Zijin Gold International Co (2259 HK)

Cost Edge Meets Earnings Inflection

	BUY
Share Price	HK$118.20
Target Price	HK$139.21
Upside	17.8%

Analyst(s)

Claire Wang
claire.wang@uobkh.com
+852 2236 6761

Highlights

- Pure-play global gold platform backed by Zijin Mining, with operations spanning nine countries and over 80% of its 100-tonne annual production target for 2030 supported by existing and acquired assets.
- Initiate coverage with BUY driven by three core pillars: supportive medium-term gold outlook, synergies with parent group, and proven execution track record in turning around complex emerging-market mines. Target price of HK$139.21 pegged to 11.1x 2027F PE.

Analysis

- **Supportive gold outlook and synergies with parent.** Under our 2026 gold price assumption of US$4,500/oz, Zijin Gold International Co (Zijin Gold) serves as Zijin Mining Group's (Zijin Mining) dedicated listed overseas gold platform, offering investors more direct exposure to its global gold assets while retaining access to the parent's technical, financing and sales support. The parent-backed model also gives access to lower-cost funding channels.
- **Proven emerging market execution underpins visible growth.** Zijin Gold's proprietary "Five-Stage-Integrated Life-of-Mine" model supports the operation of complex emerging market mines avoided by some Western peers. The proposed Allied Gold Corp acquisition could support over 80% of Zijin Gold's 2030 annual production target of 100 tonnes.
- **Initiate coverage with a BUY rating and a target price of HK$139.21** pegged to 11.1x 2027F PE, derived by applying a 30% premium to peers' average 2027F PE of 8.5x, reflecting the company's differentiated cost capabilities in processing low-grade and refractory ores and its stronger production growth outlook relative to peers'.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	2,990	5,383	9,168	11,187	11,656
EBITDA	1,382	3,228	6,510	7,795	8,036
Operating profit	969	2,557	5,662	6,859	6,996
Net profit (rep./act.)	481	1,602	3,587	4,323	4,414
Net profit (adj.)	481	1,602	3,587	4,323	4,414
EPS (US$cent)		59.8	134.0	161.5	164.9
PE (x)	n.a.	25.2	11.2	9.3	9.1
P/B (x)	n.a.	4.8	3.7	2.9	2.4
EV/EBITDA (x)	25.9	11.1	5.5	4.6	4.4
Dividend yield (%)	n.a.	0.8	2.7	3.2	3.3
Net margin (%)	16.1	29.7	39.1	38.6	37.9
Net debt/(cash) to equity (%)	16.2	(36.2)	(50.8)	(60.7)	(67.7)
Interest cover (x)	32.0	87.2	192.0	275.7	439.8
ROE (%)	22.2	29.9	37.2	34.9	28.6
Consensus net profit (US$m)	-	-	3,099.7	3,700.3	4,079.5
UOBKH/Consensus (x)	-	-	1.16	1.17	1.08

Source: Zijin Gold, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Materials
Bloomberg ticker	2259 HK
Shares issued (m)	2,676.3
Market cap (HK$m)	316,343.3
Market cap (US$m)	40,351.5
3-mth avg daily t'over (US$m)	129.4

Price Performance (%)

52-week high/low HK$268.00/ HK$84.20

1mth	3mth	6mth	1yr	YTD
7.8	(32.5)	(30.5)	n.a.	(19.0)

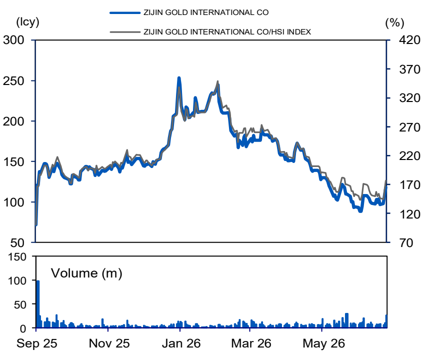
Major Shareholders

	%
Gold Mountains HK International Mining Co Ltd	64.60
ZIJIN NORTHWEST	20.40
Schroders PLC	1.38

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	4.07
FY26 Net Debt/Share (Rmb)	2.07

Price Chart



Source: Bloomberg

Company Description

Zijin Gold International Co conducts gold exploration, mining, processing, and other businesses. The company produces gold ingots, gold alloys, gold concentrates, and other products. Its products are sold throughout Hong Kong.

