



**SHANGHAI
LUNHU TRADING
CO., LTD.**

A full-page background image of the Shanghai skyline at sunset. The Oriental Pearl Tower is prominent in the center, with its three spheres and vertical column. To its left is the classical-style building with a large dome. To its right is the modern, cylindrical Jin Mao Tower. The sun is low on the horizon, creating a warm orange glow over the city and the water in the foreground. Several boats are visible on the water.

OUR VISION

**BECOME WELL-KNOWN
COMMODITY TRADING
SERVICE PROVIDER**



ABOUT US



Shanghai Lunhu Trading Co., Ltd. was incorporated in June 2016. The company has established competitive purchasing and sales channels in China and overseas. With banks' supply chain finance, we procure for the downstream manufacturing customers, and reduce their procurement costs of bulk goods and raw materials and the risk of volatile prices. As we expand our business and meet the demands of downstream customers, we are getting much closer to them and increase their stickiness. Since 2019, we have successively set up a number of subsidiaries, including Chongqing Lunyu Trading Co., Ltd, Jiangsu Lunhu Trading Co., Ltd, Zhejiang Lunhu Trading Co., Ltd, Tianjin Lunhu Trading Co., Ltd, LSR GLOBE PTE Ltd and LSR COMMODITY TRADING DMCC, strategically expanding our presence from Shanghai to the country and the world.

Shanghai Lunhu Trading Co., Ltd., with years of business experiences, an able management team and the operation centers set up in Shanghai, Jiangsu, Chongqing, Tianjin, Zhejiang, Singapore, Dubai and other regions, has been engaged in the import and domestic trade of electrolytic copper, electrolytic aluminum, crude copper and gold concentrate. Up to now, Shanghai Lunhu and subsidiaries have worked with and provided services for more than 1,000 central SOEs, local SOEs, and large private enterprises in carrying out supply chain services and spot purchasing and sales. In addition, our subsidiary LSR GLOBE PTE. LTD. as the Group's overseas arm, has also established stable cooperative relations with smelters and banks around the world. With the locational advantages in Singapore, this subsidiary is an important window for the Group to connect with overseas customers and resources.

So far, Shanghai Lunhu Trading Co., Ltd. which is settled in Shanghai Lingang New Area is regarded as a key offshore trader; Chongqing Lunyu Trading Co., Ltd. is awarded the honorary title as a leading trader in Wanzhou District, Chongqing, and Jiangsu Lunhu Trading Co., Ltd. was regarded as an advanced corporation of the Headquarters Economy.

IN 2023, OUR CONSOLIDATED SALES REVENUE REACHED 35.6 BILLION YUAN.

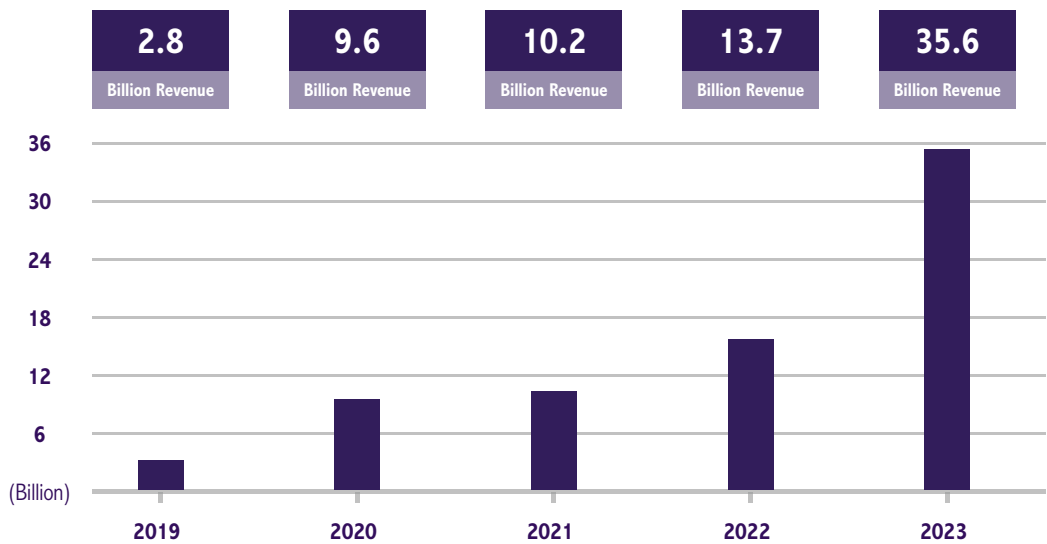
Since the establishment, the company has aimed to engage in bulk trade by relying on professional operation capabilities, existing sales channels, and capabilities to recruit new customers. In 2019, we started the bulk trade for the first time, and achieved the sales revenue of more than 2.8 billion yuan from the bulk trade. In 2021, our consolidated sales revenue exceeded 10 billion yuan. In 2023, our consolidated sales revenue reached 35.6 billion yuan. So far, L&S Group imported more than 130,000 tons of electrolytic copper, with an amount of more than 7.6 billion yuan.

