clients accounted for over 60% of its total service volume. The Company is also well-connected to upstream and downstream channels along the supply chain, strengthening its purchasing and sales capabilities. As of 31 December 2025, the top 5 upstream and downstream enterprises only accounted for 13.0% and 12.0% of the total procurement and total sales, indicating a diversified supplier and customer base.

While focusing on domestic trading, the Company has been actively expanding into the international market implementing the “One Belt, One Road” strategic layout, with partners in more than 100 countries. In 2025, Xiangyu Group achieved an international cargo volume exceeding 97 million tons and a total import-export and transit trade amount of USD27.3 billion, representing a year-on-year (“YoY”) increase of 23.0%. The Company's trade volume with BRICS countries, Belt and Road Initiative economies, as well as South American and African nations grew significantly, with 11 oversea subsidiaries launched. Moreover, in response to the "Belt and Road" initiative, the Company also participated in the 2.5 million tons of stainless-steel integrated smelting project in Indonesia. In 2025, the Company had sold 50,000 tons of stainless-steel billets and 1.7 million tons of ferronickel, with a total revenue of RMB17.2 billion from the Indonesian project. However, the project has sustained continuous losses since 2023, due to the increase in raw material prices and production costs, as well as the declined in the price of finished products. Since 2025, the Company has shifted focus to ferronickel, tightened cost control, and achieved a revenue recovery and net profit turnaround.

In addition, leveraging the strategic location advantages of the Xiamen Free Trade Zone and Xiangyu Bonded Zone, the Company has developed logistics platforms at critical hubs, aggregating extensive logistics resources to deliver robust support for supply chain operations. Moreover, the Company had 1 major supply chain industrial park project under construction, with a total investment amount of RMB179.5 million and an outstanding investment amount of RMB40.23 million. This industrial park is a new retail base for daily necessities integrating trading, circulation, processing, warehousing and distribution. We believe these projects will further consolidate and strengthen its leading market position in the comprehensive supply chain management industry.

Earnings vulnerable to commodity price volatility and global economic conditions

The commodity trading business is highly cyclical, as the underlying goods mainly sensitive to economic cycles, resulting in large price volatility during the economic downturn and recovery period in recent years. Major commodities of the Company's trading portfolio, such as metals mineral, new energy, as well as energy and chemicals have seen price fluctuations in recent years and the trend may persist. Affected by the slowdown in China's property sector and weak demand, metals and minerals especially ferrous metals (such as steel and coal) have experienced downward momentum since 2022. New energy materials (such as lithium and cobalt) and chemical (such as crude oil) have also faced a significant price drop mainly due to overcapacity and weak demand over the past few years.

Nonetheless, the commodity price volatility risk can be partly offset by its risk management measures. The Company uses commodity and foreign exchange derivative instruments to hedge against price and exchange rate fluctuation risks. In addition, commodity prices and economic conditions can also affect the Company's upstream and downstream customers, which results in counterparty risk. Jiangsu Delong Nickel Industry Co., Ltd. ("Jiangsu Delong"), a major customer of Xiamen Xiangyu, has filed for bankruptcy reorganization, and Xiangyu Group has acquired, on behalf of Xiamen Xiangyu, all of the claims held by Xiamen Xiangyu against Jiangsu Delong and its subsidiaries. Jiangsu Delong is currently undergoing reorganization proceedings.

Destocking and capital expenditure pressure in property development business

Xiangyu Group also participates in property development business through its subsidiary Xiangyu Real Estate Group Co., Ltd. ("Xiangyu Real Estate"), mainly covering first and second-tier cities such as Shanghai, Suzhou, Xiamen, Chongqing and Tianjin. According to the CRIC (China Real Estate Information Corporation) 2025 Top 200 Real Estate Enterprises Ranking, Xiangyu Real Estate ranked 35th among top 200 property developers in China. Due to the downward pressure in the real estate market, the Company's contracted sales decreased from RMB40.3 billion in 2023 to RMB22.0 billion in 2025. The Company also slows down the pace of land acquisition, with new land reserves decreased from 333.2 thousand square meter ("sqm") in 2023 to 325.0 thousand sqm in 2025. Considering that the real estate market has not fully recovered, we expect the Company's contracted sales will remain weak in the next 12 to 18 months.