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This report uses the closing prices of 17 July 26

Investment Highlights

Supportive medium-term gold outlook underpins earnings growth. Although higher real yields and a stronger US dollar remain near-term headwinds, central bank demand, geopolitical fragmentation and concerns over fiscal sustainability continue to support the medium-term outlook. Central banks purchased 863 tonnes of gold in 2025 (well above historical averages), led by emerging markets' (EM) reserve diversification and de-dollarisation. Concurrently, US fiscal deficits (US$1.77t, or 5.8% of GDP in 2025) exacerbate concerns over currency debasement. On the supply side, global mine output edged up just 1% in 2025 amid declining ore grades and extended approval cycles. Against this backdrop, our valuation uses a realised gold price assumption of US$4,500/oz for 2026, providing a supportive earnings base for unhedged producers such as Zijin Gold.

Central bank demand and constrained mine supply support the medium-term gold outlook.

Execution strength in complex EM assets supports margin resilience. Zijin Gold's key operating strength is not simply its low-cost base, but its proven ability to turn around complex EM mines (eg, Buriticá, Akyem) that have posed greater operational challenges to some Western peers. The company's proprietary "Five-Stage-Integrated Life-of-Mine" model allows it to improve the commercial viability of lower-grade and refractory ore bodies. While headline all-in sustaining cost (AISC) moved up from US$1,458/oz in 2024 to US$1,501/oz in 2025 and US$1,638/oz in 1Q26, we note this step-up primarily reflects higher gold-linked royalty expenses rather than operational deterioration. The underlying cost structure remains competitive, providing a margin buffer if gold prices weaken while retaining meaningful upside as spot prices rise.

Operational expertise in complex EM assets supports cost and margin resilience.

Visible production growth in a supply-constrained sector. In an industry struggling to replace reserves, Zijin Gold offers visible volume growth towards its 2030 annual production target of 100 tonnes. Following an output of 46.9 tonnes in 2025 and 13.46 tonnes in 1Q26, management guides 59.2 tonnes for 2026. The proposed Allied Gold Corp (Allied Gold) acquisition, if completed, could help Zijin Gold meet over 80% of its 2030 production target of 100 tonnes through existing and acquired assets. This would narrow the production gap from now to the 2030 target and bring forward part of the production contribution, although integration and jurisdiction risks remain. This visible medium-term pipeline supports a valuation premium.

Existing and acquired assets could support over 80% of the 2030 production target.

Earnings inflection is immediate, material, and highly visible. The company's volume and margin drivers are already reflected in the financials. Following a two-year net profit CAGR of 61.9% (2022-24), 2025 net profit rose 233% yoy to US$1.6b. Earnings growth accelerated further in 1Q26, with net profit up 385% yoy to US$807m. Moreover, IPO proceeds shifted the balance sheet from a pre-IPO net debt of US$0.5b to post-IPO net cash of US$4b, providing additional funding capacity for acquisitions. Looking ahead, full-year contributions from newly-acquired assets and sustained operational delivery should support a strong earnings growth trajectory. We view this front-loaded cash flow generation as a key catalyst for near-term valuation re-rating.

Rapid earnings growth and a net-cash balance strengthen the case for re-rating.

Valuation

We initiate coverage on Zijin Gold with a BUY rating and a target price of HK$139.21 derived from 11.1x 2027F PE. This implies a 30% premium to Hong Kong-listed peers' average of 8.5x. We believe this premium is justified by Zijin Gold's differentiated cost capabilities in processing low-grade and refractory ores and its stronger production growth outlook relative to peers', with a 2025 gross margin of 52.6% vs Shandong Gold Group's (Shandong Gold) 50.6%, and a net profit attributable growth of 232.7% yoy in 2025. While the shares have performed strongly ytd, the recent share-price consolidation may offer a better entry point, allowing investors to gain exposure to a company with visible path towards an annual gold production of 100 tonnes by 2030 before the 2026 earnings uplift is fully priced in.