Most of key team members of Shanghai Lunhu Trading Co., Ltd. have been recruited from the top 500 enterprises and have an average of more than 10 years of practice. They are a team with rich experiences and professional capability. Through collaboration and cooperation, they ensure an efficient and stable operation of the company's trading business that is an important guarantee to enhance the company's long-term competitive advantage in bulk trading. Up to now, the Company has become one of the fastest growing enterprises in the industry of non-ferrous metal trading.



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METAL TRADING.

L&S Group Operating Revenue 2019 - 2023





CORE VALUE

**CREATE VALUE FOR
CUSTOMERS, INJECT
VITALITY INTO THE
INDUSTRY**

OUR BUSINESS



Shanghai Lunhu Trading Co., Ltd takes deep services for non-ferrous metal downstream companies as the business coal while being rooted in Shanghai as the operation center, and taking Jiangsu, Chongqing, Zhejiang, Tianjin, Singapore, Dubai and other places as the strongholds.

By providing diversified products and services such as raw material import, supply chain finance, industry information research, etc., we expand the depth and breadth of cooperation with upstream and downstream enterprises in the industrial chain, increase the core customers and enhance our status and value in the industrial chains.



In 2021, Shanghai Lunhu Trading Co., Ltd. became one of the first key offshore trading enterprises to settle in the Lingang Special Area of Shanghai Free Trade Zone.

Specifically, we provide the following services:



1. OVERSEAS SPOT GOODS PURCHASE AND SALE SERVICES

When the import prices of spot goods are competitive and favorable (i.e., profitable), the subsidiaries (Jiangsu Lunhu, Zhejiang Lunhu) will make purchase from overseas suppliers. And after declaration at customs, we will transport the imported goods to China by ways of shipping, land transportation, railway transportation, etc., and sell to domestic downstream factories. Through the process, we earned the price difference of the products for the time difference and region differences.

From 2020, L&S Group began to import electrolytic copper. By the end of 2023, we had imported a total of more than 130,000 tons of electrolytic copper. The regions where we sourced goods are Africa, America, Oceania, and Europe. The main countries where we import include Japan, Chile, Australia, and Congo (DRC). Among our subsidiaries, Zhejiang Lunhu Trading Co., Ltd. has imported more than 120,000 tons of electrolytic copper to Jinhua Region, Zhejiang, with an import value of more than 3.5 billion yuan in 2023, making it the largest importer and non-ferrous metal trader in East China.



2. FINANCIAL SERVICES FOR CUSTOMERS OF DOWNSTREAM INDUSTRIES

According to the demands of domestic downstream customers, we will make purchases from domestic suppliers, so as to earn price difference in the domestic trade. Downstream customers may choose bank acceptance bill or L/C as the payment methods, and we may discount the bills or L/C through the banks we are engaged with all over the country, to effectively reduce the cost of procurement. During which, our company will charge customers with a corresponding service fee.