Besides, the Company has a relatively large amount of unsold property development projects in stock and property under construction, indicating destocking and capital expenditure pressure. As of 31 March 2026, the Company had unsold property development projects of 7.6 million sqm, mainly located in first-tier cities such as Shanghai, Fuzhou, Suzhou, and Xiamen. Furthermore, the Company has certain capital expenditure pressure for the projects under construction or planning. As of 31 March 2026, the Company had 22 property development projects under construction and planning with an estimated total investment amount of RMB73.0 billion and an uninvested amount of RMB23.7 billion.

Supplementary income and profit from financial services segment

The financial services segment consisted of industrial finance (mainly factoring, financial leasing, and entrusted loans), consumer finance (mainly micro-lending and used car financing leases), and asset management (mainly non-performing asset package disposals). The clients of industrial finance are mainly upstream and downstream enterprises related to the supply chain management business, creating a synergistic effect. The industries of entrusted loan clients are mainly distributed in supply chain logistics, ferrous metals and coke, with high correlation with supply chain management business. Due to increasing reverse factoring business and good business operation, the factoring business demonstrates a good momentum, with a total factoring balance of RMB6.1 billion, as of 31 March 2026. For consumer finance business, the outstanding balances and interest income for micro-lending and used car financing leases in 2025 have increased slightly compared to 2024, due to the Company’s ongoing efforts to expand customer base. Leveraging the Company's industrial expertise and its own resource advantages, its asset management business has continued its strategic transition, evolving from traditional non-performing asset (NPA) operations to an innovative "NPA + industrial solutions" model.

Financial Profile

Recovering revenue yet relatively weak profitability due to commodity price volatility

Affected by the commodity price volatility, the Company’s total revenue has been dropping significantly in 2024. In 2025, the revenue rebounded from RMB416.4 billion in 2024 to RMB463.9 billion in 2025, with YoY increase of 11.4%. In terms of the business segment, supply chain management is the main contributor, accounting for 93.8% of total revenue in 2025, followed by property development (5.2%) and financial services (0.6%). The revenue growth was driven primarily by the Company’s supply chain management business, from RMB380.1 billion to RMB435.0 billion over the same period. For the first quarter of 2026, the Company’s total revenue slightly increased by 0.4% YoY to RMB112.3 billion.

As a result of the robust growth across its major business lines, Xiangyu Group’s profitability profile has improved. The Company’s return on total assets increased from 1.9% in 2023 to 2.6% in 2025, while the EBIT margin also rose from 1.2% to 2.0% over the same period. The gross profit margin of the supply chain management segment increased from 1.6% in 2024 to 2.6% in 2025. In 2026Q1, the gross profit margin of supply chain management further increased to 3.8%. However, due to the commercial nature of its core business lines, the Company’s profitability metrics remain at a relatively weak level. In addition, the profitability remained partially eroded by substantial provisions—including inventory impairment provisions, bad debt provisions, and expected credit losses across real estate and supply chain segments—alongside investment losses from futures hedging. Meanwhile, although the gross profit margin of financial services segment remained at a relatively high level, its contribution to the overall profit was limited due to the small scale. Overall, despite short-term headwinds, the Company’s profitability is expected to strengthen as major business lines gain momentum.

Relatively weak credit metrics, with high debt leverage and large reliance on short-term debt financing

The Company’s debt leverage is at a relatively high level, with increasing debt burden. From 2023 to 2026Q1, the Company’s adjusted total debt (including perpetual debt) increased from RMB162.2 billion to RMB251.7 billion, with a relatively high total capitalization ratio, calculated by total debt to total capital, of 79.6% at end-2026Q1. Due to the business nature of commodity trading, the Company has a large reliance on short-term financing. As of 31 March 2026, the Company’s short-term debt accounted for 57.6% of its total debt, which is at a relatively high level, posing higher requirement on liquidity management. At the same time, the cash to short-term debt ratio was at 0.3x. Considering the capital expenditure needs for its commodity trading and construction projects, we expect the Company may rely on external financing and its debt leverage to remain at a high level over the next 12 to 18 months.