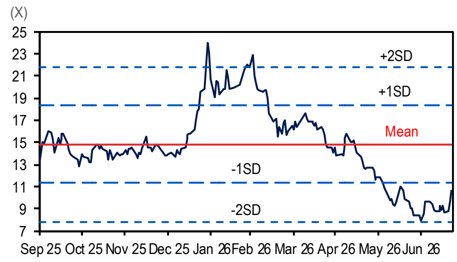
The stock deserves a premium due to its differentiated cost capabilities and stronger production growth outlook.

Figure 1: Realised And Assumed Gold Prices

Price Level	Unit	2025	2026F	2027 F	2028 F
High	US$/oz		5,625	5,625	5,625
Middle	US$/oz	3,524	4,500	4,500	4,500
Low	US$/oz		3,375	3,375	3,375

Source: Zijin Gold, UOB Kay Hian

Figure 3: Forward PE Band



Source: Bloomberg, UOB Kay Hian

Scenario analysis supports a favourable risk-reward profile. To assess earnings sensitivity to changes in the macro environment, we modelled gold prices at our house assumption of US$4,500/oz across 2026-28. We view this flat forward curve as a balanced medium-term assumption, reflecting structural demand support alongside near-term headwinds from higher rates and a stronger US dollar. With this base-case price assumption, the implied valuation remains attractive and provides the basis for our target price.

Figure 2: Sensitivity Of Gross Profit To Macroeconomic Changes

Hypothetical fluctuation of gold price	-30%	-20%	-15%	-10%	-5%	5%	10%	15%	20%	30%
Change in gross profit (US$m)	(2,751)	(1,834)	(1,375)	(917)	(458)	458	917	1,375	1,834	2,751
Percentage change in gross profit margin	-46%	-30%	-23%	-15%	-8%	8%	15%	23%	30%	46%
Change in profit for the period (US$m)	(1,870)	(1,247)	(935)	(623)	(312)	312	623	935	1,247	1,870
Percentage change in net profit	-47%	-31%	-23%	-16%	-8%	8%	16%	23%	31%	47%

Source: UOB Kay Hian

Cost position supports downside resilience and upside participation. In our bear case, a more hawkish monetary-policy outlook and higher real yields could drive gold prices down 25% to US$3,375/oz, which our sensitivity analysis suggests would reduce net profit by about 39%. Even in this stressed scenario, gold prices remain well above Zijin Gold's 1Q26 AISC of US$1,638/oz, allowing the asset base to remain cash-generative. Conversely, in our bull case, gold at US$5,625/oz (+25%) would support a 39% rise in earnings through Zijin Gold's largely unhedged production profile. Our US$4,500/oz base case thus retains a margin of safety while leaving room for further upside if gold prices recover.

Figure 4: Peer Comparison

Company	Ticker	Price @ 22 Jul 26 (HK$)	Market Cap (US$m)	PE 2026F (x)	PE 2027F (x)	PE 2028F (x)	P/B 2026F (x)	P/B 2027F (x)	P/B 2028F (x)	EV/EBITDA 2026F (x)	EV/EBITDA 2027F (x)	EV/EBITDA 2028F (x)	Div. Yield 2026F (%)	ROE 2026F (x)
Shandong Gold	1787 HK	19.86	134,398	8.7	7.5	6.2	1.5	1.4	1.2	7.2	6.4	5.9	4.5	18.2
Zhaojin Gold	1818 HK	21.02	74,461	12.2	8.9	6.6	2.1	1.7	1.4	7.6	5.6	4.1	0.9	18.7
Zijin Mining	2899 HK	33.42	967,970	9.5	8.3	7.2	3.0	2.4	1.9	6.9	6.1	5.5	3.1	36.6
CMOC	3993 HK	17.36	464,601	9.6	9.1	8.3	2.9	2.4	2.0	6.3	5.9	5.5	3.4	33.8

