Credit Opinion

8 September 2026

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

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Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.

Surveillance credit rating report

CCXAP affirms Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.'s long-term credit rating at BBB_g-, with stable outlook.

Summary

The BBB_g- long-term credit rating of Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("Xingye Mining" or the "Company") reflects the Company's (1) strengthened market position in silver and tin mining with sufficient resources; (2) increasing production volume through acquisitions and technological upgrade; (3) rapid revenue growth and good profitability; and (4) improving liquidity profile with diversified financing channels.

However, the rating is also constrained by the Company's (1) vulnerability of earnings to global economic conditions and metal price volatility; (2) operational risk related to safety incidents, partially alleviated by diversifying mine assets; (3) large capital expenditure pressure from project construction and acquisitions; and (4) elevated but manageable debt level with sound debt servicing ability.

The stable outlook on Xingye Mining's rating reflects our expectation that the Company will maintain its good market position in the silver and tin mining industry over the next 12-18 months, supported by robust metal prices and strengthened resource base following recent acquisitions.

Rating Drivers

- Strengthened market position in silver and tin mining with sufficient resources
- Increasing production volume through acquisitions and technological upgrade
- Earnings vulnerable to global economic conditions and metal price volatility
- Operational risk related to safety incidents, partially alleviated by diversifying mine assets
- Large capital expenditure pressure from project construction and acquisitions
- Rapid revenue growth and good profitability
- Elevated but manageable debt level with sound debt servicing ability
- Improving liquidity profile with diversified financing channels

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) commodity prices rise substantially, further boosting the Company's profits; (2) the Company's market position strengthens with a material increase in product production and resources; and (3) the Company demonstrates reduced debt leverage, improved credit metrics, and more diversified funding channels.

What could downgrade the rating?

The rating could be downgraded if (1) commodity prices decline sharply, adversely affecting the Company's earnings; (2) the Company's operations encounter material operating, geopolitical, or environmental issues; or (3) the Company indicates deteriorated credit metrics and weakened liquidity profile.

Key Indicators

	2023FY	2024FY	2025FY	2026H1
Total Assets (RMB billion)	11.1	12.2	17.2	19.8
Total Equity (RMB billion)	6.6	8.0	10.2	12.3
Total Revenue (RMB billion)	3.7	4.3	5.6	4.3
Net Profits (RMB billion)	1.0	1.5	1.7	2.3
EBIT/Revenue (%)	34.4	44.6	42.0	64.8
EBIT/Average Assets (%)	12.3	16.4	15.9	28.1
Total Debt/Total Capital (%)	23.6	21.7	28.7	28.2
Total Debt/EBITDA (x)	1.1	0.9	1.4	0.8
EBITDA /Interest (x)	13.0	20.9	13.8	18.7
FFO/Total Debt (x)	0.7	0.9	0.5	0.9

All ratios and figures are calculated using CCXAP's adjustments. EBIT, EBITDA and FFO figures for 2026H1 have been annualized for ratio calculations.

Source: Company data, CCXAP research

Corporate Profile

Founded in 1996, Xingye Mining (Stock Code: 000426.SZ) is a mining company in China engaged in the exploration, mining, smelting, and sales of non-ferrous metals and precious metals, with a core focus on silver and tin. As of 30 June 2026, Inner Mongolia Xingye Group Co., Ltd. ("Xingye Group") directly held 20.46% of the equity interest in Xingye Mining. Mr. Ji Xingye, the founder of Xingye Group and Xingye Mining, was the Company's ultimate controller. After the restructuring of Xingye Group in September 2025, China Cinda Asset

Management Co., Ltd. ("China Cinda") became the second-largest shareholder, indirectly holding 6.87% of the Company's shares. On 17 July 2025, Xingye Group pledged all of its holdings in Xingye Mining to China Jingu International Trust Co., Ltd.

Exhibit 1. Revenue structure in 2025

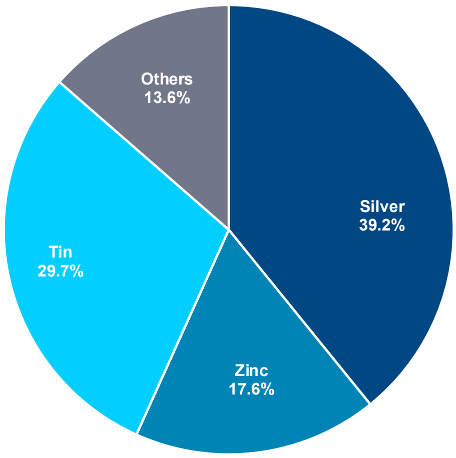
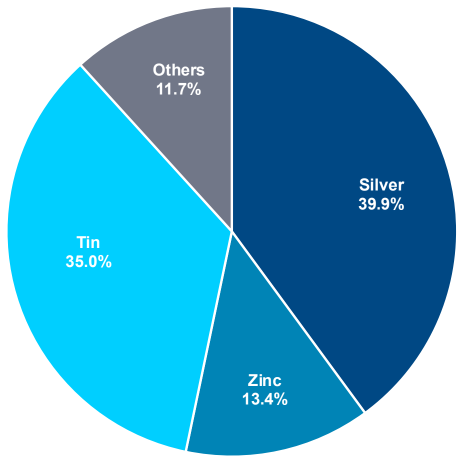


