The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us, the Sole Sponsor, the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *any of their respective directors and advisers or any other persons or parties involved in the* [**REDACTED**], *and no representation is given as to its accuracy.*

SOURCES OF INFORMATION

We have engaged Frost & Sullivan, an independent market research and consulting firm, to conduct an analysis and prepare a report on the global commodity industry services and trading industry. The report prepared by Frost & Sullivan for us is referred to as the Frost & Sullivan Report in this document. We have paid Frost & Sullivan a total fee of RMB550,000 for the preparation of the report, which we believe reflects the market rate for such reports. Our Directors have confirmed that there has been no adverse change in the market situation since the date of the Frost & Sullivan Report which may qualify, contradict, or have impact on the information of this section.

Frost & Sullivan is a global consulting firm founded in New York in 1961. It maintains over 40 offices worldwide and has a team of more than 2,000 industry consultants, market research analysts, technical analysts and economists. Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information and industry insights on the industry trends of the target research markets. Primary research involves interviewing the current industry landscape with a number of leading industry players across the entire industry value chain and conducting interviews with relevant parties to obtain objective factual data and forward-looking forecasts. Secondary research involves collating data and publications from public sources, including official statistics and announcements from government authorities, corporate reports, independent research reports, and data from Frost & Sullivan's proprietary database.

The Frost & Sullivan Report was compiled based primarily on the following assumptions: (i) The overall social, economic and political environments of the globe and China are expected to remain stable over the next decade; (ii) over the next decade, related key industry drivers are likely to continue driving growth in China, and global market. All statistical data are based on the information available as of the date of the Frost & Sullivan Report.

OVERVIEW OF COMMODITY INDUSTRY

Definition and Classification of the Commodity Industry

Commodities refer to physical goods that enter the circulation field (excluding the retail segment), possess commodity attributes, and are traded in large quantities for use in industrial and agricultural production as well as consumption, mainly including ferrous metals and raw materials, chemicals, non-ferrous metals and other categories. The prices and supply conditions of commodities serve as a "barometer" for observing the fluctuations of the global economy and are also core variables affecting national economic costs and security.

Ferrous metals and raw materials. Ferrous metals and raw materials are centered on steel and its steelmaking feedstocks, including rebar, wire rod, hot-rolled coil, scrap steel, iron ore, coking coal, coke and other products. As the backbone of modern engineering and industrial applications, ferrous metals are widely used in construction, infrastructure, machinery manufacturing, transportation, aerospace and other fields.

Chemicals. Chemicals cover crude oil, natural gas, rubber, refined oil and derivative chemicals. Crude oil and refined oil underpin the operation of industry and transportation systems; natural gas is widely used in power generation and civil sectors; as an important chemical product, rubber is extensively applied in tires, infrastructure, light industry manufacturing and other fields; derivative chemicals serve as the critical foundation for downstream industries such as materials and pharmaceuticals.

Non-ferrous metals. Non-ferrous metals include copper, aluminum, zinc, nickel and other such metals. They serve as an important material foundation for advancing the development of a country's economy, science and technology, and national defense construction, and are widely used in electronics, construction, transportation, aerospace, new energy and other industries.

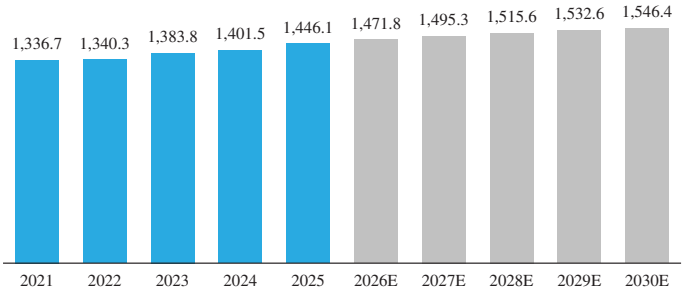
Other categories. Other categories mainly include agricultural products, covering food crops such as wheat, corn and soybeans, as well as cash crops including cotton, white sugar and coffee. These products occupy a pivotal position in the global food supply and daily life, and their price levels and supply-demand dynamics are influenced by multiple factors such as climate change, agricultural policies and trade measures.