Source: Bloomberg, UOB Kay Hian

Business Outlook

Chinese miners are expanding overseas to access a global gold market with supply growth constraints. Zijin Gold offers investors a direct listed vehicle with which to participate in this trend. Global gold demand, excluding over-the-counter trading, hit a record 4,999 tonnes in 2025 (+8% yoy), while mine production rose just 1% yoy to 3,672 tonnes, with recycling filling the remaining 28% supply gap. This highlights the industry's limited ability to respond quickly to rising investment and central bank demand. Overseas expansion gives miners access to higher-quality assets that are scarce domestically, supports reserve replacement and reduces reliance on mature local ore bodies.

Overseas expansion provides access to scarce, higher-quality gold assets.

Zijin Gold offers direct listed exposure to overseas gold assets… The company consolidates the parent group's overseas gold operations within a separately listed Hong Kong platform. This provides investors with relatively direct exposure to global gold prices while retaining access to Zijin Mining's technical expertise, trading network and financing support. The separate listing structure also reduces investors' exposure to some of the regulatory and capital-control considerations associated with domestic mining assets.

…and has a comparatively pure overseas gold portfolio. The company has a diversified geographic footprint across Latin America, Central Asia, Africa and Oceania, delivering 46.9 tonnes of mined gold production in 2025. This compares favourably with 12.6 tonnes of overseas output at Shandong Gold, whose production remains predominantly domestic. Meanwhile, CMOC Group (CMOC) is primarily a base metals producer, with its gold projects still at an earlier stage of development. Compared with peers, Zijin Gold offers relatively direct exposure to global gold prices through a mature production base.

Zijin Gold offers comparatively pure listed exposure to a mature overseas gold portfolio.

Visible production ramp-up improves path to 100 tonnes. Zijin Gold's growth strategy is driven by two pillars: a) resource consolidation through acquisitions, and b) operational optimisation of acquired assets. Recent acquisitions have reshaped the company's production profile across three phases. Baseline production was 46.9 tonnes in 2025. Output is targeted to rise to 59.2 tonnes in 2026, driven by existing assets and the initial ramp-up at Raygorodok. Production is projected to reach 70-75 tonnes by 2028, bringing the company closer to its annual production target of 100 tonnes by 2030.

Production is targeted to rise from 46.9 tonnes in 2025 to 100.0 tonnes by 2030.

M&A supports remaining production required for 2030 target. Based on original life-of-mine plans, organic production was forecast to plateau at 65 tonnes by 2027, leaving a 35-tonne shortfall against the 2030 target. The Jan 26 acquisition of Allied Gold will close much of this gap by adding 12 tonnes of near-term production and approximately 25 tonnes by 2029. The proposed Allied Gold acquisition, if completed, would help Zijin Gold meet more than 80% of its 2030 annual production target of 100 tonnes

Allied Gold could close much of Zijin Gold's remaining gap from now to the 2030 target.

Most overseas expansion targets have technically under-optimised assets. The company follows a disciplined acquisition strategy focusing on resource-rich but under-optimised gold assets in Central Asia, South America and West Africa. Several of its Central Asian assets are in Belt and Road markets, consistent with the parent group's broader overseas strategy, although the portfolio extends well beyond these regions. The approach builds on Zijin Mining's track record of targeting assets constrained by operational bottlenecks. Raygorodok and the Allied Gold portfolio are examples, enabling Zijin Gold to acquire sizeable reserves at valuations below the global industry average.

Disciplined acquisitions target resource-rich assets with clear operational upside.

Approved expansion projects underpin medium-term production growth. Volume growth is supported by sanctioned expansions scheduled for 2026-28, reducing a reliance on uncommitted exploration upside. Mill throughput at Akyem is set to increase from 8m tonnes pa to more than 13m tonnes pa to improve asset economics. Raygorodok's processing capacity will expand from 6m tonnes pa to 16m tonnes pa, while Rosebel's throughput is expected to rise from 8m tonnes pa to 18m tonnes pa to process high-grade Saramacca deposits. The integration of all three mines reduced Rosebel's AISC from a pre-acquisition peak of US$1,824/oz to US$1,463/oz in 2025, with further efficiency gains expected.