The Company's debt-serving metrics have improved, primarily due to a recovery in profitability in 2025; however, given its large and increasing debt burden, its debt-serving capacity remains relatively weak. From 2023 to 2025, the Company recorded EBITDA coverage ratio (EBITDA/interest expense) of 1.5x, 1.7x and 2.2x, respectively. Over the same period, the total debt/EBITDA ratio were 17.6x, 19.4x and 18.2x, indicating relatively weak debt serving ability. Moreover, due to extended payment terms from downstream counterparties, the net cash inflows from operating activities have shown a fluctuation trend over the past three years. The Company's FFO/total debt ratio remained at a low level at 4.0% in 2025. Considering the future investment in fixed assets and property development, its debt scale may further increase in the future.

Good access to capital

Xiangyu Group's weak credit metrics can be partially mitigated by its good access to capital. It has maintained good relationships with major domestic financial institutions, such as large state-owned banks and policy banks. As of 31 March 2026, the Company has ample liquidity support from banks, with a total credit facility of RMB366.1 billion and an unutilized amount of RMB176.3 billion. In addition, the Company has access to the onshore bond market, and has issued various types of bond products including SCPs, MTNs, and ABSs. As of 30 June 2026, the Company and its subsidiaries had outstanding debt financing instruments of over RMB51.0 billion. From January 2025 to June 2026, the Company had raised RMB37.3 billion in onshore debt market, with low coupon rate from 1.60% to 3.15%. The Company also has access to equity financing through Xiamen Xiangyu. In March 2025, Xiamen Xiangyu successfully completed a private share placement, raising approximately RMB3.2 billion (with Xiangyu Group subscribing around RMB1.2 billion). After this transaction, Xiangyu Group's stakes in Xiamen Xiangyu adjusted to 48.55%, maintaining its controlling shareholder status. We expect the completion of private share placement will alleviate the funding pressure and lead to a sustained enhancement in the Company's debt structure.

External Support

High likelihood of support from the local government

Xiangyu Group has a high likelihood of receiving support from the local government, given its (1) direct and full ownership by Xiamen SASAC; (2) good track record of strong shareholder and government support; and (3) important role in the local economic and social development.

Xiangyu Group is one of the top state-owned enterprises under Xiamen SASAC. Xiamen SASAC has positioned Xiangyu Group as the development and operation service provider of Xiangyu Bonded Zone, Modern Logistics Park, and the small-amount commodity trading market in Xiamen, which plays a key role in the local economic development. We believe once Xiamen Group defaults, the economic and social impact to the region is very strong.

In addition, Xiamen SASAC and Xiamen Municipal Government continues to provide support to the Company. In 2022, the Xiamen Municipal Government expanded Xiangyu Group's functional mandate to include port and shipping infrastructure development, while transferring relevant port-related assets and equity stakes to the Company, increasing its net assets by RMB5.9 billion. From 2023 to 2024, Xiamen SASAC injected cash and assets into the Company with a total amount of RMB1.5 billion. It received a total amount of RMB18.9 million in subsidies from the local government in 2025. Xiamen SASAC has entered into a Financial Assistance Agreement with the Company, wherein it will provide funds to support the Company's liquidity needs. Moreover, Xiamen SASAC transferred the 100% equity interest in Xiamen State-owned Grain Reserve Management Group Co., Ltd., which resulted in an increase in the Company's capital premium of RMB800.0 million in 2025.

Overall, given Xiangyu Group's strategic importance to the local government, we believe the local government will continue to support the Company in the form of capital and asset injections, and the local government's strong willingness to support the Company is unlikely to change in the near to medium term.

ESG Considerations

Xiangyu Group assumes environmental risks for its construction projects and supply chain management business. Such risks could be mitigated by conducting environmental studies and detailed planning prior to the commencement of projects and close supervision.

Xiangyu Group is also exposed to social risks. As one of the largest state-owned enterprises in Xiamen City, Xiangyu Group entails social responsibilities—including product safety, data privacy, and community well-being. Shifting consumer preferences, demographic changes, and public health trends directly affect both demand and public perception.

The Company's governance considerations are also material as it is subject to oversight and reporting requirements to the local government, reflecting its public-policy role and status as a government-owned entity.

Structural Consideration

Xiangyu Group's senior unsecured debt rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its leading market position in comprehensive logistics industry and reputational risk to the local government, thereby mitigating any difference in an expected loss that could result from structural subordination.

Rating Methodology

The methodology used in this rating is the Rating Methodology for General Corporate (May 2026).

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

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