Market Size Analysis of Major Products in China Commodity Industry

Steel is one of the major categories of commodities. Driven by the high-end upgrading of the manufacturing industry, the renewal and transformation of equipment in traditional industries, and the growing demand from emerging sectors such as NEVs, wind power and photovoltaic power, China's steel production volume is expected to maintain a growth trend in the future.

Market Size of China's Steel Production Volume
Million Tons, 2021-2030E

	2021-2025	2025-2030E
CAGR	2.0%	1.4%

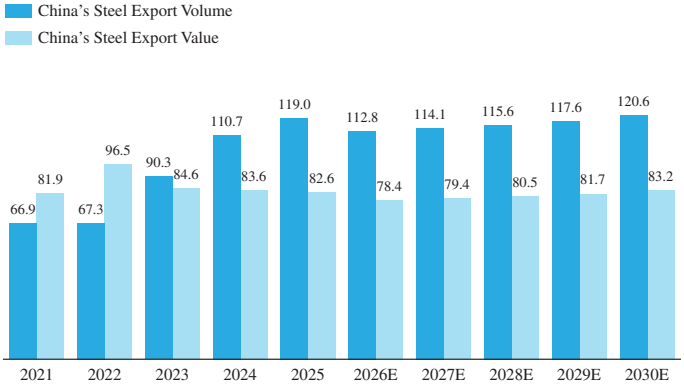


Source: Frost & Sullivan, Wind

From 2021 to 2025, driven by a rebound in demand resulting from the global economic recovery and influenced by fluctuations in steel prices, Chinese steel exports experienced an initial increase followed by stabilization, while export value rose initially and then declined in tandem with steel prices. Looking ahead, due to a slowdown in global demand, adjustments to trade policies, and industrial restructuring, export volumes are expected to decline in the short term before maintaining low-speed growth, while export value is projected to grow modestly as prices stabilize and demand recovers.

Market Size of China's Steel Export Volume & Value,
Million Tons & USD Billion, 2021-2030E

CAGR	2021-2025	2025-2030E
China's Steel Export Volume	15.5%	0.3%
China's Steel Export Value	0.2%	0.2%

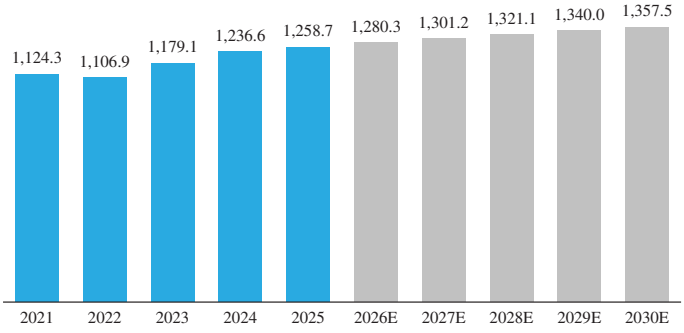


Source: Frost & Sullivan, General Administration of Customs of the People's Republic of China

Iron ore and its concentrates are one of the primary raw materials for steel production. Due to fluctuations in the macro economy affecting downstream sectors such as real estate and construction, the import volume of China's iron ore and concentrates decreased from 2021 to 2022. The transformation and upgrading of the manufacturing industry have driven a sustained growth in the China's import volume of iron ore and its concentrates.