Expansion of key mines in 2026-28 will support volume growth, reducing a reliance on uncommitted exploration upside.

Proprietary processing technology supports complex, lower-grade ore extraction. For example, Norton Gold Fields uses proprietary bio-heap leaching to process ultra-low-grade ore of approximately 0.7g/tonne. While material at this grade remains relatively costly to process compared with the 1.2g/tonne global average, the technology converts ore that would otherwise be difficult to process profitably into cash flow. Meanwhile, Aurora's transition from open-pit to underground mining, expected to reach full capacity by 2026, provides access to higher-grade reserves and should support a meaningful improvement in profitability.

Proprietary technologies improve the economics of extracting complex and lower-grade ores.

Strong cash flow and competitive debt financing reduce near-term equity funding needs. Balance-sheet capacity is an important consideration given Zijin Gold's production targets. The company entered the expansion phase with a strong liquidity position, ending 2025 with US$3.62b in cash and US$0.58b of interest-bearing borrowings, equivalent to about US$3.0b in net cash. While 2026-28 will require more capex, Zijin Gold generated approximately US$2.4b in operating cash flow in 2025. Parent-group credit support also allows it to access domestic debt at below 3%, compared with capital costs of 5% or more for many Western peers. This funding structure should allow the current capacity expansion to be largely financed through internal cash flow and debt.

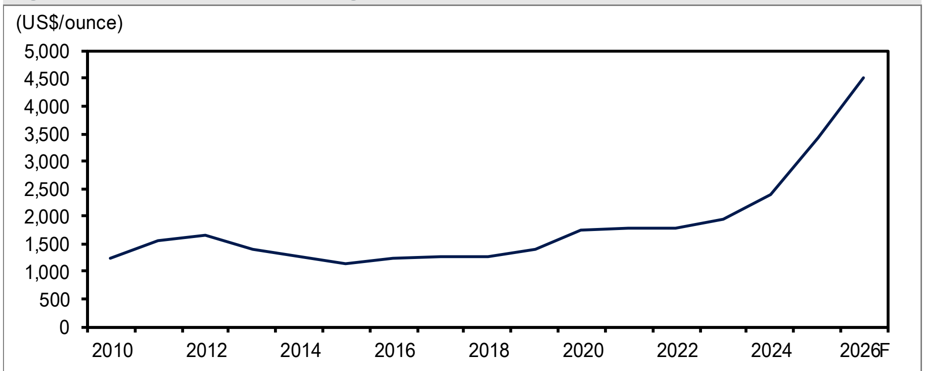
Strong cash flow and low-cost funding reduce near-term equity financing needs.

Industry Overview

Central bank buying and fiscal concerns support gold despite near-term macro headwinds.

The medium-term gold outlook remains supported by central bank buying, geopolitical uncertainty and concerns over fiscal sustainability, although higher interest rates and a stronger US dollar remain near-term headwinds. According to Frost & Sullivan, gold is playing a larger role in reserve diversification and portfolio allocation amid de-dollarisation and geopolitical fragmentation. These factors supported the annual average spot gold price, which rose from US$2,386.4/oz in 2024 to US$3,431.5/oz in 2025, although recent weakness points to a more volatile path in 2026.

Figure 5: Global Annual Average Gold Spot Price



Source: Zijin Gold, Frost & Sullivan, UOB Kay Hian

Less price-sensitive central bank demand may cushion periods of weaker investment demand.

The sources of gold demand have shifted materially. While traditional jewellery demand remains price-sensitive, net official-sector purchases have become an increasingly important marginal driver. EM central banks continue to accumulate gold to diversify forex reserves and hedge against systemic risks. Their demand tends to be larger-scale, more persistent and less price-sensitive, which may provide some downside support during periods of weaker investment or ETF demand.