Exhibit 2. Gross profit structure in 2025



Source: Company data, CCXAP research

Exhibit 3. Shareholding chart as of 30 June 2026

Source: Company information, CCXAP research

Rating Considerations

Business Profile

Strengthened market position in silver and tin mining with sufficient resources

Xingye Mining has further strengthened its market position in China's mining industry through acquisitions and exploration, especially in silver and tin mining. It had silver resources of 29.8 thousand tons, tin resources of 391.6 thousand tons, zinc resources of 4.2 million tons, lead resources of 1.5 million tons, and iron resources of 7.5 million tons as of 31 December 2025.

Xiwuzhumuqin Qi Yinman Mining Co., Ltd. (“Yinman Mining”) is the Company's core subsidiary, possessing silver resources of 7.8 thousand tons as of 31 December 2025, ranking second in Asia. In early 2025, the Company completed the acquisition of an 85% equity interest in Chifeng Yubang Mining Co., Ltd. (“Yubang Mining”), which held total silver resources of 20.9 thousand tons as of 31 December 2025, significantly strengthening the Company's market position in the silver mining industry. According to Frost & Sullivan, the Company ranked first in Asia and seventh globally in terms of silver resources. Moreover, the Company has taken over the management of West Ujimqin Banner Budun Yingen Mining Co., Ltd. (“Budun Yingen Mining”) from its parent company. Budun Yingen Mining obtained its mining license in September 2024 with silver resources of 11.1 thousand tons as of 31 January 2025 and is expected to be injected into the Company in the future.

The Company's major subsidiary Yinman Mining is the third largest tin mining company in China in terms of tin resources. As of 31 December 2025, Yinman Mining had tin resources of 178.3 thousand tons. In September 2025, the Company acquired Atlantic Tin Limited (“Atlantic Tin”), which holds a 75% interest in the Achmmach Tin Mine and the Tamlalt Gold Mine through Atlas Tin SAS (“Atlas Tin”), and also holds 100% interests in the Bou El Jaj Tin Mine and the Samine Fluorite Mine. The Achmmach Tin Mine is the largest undeveloped tin mine in Africa in terms of resources, according to Frost & Sullivan, which had 206.0 thousand tons of tin resources as of 31 December 2025. The acquisition doubled the Company’s tin resources, making it the second largest tin miner in China by resources. In June 2026, the Company entered into an agreement to acquire the remaining 25% stake in Achmmach Tin Mine, which would bring its ownership to 100% upon completion.

In addition, the Company’s controlling shareholder, Xingye Group, and its mining subsidiaries hold multiple metal mineral exploration rights covering base and precious metals, such as gold, silver, copper, lead, zinc, tin, and iron. Xingye Group has committed that once the related mining operations become profitable for one year, it will initiate the transfer of such mining rights or mining subsidiaries to the Company. The future possible injection of mining assets will diversify the Company’s product portfolio, expand its resource reserves, and enhance its industry position. However, it is noteworthy that Xingye Group completed its restructuring in September 2025 after a six-year process. Nevertheless, the restructuring may still entail uncertainties regarding the timing and execution of future asset injections.

Xingye Mining’s strategy centers on consolidating its mining stronghold in Inner Mongolia while expanding into high-potential regions and overseas markets, with silver and tin operations forming the core business complemented by strategic diversification into copper, gold, zinc, lead, iron, and other mineral resources.

Increasing production volume through acquisitions and technological upgrade

Xingye Mining has enhanced the production capacity of major minerals through technological upgrades, acquisitions, and expansion projects over the past few years. We believe that the Company’s mine production will continue to increase in the medium term after the completion of ongoing development and expansion projects and acquisitions, further consolidating its position in the silver and tin mining industry.

In 2025, the production volume of mine-produced silver of Xingye Mining increased by 31.5% to 301.0 tons, mainly driven by the consolidation of Yubang Mining. However, tin production decreased by 25.0% to 6,679.3 tons, primarily due to the mining and processing of lower-grade orebodies. In 2026H1, silver production grew by 20.4% YoY to 158.1 tons, while tin production declined by 23.2% YoY to 2,758.5 tons, as lower grades continued to weigh on output.