3. CUSTOMIZED SERVICES FOR SUPPLY CHAIN



In case that your company is in a situation of bad inventory turnover or is in capital shortage, the company's professional team will, by researching the needs of your company and coordinating relevant upstream and downstream companies, customize our services for you. During the process, we may use the Group's own capital and inventory or use the capital of strategic cooperative banks, try to solve the capital shortage problems of your company caused by the overstocking of raw materials and finished products. By doing so, we can help you better use of your capital, and lower your financing costs.

4. HEDGING AND ARBITRAGE TRADING OF BASE METAL FUTURES



Starting from 2021, L&S Group has been actively engaged in the hedging and arbitrage trading of base metal futures, in addition to the traditional cross-border trade of refined metal and the supply chain services.

Generally in the bulk commodities industry, most of the transactions are based on single-sided long or short, or intertemporal transactions in a single market. However, we choose the cross-market hedging between domestic and overseas markets, a practice that is with higher threshold and is much more difficult.

Through three years of practice, the department has made a large profit. At present, we are focusing on further expanding the trade scale by appropriately increasing leverages, and gradually transforming the proprietary trading business to the asset management business.

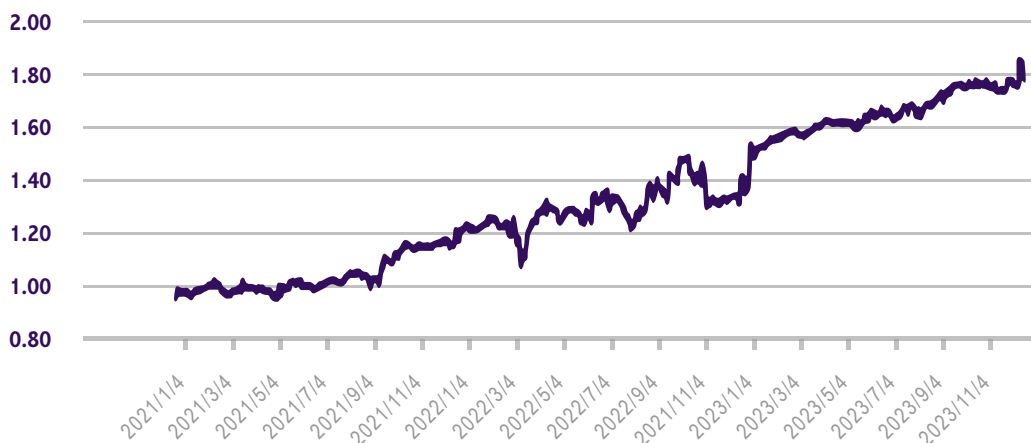


HISTORICAL RETURNS

Metal Hedging	Absolute rate of return at end of the reporting period	Average cumulative return with time weight	Net value per unit	Net return rate
2021	20.22%	6.77%	1.1966	19.66%
2022	19.22%	13.09%	1.2173	21.73%
2023	30.99%	17.35%	1.3347	33.47%

Metal Hedging	Accumulative net value	Maximum cancellation rate for the year	Standard deviation	Volatility for the year	Sharpe ratio
2021	1.1966	-5.62%	0.87%	13.61%	1.27
2022	1.4139	-15.06%	1.69%	26.29%	0.75
2023	1.7485	-5.57%	1.11%	17.30%	1.81