Market Size of China's Iron Ore and Concentrates Import Volume
Million Tons, 2021-2030E

	2021-2025	2025-2030E
CAGR	2.9%	1.5%

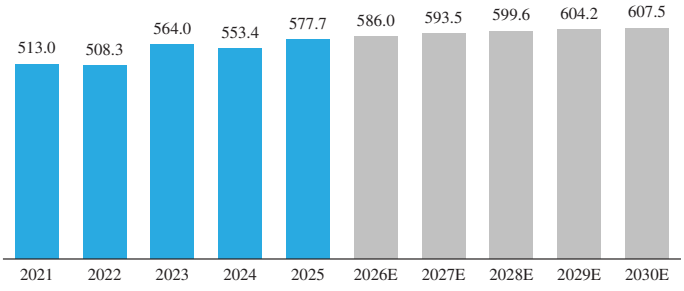


Source: Frost & Sullivan, General Administration of Customs of the People's Republic of China

Crude oil is one of the major products in the commodity market. Due to geopolitical conflicts and external economic instability, the import volume of China's crude oil decreased from 2021 to 2022. Through deep processing, crude oil underpins the development of important domestic industries such as engineering plastics, chemical fibers and chemical fertilizers. The sustained development of these downstream industries is a key driver for the growth in China's crude oil import volume.

Market Size of China's Crude Oil Import Volume
Million Tons, 2021-2030E

	2021-2025	2025-2030E
CAGR	3.0%	1.0%

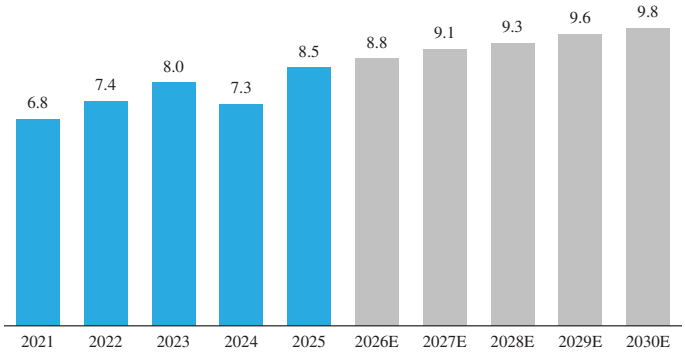


Source: Frost & Sullivan, General Administration of Customs of the People's Republic of China

Affected by the cooling demand in downstream industries such as construction and the contraction of overseas supply, China's rubber import volume witnessed slight fluctuations from 2021 to 2025. Looking ahead, the development of the NEV industry is expected to drive the demand for high-performance tires, and China's rubber import volume is projected to maintain a sustained growth trend.

Market Size of China's Rubber Import Volume
Million Tons, 2021-2030E

	2021-2025	2025-2030E
CAGR	6.0%	2.7%



Source: Frost & Sullivan, General Administration of Customs of the People's Republic of China

OVERVIEW OF COMMODITY INDUSTRY SERVICES AND TRADING INDUSTRY

Definition of Commodity Industry Services and Trading

Commodity industry services refer to the provision of logistics, warehousing, distribution and other supporting services for customers around commodity transactions. Commodity trading means identifying market opportunities arising from factors such as timing mismatches or supply and demand imbalances, through industry research and market analysis, and conducting the purchase and sale of commodities to achieve its own profit goals.

Enterprise Types of the Commodity Industry Services and Trading Industry

Classified by business model, there are two main types of enterprises operating in the commodity industry services and trading industry, namely single-driven enterprises and dual-driven service & trading enterprises.

Single-driven Enterprises. Single-driven enterprises can be further divided into service-only driven enterprises and trading-only driven enterprises. Service-only driven enterprises focus on providing industrial support services such as procurement, sales, logistics, and warehousing for clients. Due to the simplicity of their business model and low entry barriers, competition among these enterprises is intense, making it easy for their profitability to be challenged. On the other hand, trading-only driven enterprises utilize research and analysis of commodity markets, macroeconomics, and industrial policies to capture market trading opportunities for profit. However, these enterprises struggle to provide stable trading services, making it difficult to maintain a consistent client base and often lacking trade channels when monetizing transactions.