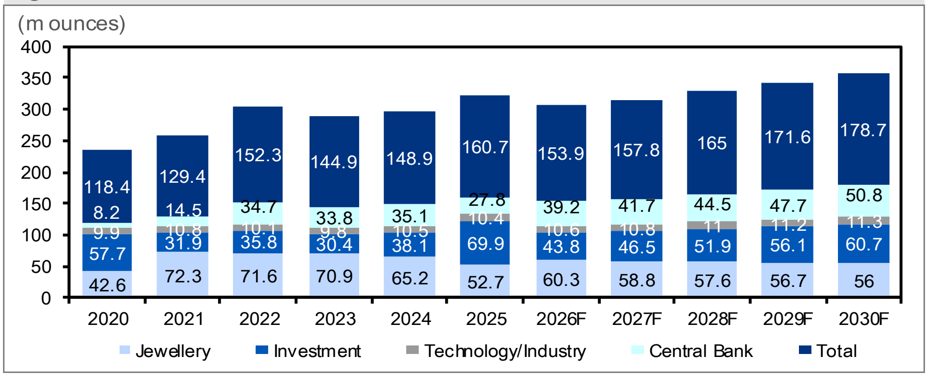
Figure 6: Global Gold Demand By CAGR (2020-30)

Segment	2020-24 CAGR	2025 yoy growth	2024–30F CAGR
Jewellery	11.00%	-19.2%	-2.40%
Investment	-9.90%	83.5%	8.10%
Technology/Industry	1.40%	-1.0%	1.20%
Central Banks	43.70%	-21.0%	6.40%
Total	5.80%	8.0%	3.20%

Source: Zijin Gold, World Gold Council, Frost & Sullivan, UOB Kay Hian

Although 2025 demand diverged sharply by segment, with jewellery fabrication demand down 19% yoy and investment demand up 84% amid record gold prices, we view this as a cyclical response to price movements rather than evidence of a structural change in the longer-term demand outlook.

Figure 7: Global Gold Demand



Source: Zijin Gold, World Gold Council, Frost & Sullivan, UOB Kay Hian

By contrast, global mine supply growth remains constrained by three structural factors: fewer large-scale discoveries that can be readily developed, declining average head grades at existing mines, and project lead times that can exceed 10 years due to stricter ESG requirements and more complex stakeholder approval processes.

With global production expected to grow only modestly, Zijin Gold's visible path towards 100 tonnes in annual production stands out relative to the industry. We believe this above-industry growth profile supports a valuation premium, subject to the successful integration and ramp-up of acquired assets.

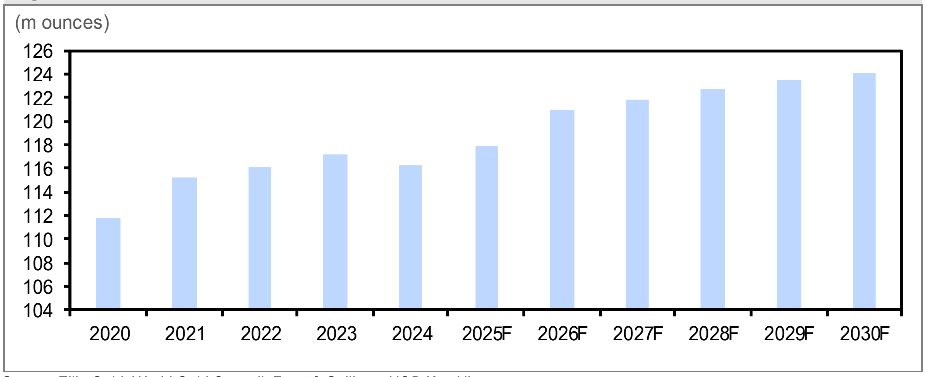
Zijin Gold's visible production growth stands out in a slow-growing global industry.