Accumulative net value from Metal Hedging during 2021 - 2023

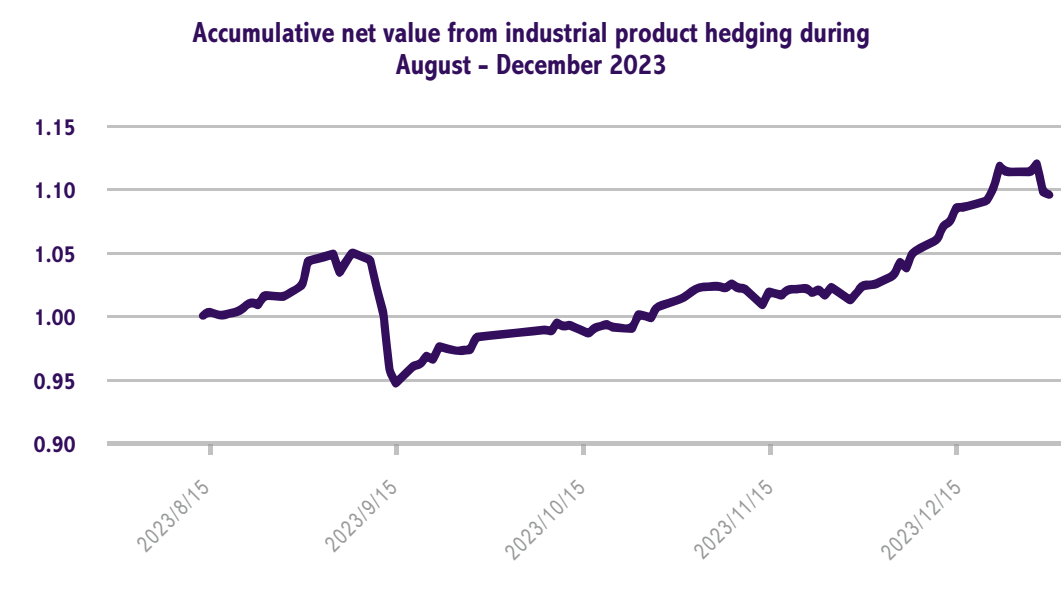


Notes:

- The income used in the above calculation of return and net worth refers to the income of 'gross profit less transaction costs'. The transaction costs include fees of futures transaction and incidental fees of spot transactions, excluding capital costs and operating costs;
- The calculation methods of net worth and the net worth-related indicators are the same as that of fund net worth calculations in the market;

Industrial product Hedging	Absolute rate of return at end of the reporting period	Average cumulative return with time weight	Net value per unit
August - December 2023	10.03%	3.28%	1.9048