The Company is currently advancing four major mine construction projects: the expansion of Yinman Mining and Yubang Mining, as well as the development of the Achmmach Tin Mine and the Budun Yingen Mining project in China, all targeted for completion and commissioning by 2028. Yinman Mining currently has an annual ore processing capacity of 1.65 million tons and is undertaking facility upgrade and expansion to increase capacity to 2.97 million tons per year, with annual silver production expected to reach approximately 250.7 tons upon full ramp-up by 2030. Yubang Mining is expanding its processing capacity from 1.65 million tons to 8.25 million tons per year, targeting annual silver production of approximately 433.0 tons at full capacity. The Achmmach Tin Mine is designed with an annual ore processing capacity of 1.2 million tons, and is expected to produce approximately 5.1 thousand tons of tin annually once in operation. We believe that the Company's mine-produced silver and tin production will increase significantly following the completion of these projects, supporting its long-term production growth.

Exhibit 4. Production volume of major mine-produced products from 2023 to 2025

	2023	2024	2025
Silver (tons)	199.6	228.9	301.0
Tin (tons)	7,769.3	8,901.9	6,679.3
Zinc (thousand tons)	55.0	59.7	66.7
Iron (thousand tons)	352.3	339.1	293.8
Lead (thousand tons)	15.7	17.0	19.2

Source: Company information, CCXAP research

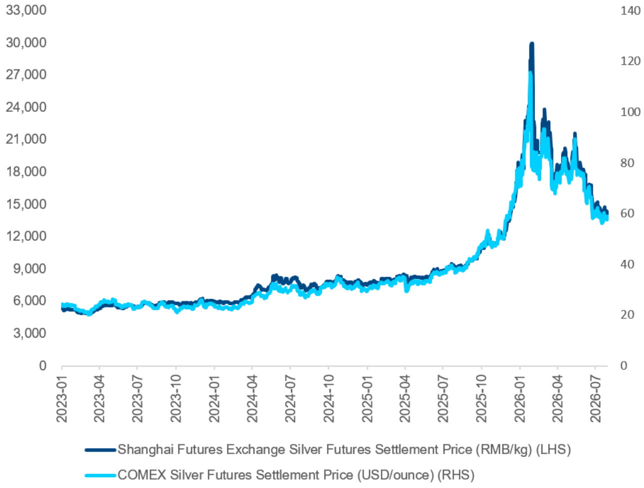
Earnings vulnerable to global economic conditions and metal price volatility

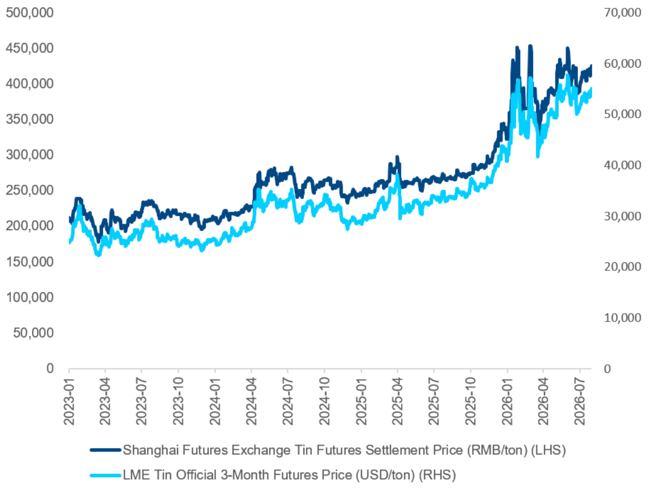
Considering that the mining industry is subject to cyclical demand patterns, metal prices have demonstrated a strong correlation with global economic cycles, resulting in large price volatility during the economic downturn and recovery period in recent years. Xingye Mining’s revenue and earnings are vulnerable to fluctuations in metal prices, especially silver and tin. Nonetheless, Xingye Mining’s exposure to metal price volatility could be partially mitigated by its mining product diversification, as silver and base metal prices are less correlated, given their different supply and demand dynamics.

Silver possesses dual attributes as both a precious metal and an industrial commodity, with its price movements reflecting a combination of safe-haven demand and industrial transformation trends. In 2025, driven by heightened geopolitical tensions, robust industrial demand from the new energy and AI chip sectors, and weakening US dollar credit, silver prices surged by over 140% during the year, with the annual average price rising nearly 40% year-on-year (“YoY”). Since February 2026, however, prices have experienced a certain degree of pullback pressured by hawkish signals from the Federal Reserve and heightened inflation concerns. We expect silver prices to remain supported by persistent geopolitical risks and solid industrial demand, though further upward potential may be limited by shifts in monetary policy and industrial inventory levels.