Dual-driven Service & Trading Enterprises. Such enterprises leverage both scale and resource channel advantages while possessing strong industry research capabilities and mature risk management skills. They can deeply explore the core needs of clients and provide comprehensive trading solutions. By relying on their core competencies, they proactively seize market trading opportunities to realize value through trade flows, enhancing their profitability. These enterprises can accurately match the diverse needs of clients, strengthen customer loyalty and bargaining power, while also increasing profits and optimizing their profit structure through trading activities. One of the typical representatives of this type of enterprise is our Group.

Industry Chain Analysis of the Commodity Industry Services and Trading Industry

The industrial chain of the commodity industry services and trading industry centers on commodity industry service and trading providers, forming a complete industrial ecosystem that runs through upstream raw material supply and downstream end-industry services.

Industry Chain of the Commodity Industry Services and Trading Industry

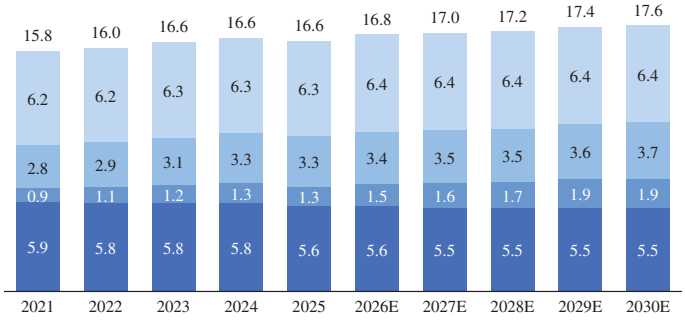
Source: Frost & Sullivan

Market Size of China's Commodity Industry Services and Trading Industry

Due to the high volatility of commodity prices, coupled with other factors including geopolitical tensions, digital transformation, and evolving service models, Asian and Chinese commodity industry services and trading market face both opportunities and challenges, with the market size exhibiting relatively steady growth. In Asian market, the trading volume increased from 26.3 billion tons in 2021 to 27.7 billion tons in 2025, with the CAGR during this period was 1.3%. Among these, the trading volume of ferrous metals rose from 9.5 billion tons to 9.7 billion tons, with a CAGR of 0.5% during this period; the trading volume of chemical products increased from 5.6 billion tons to 6.1 billion tons, with a CAGR of 2.0%; and the trading volume of non-ferrous metals rose from 2.4 billion tons to 2.8 billion tons, with a CAGR of 4.0% during this period. With Asia's economy growing steadily, coupled with the energy transition and industrial restructuring, the growth in demand for traditional commodity trading is slowing. By 2030, the trading volume is estimated to achieve 29.6 billion tons, with the CAGR of 1.3% from 2025 to 2030. Specifically, trading volumes for ferrous metals, chemicals, and non-ferrous metals increased to 9.9 billion tons, 6.6 billion tons, and 3.5 billion tons, respectively, with their CAGRs during this period at 0.5%, 1.7%, and 4.8% respectively. In the Asian commodities industry services market, the market size is projected to grow from USD6,461.3 billion in 2021 to USD7,030.4 billion in 2025, representing a CAGR of 2.1% during this period. Specifically, the sales value of ferrous metals grew from USD2,140.3 billion to USD2,276.1 billion; chemicals grew from USD1,465.6 billion to USD1,627.1 billion; and non-ferrous metals grew from USD909.3 billion to USD1,029.9 billion, with CAGRs of 1.5%, 2.6%, and 3.2% respectively during this period. By 2030, the market size in terms of sales value is projected to grow to USD7,594.6 billion, with a CAGR of 1.6% from 2025 to 2030. Within this market, the sales value of ferrous metals, chemicals, and non-ferrous metals is projected to reach USD2,364.2 billion, USD1,793.1 billion, and USD1,340.5 billion respectively, with CAGRs of 0.8%, 2.0%, and 5.4% during this period. As for the Chinese market, it has consistently accounted for approximately 60% of the Asian market from 2021 to 2030.