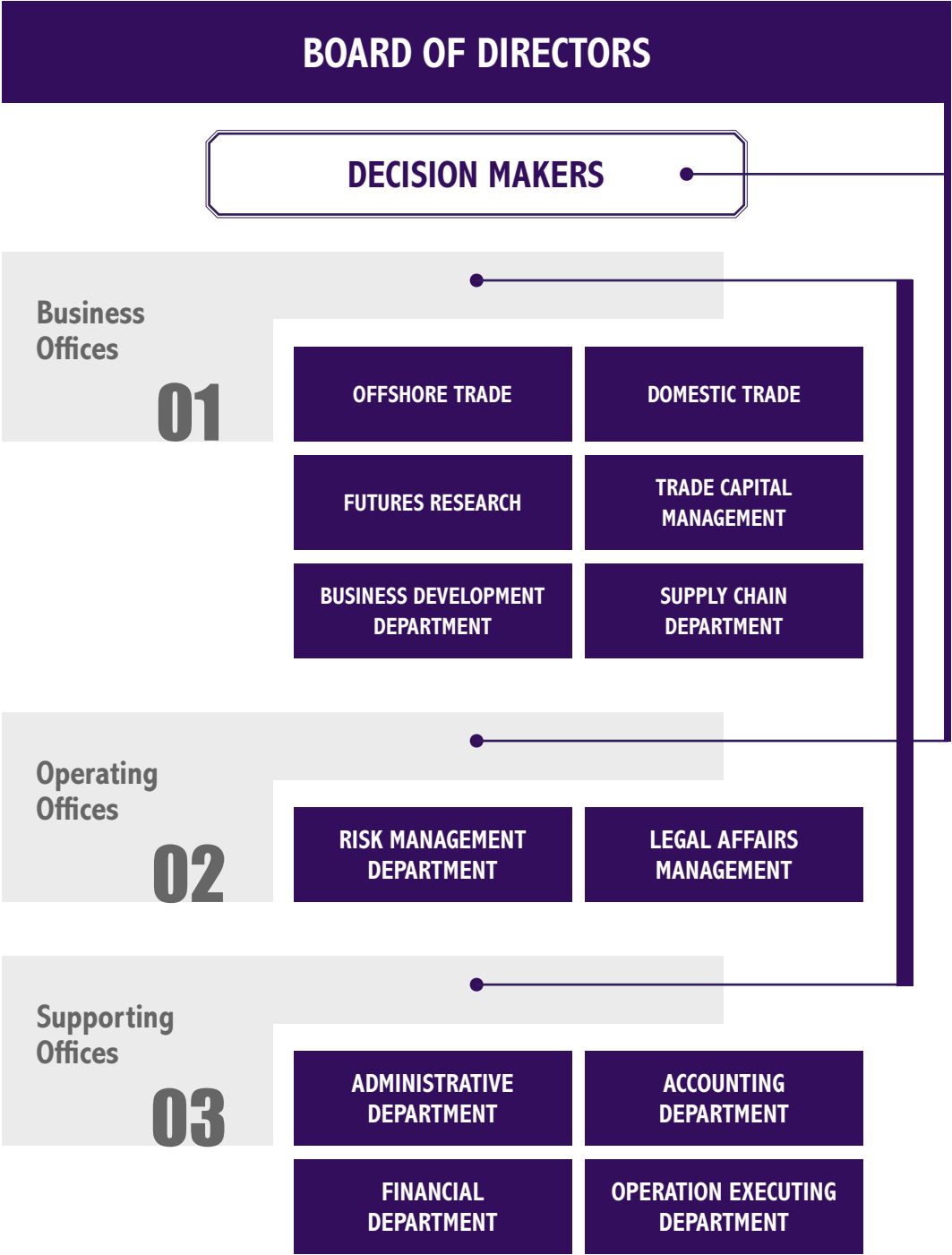
Return of net value	Maximum cancellation rate for the year	Standard deviation	Volatility for the year	Sharpe ratio
9.48%	-9.88%	0.85%	13.27%	1.7



- Absolute rate of return at end of the reporting period = (final value of annual gross profit - annual transaction cost)/ annual average capital input;
- Average cumulative return with time weight = Average [(cumulative gross profit of the day - cumulative expenses of the day)/ average annual capital usage]

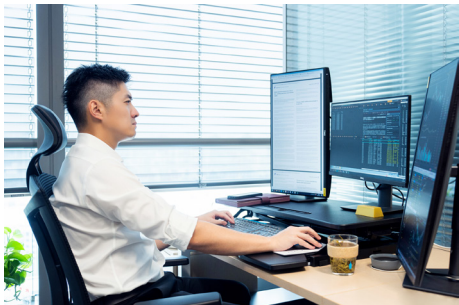


ORGANIZATIONAL STRUCTURES





THE OPERATION TEAM



PERSONNEL ADVANTAGE

Average Practice Year Length

INDUSTRY		5 Years
CORE TEAM		10 Years

Low Average of Age

INDUSTRY		40 Years
CORE TEAM		30 Years

MANAGEMENT ADVANTAGE

- Unique trade management system of bulk commodity
- Strict risk control system
- An internal control process that is safe and highly efficient
- With both characteristics of East and West bulk commodity trade
- Team members are with long experiences in trading, risk control, finance and capital management, and engaged in every part of industrial chain

