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

Hong Kong, 8 September 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed the long-term credit rating of Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("Xingye Mining" or the "Company") at BBB_g-, with stable outlook. At the same time, CCXAP has also affirmed its senior unsecured debt rating at BBB_g-.

The BBB_g- long-term credit rating of Xingye Mining 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.

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.

Rating Rationale

Credit Strengths

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.

Increasing production volume through technological upgrade 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.

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. 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.

Improving liquidity profile with diversified financing channels. 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. 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.

Credit Challenges

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.

Operational risk related to safety incidents, partially alleviated by diversifying mine assets. 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. Nevertheless, we believe the acquisition of Yubang Mining can partly mitigate the concentration risk, where disruptions at a single mine could materially impact earnings.

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.

Elevated but manageable debt level with sound debt servicing ability. 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. 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.

Rating Outlook

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.

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.

Rating Methodology

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

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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

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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