China Commodity Industry Services and Trading Market Size, by Trading Volume Billion Tons, 2021-2030E

	CAGR (2021-2025)	CAGR (2025-2030E)
Total	1.2%	1.1%
Ferrous Metals	0.6%	0.3%
Chemicals	3.9%	2.1%
Non-ferrous Metals	8.8%	7.8%
Others	-0.9%	-0.4%



Source: Frost & Sullivan, Annual Reports of Listed Companies Expert Interview

Market Drivers

Growing Demand in International Trade. With the recovery of global manufacturing, the accelerated urbanization in Asia and Africa, the rapid infrastructure development in emerging markets, and the rising demand for key minerals driven by energy transition, countries are continuously increasing their demand for basic raw materials such as crude oil, metals, and agricultural products. These factors boost the cross-border trade volume and price activity of commodities.

Iteration of the variety demand under the green transition. Against the backdrop of the "Dual Carbon" goals, the development of the new energy industry has spurred an explosive growth in demand for green metals such as lithium and cobalt, while the decarbonization transformation of the steel industry has driven the continuous expansion of the trade scale of recycled resources including scrap steel. The adjustment of the demand structure for commodity varieties has prompted commodity industry service and trading providers to upgrade their supporting services to adapt to the needs of the green industry.

Changes in the Macroeconomic Environment Create More Trading Opportunities. Against the backdrop of ongoing shifts in the macroeconomic landscape, commodity price volatility has intensified. On the one hand, physical enterprises are placing higher demands on risk management. Leveraging their profound research capabilities, commodity industry service and trading providers can help physical enterprises mitigate risks stemming from the uncertainty of the external environment. On the other hand, price volatility also creates more trading opportunities for such firms.

Market Trends

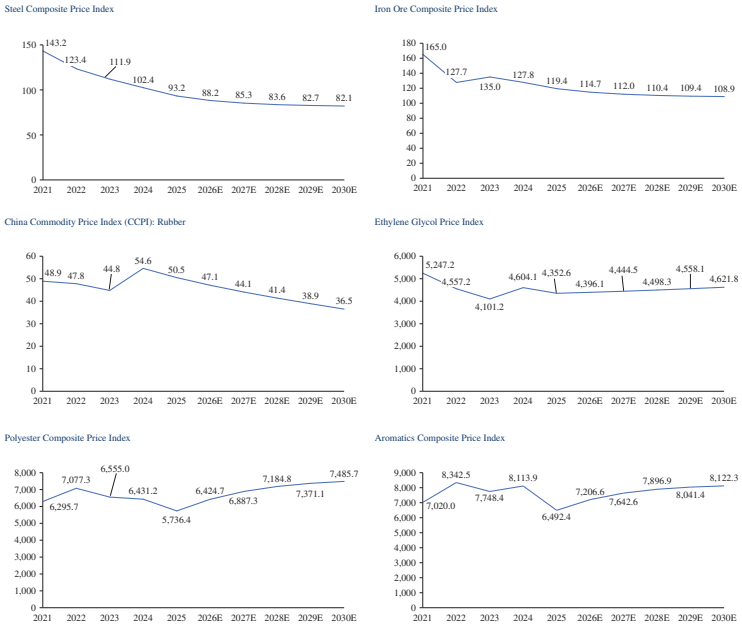
Increasing Industry Concentration. Amid the trend of service homogenization and intensified competition, small and medium-sized enterprises lacking channel resources and research capabilities will gradually exit the market. Leading enterprises will seize the development opportunities brought by changes in market trends and increase their market share.

Transforming Business Model. The business form of the commodity industry services and trading industry is shifting from a single-driven model to a dual-driven service & trading model. Against the industry backdrop of increasingly fierce market competition and rising information transparency, the dual-driving service & trading model will emerge as the mainstream direction of industry development by virtue of its diversified value creation capabilities.