TEAM ADVANTAGES

MODE ADVANTAGE

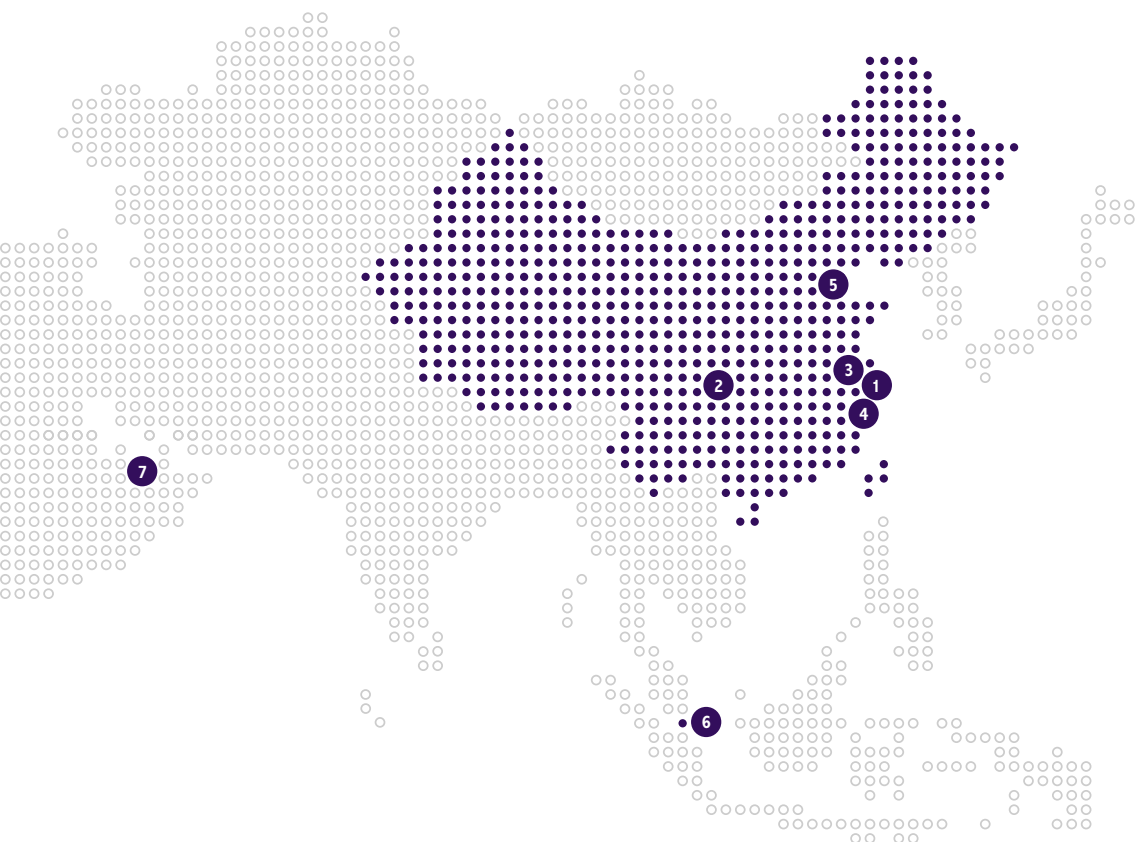
- Platformization of trade company: use platforms to operate the company
- 3-d of product mode: product - service - solutions
- With mature calendar: We choose hedging transactions, so to maximally turn our knowledge and tools into profit
- Complete due diligence and marketing
- Long term and stable operation mode and team

