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

Hong Kong, 30 July 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed the long-term credit rating of Xiamen Xiangyu Group Corporation ("Xiangyu Group" or the "Company") at A_g-, with positive outlook. At the same time, CCXAP has affirmed its senior unsecured debt rating at A_g-.

The A_g- long-term credit rating of Xiangyu Group 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.

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.

Rating Rationale

Credit Strengths

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.

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.

Good access to capital. It has maintained good relationships with major domestic financial institutions, such as large state-owned banks and policy banks. In addition, the Company has access to both onshore and offshore bond market. The Company also has access to equity financing through Xiamen Xiangyu.

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.

Credit Challenges

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, especially ferrous commodities, have seen price fluctuations in recent years and the trend may persist. Affected by the slowdown in China's property sector and weak demand, ferrous metals (such as steel and coal) have experienced a downward momentum since 2022.

Relatively weak profitability due to commodity price volatility. Affected by the commodity price volatility, the Company's total revenue rebounded from RMB416.4 billion in 2024 to RMB463.9 billion in 2025, with YoY increase of 11.4%. 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.

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. Due to the business nature of commodity trading, the Company have 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.

Rating Outlook

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.

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.

Rating Methodology

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

Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are available on its website at:
http://www.ccxap.com/en/rating_services/category/6/

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:
http://www.ccxap.com/en/rating_services/category/9/

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.

Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Peter Chong
Associate Director of Credit Ratings
+852-2860 7124
peter_chong@ccxap.com

Elle Hu
Executive Director of Credit Ratings
+852-2860 7120
elle_hu@ccxap.com

Client Services: +852-2860 7111

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.

Credit ratings, non-credit assessments, and other opinions included in CCXAP’s publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP’s publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656