Shifting from International Trading to a model of "International Trade + Localized Operation". The intensifying global competition and the continuous narrowing of trade profits are driving the transformation of business models from simple international trade to a model of "international trade + localized operation", enabling in-depth integration into the industrial chains of target markets. By establishing physical entities in target markets to carry out localized operations such as procurement, warehousing, processing, sales and customer service, enterprises can accurately respond to customer needs, enhance customer stickiness and improve their own profitability.

Commodity Price Indices Analysis for the Commodity Industry Services and Trading Industry

Prices of commodities such as ferrous metals and raw materials and chemicals have shown a divergent trend. On one hand, the price indices of traditional industrial products such as steel, iron ore and rubber have exhibited a trend of decline, reflecting the combined impact of demand contraction and capacity adjustment in the related industries. On the other hand, influenced by factors such as fluctuations in upstream raw material prices and changes in supply-demand dynamics, the prices of ethylene glycol, polyester, and aromatics fluctuated between 2021 and 2025. Looking ahead, as demand from downstream industries continues to grow, ethylene glycol prices are expected to rise at a relatively steady pace, while the prices of aromatics and polyester are expected to stabilize following periodic adjustments as supply-demand conditions gradually improve.



Note: The polyester price index references price fluctuations for major polyester products including PTA, polyester bottle chips, polyester chips, ethylene glycol, polyester staple fiber and polyester filament. The Aromatics Price Index references price fluctuations in the major aromatics products including styrene, pure benzene, petroleum benzene, xylene and p-xylene.

Source: Frost & Sullivan, Wind, Choice

ENTRY BARRIERS ANALYSIS OF THE GLOBAL COMMODITY INDUSTRY SERVICES AND TRADING INDUSTRY

Globalized Supplier and Customer Networks and Their Operation-supporting Capability: Enterprises need to establish a global network covering core regions, build an efficient, collaborative, and risk-controllable cross-border logistics system, and expand stable and diversified global customer channels. These three elements are interdependent and indispensable, all requiring substantial long-term investments and are difficult to replicate in the short term.

Capital Capacity: The commodity industry services and trading industry places extremely high demands on enterprises' capital strength and financing capacity. A solid financial foundation enables large-scale operations amid market fluctuations and ensures the ability to fulfill contractual obligations.

Research Capability: Faced with severe price fluctuations driven by multiple factors such as supply and demand, geopolitics, and macroeconomics, enterprises must possess in-depth cross-market and cross-product research capabilities to gain insights into market conditions and trends, support business strategies, better serve customers, and seize trading opportunities.

Comprehensive Industrial Service Capability: To fully meet customers' needs across the commodity trading value chain, enterprises must possess integrated service capabilities. By providing comprehensive services including inventory management, order coordination, procurement optimization and sales channel development, enterprises can enhance customer stickiness, create sustainable value and monetize trade flows.

Risk Management Capability: Enterprises face a variety of risks in their operations, ranging from credit and price risks to logistics and compliance risks. Only through a systematic and full-process risk management and control system can they safeguard transaction security, maintain stable operations, and achieve sustainable profitability in a complex and volatile market environment.

COMPETITIVE LANDSCAPE ANALYSIS OF THE GLOBAL COMMODITY INDUSTRY SERVICES AND TRADING INDUSTRY

In Asian Market, with Singapore serving as a hub for Asia's commodity industry services and trading markets, a group of market-oriented international giants has emerged, represented by companies such as Trafigura, Wilmar International, and Olam Group. In 2025, in the Asian market, the top five companies ranked by commodity trading volume accounted for an aggregate market share of 4.5%, while the top five companies ranked by commodity sales revenue accounted for an aggregate market share of 5.8%. In Chinese market, amidst the fierce market competition, the company leverages its profound research capabilities and its grasp of commercial rights and trade flows to deeply participate in all links of the supply chain, making it one of the leading players in the industry today.