Tin is a critical industrial metal widely used in electronic soldering, semiconductor packaging, and new energy batteries. Its price movements are highly sensitive to global supply chain stability, industrial demand, and macroeconomic conditions. In 2025, disruptions in major tin-producing countries, together with a global interest rate cut cycle and recovery in the semiconductor sector, drove tin prices higher, with the annual average price rising approximately 10% YoY. Since early 2026, tin prices have increased further, with the average price in the first seven months rising over 45% compared with the 2025 average. We expect tin prices to continue the upward trend supported by supply constraints and sustained semiconductor demand, though subject to geopolitical and macroeconomic uncertainties.

Exhibit 5. Silver and Tin Futures Prices from January 2023 to July 2026





Source: Wind, CCXAP research

Operational risk related to safety incidents, partially alleviated by diversifying mine assets

Xingye Mining's subsidiary Yinman Mining reported a material safety incident in 2019, which caused suspension of production and business activities for more than a year. The suspension resulted in a significant decrease in the Company's revenue and profit. In March 2025, a safety incident at Yinman Mining led to a suspension of its mining area for about one month while the processing plant continued to operate. In July 2026, Yinman Mining occurred another safety incident, the mining area was suspended initially, and subsequently the processing and tailings systems were also ordered to halt production. These events highlight operational risks, particularly given the Company's heavy reliance on Yinman Mining as its primary profit driver. In 2025, Yinman Mining contributed 55.1% of the Company's total revenue. Nevertheless, we believe the acquisition of Yubang Mining can partly mitigate the concentration risk, where disruptions at a single mine could materially impact earnings. The diversified production is expected to enhance resilience against potential future disruptions.

Large capital expenditure pressure from project construction and acquisitions

In the past three years, Xingye Mining has initiated several expansion projects to increase production and expanded its regional and global footprint through active mergers and acquisitions, bringing large capital expenditure pressure.

In 2025, the Company acquired Yubang Mining for RMB2.4 billion and Atlantic Tin for AUD98.0 million to strengthen its core business. The Company also increased its stake in Far East Gold Limited (“FEG Limited”) from 20.0% to 34.6% through an off-market takeover offer in 2026. FEG Limited is an exploration company with six copper and gold mining projects in Indonesia and Australia, all currently in the exploration phase. In May 2026, the Company also announced plans to acquire a 100% equity interest in Sunshine Mining Investment Co., Ltd., which holds the exploration rights and the proposed mining rights for the Chalapu Gold Mine, for RMB164.0 million. In June 2026, the Company signed an agreement to acquire the remaining 25% stake in Atlas Tin for USD23.1 million, in order to gain full control of Achmmach Tin Mine. Most recently, in August 2026, the Company announced a partial tender offer to acquire a 30.0% stake in Willing New Energy Co., Ltd. (Stock Code: 002667.SZ), with a total investment cap of RMB1.8 billion. These acquisitions represent significant steps in the Company's diversification and internationalization strategy. While they can enlarge the Company's operating scale and improve geographic diversification, they also bring certain capital expenditure, overseas operating risk and exchange rate risk to the Company.

The Company also has several projects under construction. The most important projects are Yinman Mining production expansion project and Yubang Mining production expansion project, which have a total estimated investment of approximately RMB5.1 billion. From 2023 to 2025, the Company's net cash flows from investing activities increased from RMB949.8 million to RMB2.9 billion, mainly due to the high capital expenditure on project construction, as well as mergers and acquisitions.

Financial Profile

Rapid revenue growth and good profitability

Xingye Mining's revenue increased further in 2025, mainly driven by rising silver and tin prices, as well as higher production and sales volumes. The Company's total revenue increased from RMB4.3 billion in 2024 to RMB5.6 billion in 2025, representing 30.1% YoY growth. Despite a decline in gross profit margin from 63.0% in 2024 to 57.6% in 2025, mainly attributable to the temporary suspension at Yinman Mining and increased costs associated with newly acquired mines, the Company maintained strong profitability. Although finance costs increased from RMB118.7 million in 2024 to RMB218.9 million in 2025, the period expense ratio slightly declined from 11.7% to 11.2% over the same period, benefiting from rapid revenue expansion. As a result, net profit rose from RMB1.5 billion in 2024 to RMB1.7 billion in 2025. EBIT margin decreased slightly from 44.6% in 2024 to 42.0% in 2025, and return on assets moderated to 15.9% from 16.4% over the same period, reflecting solid profitability. In 2026H1, the Company recorded revenue of RMB4.3 billion with a 73.1% YoY growth and net profit of RMB2.3 billion with a 196.7% YoY growth, driven by surging silver and tin prices, which led to an EBIT margin improvement to 64.8%. We expect that the Company's revenue and earnings will maintain high growth in the next 12 to 18 months, supported by robust metal prices and increased production capacity from recent acquisitions and expansion projects.