RESOURCE ADVANTAGE

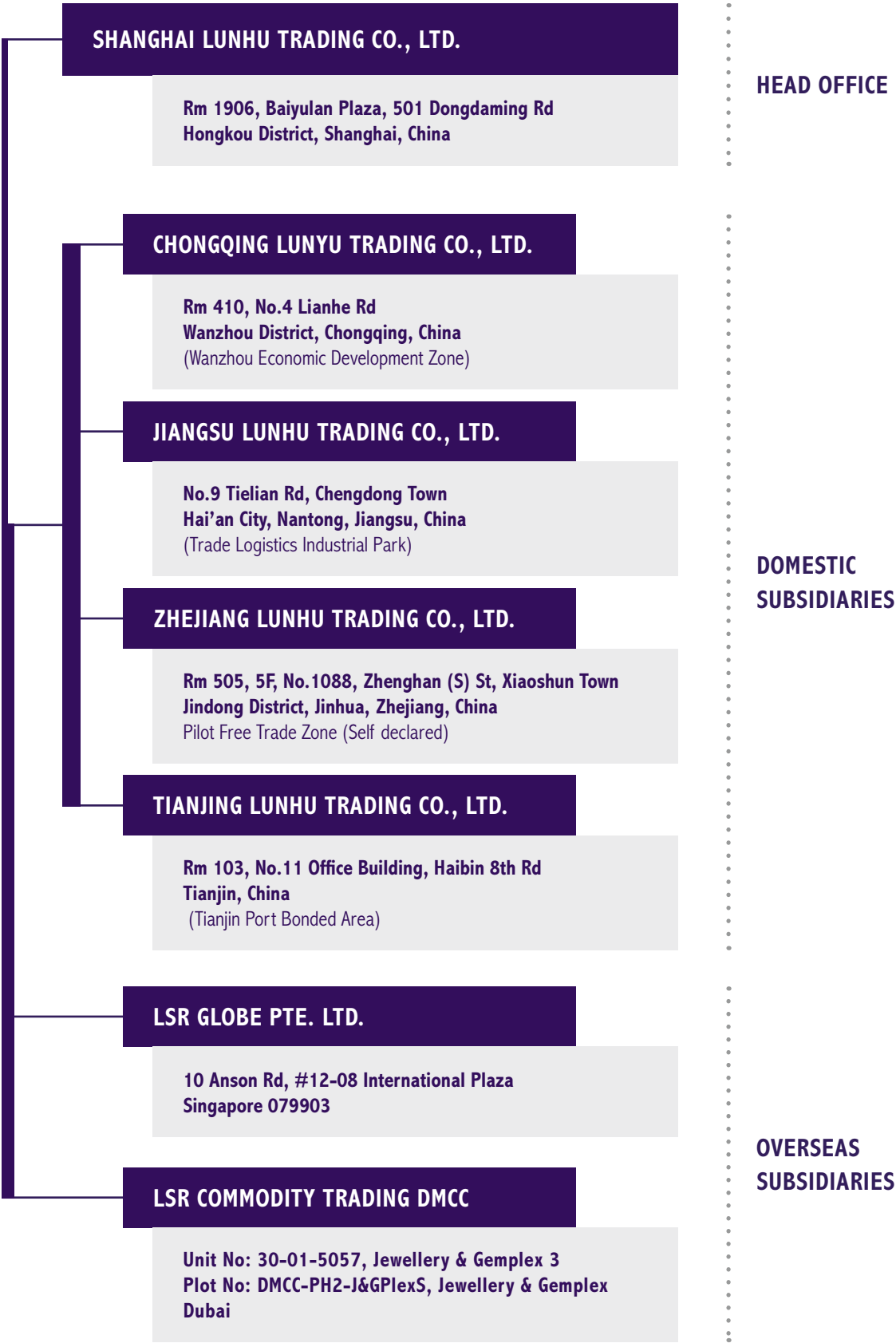
- Cooperate with over 1000 partners and global well-known industrial companies
- Cover every area of trade: smelters, end-users, traders, banks, warehouses, logistics, and futures brokers
- Have excellent platforms and tools that we can operate on. L&S has been awarded the rights to make big transactions on trading platforms and awarded certain lines of credit; and has advanced software for cross-market transactions



CONTACT US



- ① Shanghai Lunhu Trading Co., Ltd. - **Shanghai, China**
- ② Chongqing Lunyu Trading Co., Ltd. - **Chongqing, China**
- ③ Jiangsu Lunhu Trading Co., Ltd. - **Nantong, China**
- ④ Zhejiang Lunhu Trading Co., Ltd. - **Jinhua, China**
- ⑤ Tianjing Lunhu Trading Co., Ltd. - **Tianjin, China**
- ⑥ LSR GLOBE PTE. LTD. - **Singapore, Singapore**
- ⑦ LSR COMMODITY TRADING DMCC - **Dubai, UAE**





OUR PARTNERS