Top 5 Commodity Industry Services and Trading Providers in China, by Commodity Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company A	266.0	1.6%
2	Company B	233.0	1.4%
3	Company C	230.0	1.4%
4	Company D	157.3	0.9%
5	The Company	141.7	0.9%
	Top 5	**1,028.0**	**6.2%**

Source: Frost & Sullivan, Annual Reports of Listed Companies

Top 5 Commodity Industry Services and Trading Providers in China, by Commodity Sales Revenue in 2025

Ranking	Company Name	Sales Revenue (Unit: RMB Billion)	Market Share (%)
1	Company B	552.2	1.7%
2	Company C	508.3	1.6%
3	Company A	385.2	1.2%
4	Company D	335.9	1.1%
5	The Company	269.8	0.8%
	Top 5	**2,051.4**	**6.4%**

Source: Frost & Sullivan, Annual Reports of Listed Companies

Top 5 Commodity Industry Services and Trading Providers in China, by Steel Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company C	~80.0	4.8%
2	Company B	~78.0	4.7%
3	Company A	~55.0	3.3%
4	The Company	39.9	2.4%
5	Company D	~25.0	1.5%
	Top 5	**~277.9**	**16.7%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Top 5 Commodity Industry Services and Trading Providers in China, by Iron Ore Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company D	~90.0	4.2%
2	The Company	63.2	2.9%
3	Company C	~45.0	2.1%
4	Company B	~42.0	1.9%
5	Company A	~36.0	1.7%
	Top 5	**~276.2**	**12.8%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Top 5 Commodity Industry Services and trading Providers in China, by Steel Export Volume in 2025

Ranking	Company Name	Export Volume (Unit: Million Tons)	Market Share (%)
1	Company B	~11.0	9.2%
2	The Company	6.1	5.1%
3	Company C	~5.5	4.6%
4	Company A	~5.0	4.2%
5	Company D	~3.0	2.5%
	Top 5	**~30.6**	**25.7%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Top 5 Commodity Industry Services and Trading Providers in China, by Rubber Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company E	~3.0	18.1%
2	Company F	~1.0	6.0%
3	The Company	1.0	6.0%
4	Company G	~0.9	5.4%
5	Company B	~0.9	5.4%
	Top 5	**6.8**	**40.9%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Top 5 Commodity Industry Services and Trading Providers in China, by Ethylene Glycol Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company B	~6.0	12.0%
2	Company C	~5.2	10.4%
3	Company A	~4.7	9.4%
4	The Company	4.3	8.6%
5	Company D	~3.3	6.6%
	Top 5	**23.5**	**47.2%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Notes:

Company A was founded in 1997, with its headquarters in Xiamen City, and is listed on the Shanghai Stock Exchange. Its core business is commodity supply chain services.

Company B was reorganized in 1996, with its headquarters in Hangzhou City, and is listed on the Shanghai Stock Exchange. Its primary business is intelligent supply chain integration services.

Company C was founded in 1998, with its headquarters in Xiamen City, and is listed on the Shanghai Stock Exchange. Its core business is the operation services of commodity supply chains.

Company D was founded in 1980, with its headquarters in Xiamen City, and is listed on the Shanghai Stock Exchange. Its core business is supply chain management services.

Company E was founded in 2005 and headquartered in Haikou, is a provincial-level enterprise in Hainan and is listed on the Shanghai Stock Exchange. Its operations span the entire natural rubber industry chain, integrating research, cultivation, processing, and trading of natural rubber.

Company F was founded in 1993, with its headquarters in Beijing City. Its core business is the import and export of crude oil and refined petroleum products.

Company G was founded in 2002 and headquartered in Guangzhou, is a provincial-level enterprise in Guangdong Province. Its operations span the entire natural rubber industry chain, focusing on natural rubber cultivation, wholesale of forestry products, and the primary processing and sale of rubber products.