Elevated but manageable debt level with sound debt servicing ability

Xingye Mining's debt level has increased with its continued investment in projects under construction and acquisition activities. The Company's total debt rose from RMB2.2 billion at end-2024 to RMB4.8 billion at mid-2026, while the total capitalization ratio increased from 21.7% to 28.2% over the same period. Owing to the significant increase in long-term debt, mainly attributable to new acquisition loans and the issuance of offshore bond, the Company's reliance on short-term debt decreased substantially, with the short-term debt ratio falling from 63.3% at end-2023 to 33.7% at mid-2026.

Despite the rapid increase in debt, the Company's credit metrics remain solid. The total debt/EBITDA ratio increased from 0.9x in 2024 to 1.4x in 2025, before improving to 0.8x in 2026H1 (annualized). The EBITDA/interest coverage ratio declined from 20.9x in 2024 to 13.8x in 2025, then recovered to 18.7x in 2026H1, reflecting strong debt servicing capacity. Similarly, the funds from operations ("FFO") to total debt ratio decreased from 0.9x in 2024 to 0.5x in 2025 due to the enlarged debt base, before rebounding to 0.9x in 2026H1 (annualized), supported by robust operating cash flow. Given the ongoing capital expenditure for pipeline projects and the Company's acquisition appetite, we expect the Company's debt burden to remain elevated over the next 12 to 18 months. However, robust earnings growth and strong cash generation could partially offset the impact of rising debt, keeping leverage at a manageable level.

Improving liquidity profile with diversified financing channels

Xingye Mining has an improving liquidity profile. The Company's cash reserve increased to RMB3.6 billion at mid-2026 from RMB1.1 billion at end-2024 and RMB1.3 billion at end-2025, mainly driven by higher sales revenue from surging metal prices and the issuance of an offshore bond. As a result, the cash-to-short-term-debt ratio improved significantly from 0.8x at end-2024 to 2.2x at mid-2026.

The Company has been actively diversifying its funding sources. As of 31 March 2026, it had bank credit facilities of RMB4.2 billion, with an undrawn amount of RMB1.4 billion. In February 2026, it completed its first bond issuance, issuing a USD200.0 million offshore bond through its wholly-owned subsidiary, Xingye Gold (Hong Kong) Mining Co., Ltd., with a coupon rate of 7.4%, thereby expanding its financing channels. In addition, as an A-share listed company, Xingye Mining also has access to the domestic equity financing channel. In May 2026, the Company submitted an H-share listing application to the Stock Exchange of Hong Kong, which was returned in July pending an update to the mineral resource report, raising uncertainties over the listing process.

Given Xingye Mining's sufficient operating cash inflow, solid liquidity buffer, and proactive efforts to explore diversified financing channels, we believe the Company is well-positioned to meet its capital needs for daily operations, debt repayments, construction projects, and acquisitions. However, although the controlling shareholder has completed its restructuring, its ability to provide financial support remains limited. Therefore, the Company will primarily rely on its own operational cash flow and financing capabilities to fulfill these obligations.

ESG Considerations

Xingye Mining bears environmental risks through its mining construction projects and ongoing mining operations. Such risks could be moderated through environmental impact assessments, adherence to environmental standards and close monitoring throughout the project lifecycle. The Company has promoted green mine development and adopted clean energy projects to reduce its environmental footprint.

The Company is also exposed to social risks associated with mining operations, particularly community relations and safety management. Notably, its subsidiary Yinman Mining experienced two safety accidents in March 2025 and July 2026, both resulting in casualties. The March 2025 case has been concluded with a one-month production suspension, while the July 2026 accident remains under investigation with operations partially suspended, reflecting certain weaknesses in the Company's safety production management.

The Company has developed a comprehensive ESG governance and risk management system, and established a three-tier ESG management structure with the Board of Directors as the highest decision-making authority. The planned H-share listing is expected to further strengthen its equity base and enhance governance transparency.

Structural Considerations

The rating of the senior unsecured bonds is equivalent to Xingye Mining's long-term credit rating. We believe that the Company has a diversified operational structure, thereby mitigating any differences 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 creditworthiness 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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