Figure 8: Global Gold Demand By CAGR (2020-30)

	2020-24 CAGR	2025 yoy growth	2024-30F CAGR
Total	1.0%	0.6%	1.1%

Source: Zijin Gold, World Gold Council, Frost & Sullivan, UOB Kay Hian

Figure 9: Global Gold Production (2020-30)



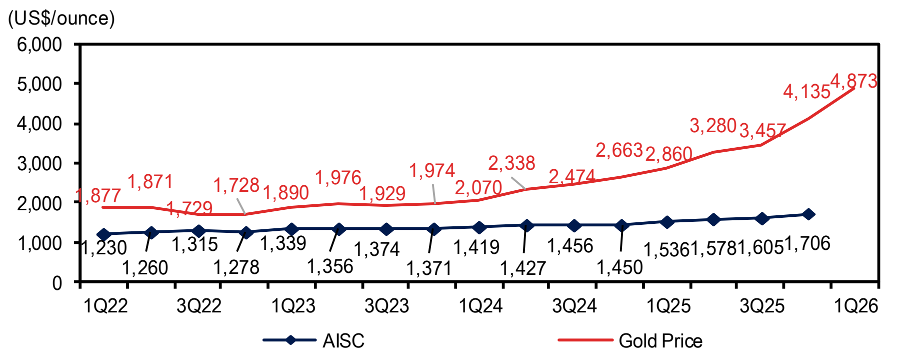
Source: Zijin Gold, World Gold Council, Frost & Sullivan, UOB Kay Hian

Compounding the supply constraints is the structural elevation of the global gold industry's AISC curve. While part of the AISC step-up reflects higher gold-linked royalty expenses, the underlying cost structure remains competitive, and the company's scale, grade improvement and asset optimisation should help offset broader inflationary pressure gradually. Marginal increases in production costs may provide some support to gold prices over time by lifting the industry's breakeven level.

A lower cost position provides downside protection while preserving upside to gold prices.

This dynamic creates a highly asymmetric profitability environment for Zijin Gold. Its position towards the lower end of the global cost curve, with AISC of US$1,458/oz in 2024 and US$1,501/oz in 2025, provides a meaningful margin buffer when gold prices fall. At the same time, because unit costs do not rise proportionately with gold prices, a large share of any price increase can flow through to profit. This combination of downside resilience and upside sensitivity underpins the earnings leverage discussed in our forecasts.

Figure 10: Average AISC And Average Gold Spot Price (Quarterly), Global



Source: Zijin Gold, World Gold Council, Frost & Sullivan, UOB Kay Hian

Earnings Forecasts

We forecast net profit growing at a three-year CAGR of 40% over 2025-28.

We expect net profit attributable to owners of the parent group to increase to US$3.6b/US$4.3b/US$4.4b in 2026/2027/2028 respectively. This implies a three-year CAGR of 40% from 2025's US$1.6b, driven by visible production growth across the asset portfolio and our base-case gold price assumption of US$4,500/oz in 2025-28. We foresee an earnings uplift concentrated in the near term and supported by identifiable asset contributions, as full-year consolidation of newly-added assets kicks in while Zijin Gold maintains meaningful leverage to bullion prices through its largely unhedged production profile.

Attributable production growth remains the primary driver of the revenue uplift.

Revenue is forecast to grow 70.3%/22.0%/4.2% yoy to US$9.2b/US$11.2b/ US$11.7b in 2026/2027/2028 respectively, underpinned by a rise in attributable gold production from 45.4 tonnes in 2025 to 63.1 tonnes/77.0 tonnes/80.2 tonnes over the same period. We expect this volume-led expansion to remain the primary driver of revenue growth, with the flat realised gold price assumption providing a balanced base against a volatile but structurally supported medium-term outlook.

Ore grade improvements and operating normalisation should partly offset cost inflation.

Cost inflation remains the key operating risk. AISC increased from US$1,046/oz in 2022 to US$1,449/oz in 2023 and US$1,458/oz in 2024 before rising further to US$1,501/oz in 2025 and US$1,638/oz in 1Q26, reflecting continued pressure from labour, energy, consumables and royalty expenses across the industry. That said, we do not view the recent rise in AISC as a structural deterioration in operating quality. More importantly, Zijin Gold remains competitively positioned on the global cost curve, and we expect an ore grade uplift from Aurora's underground expansion, together with the normalisation of Rosebel's operations and broader production scale-up, to partially offset the inflationary pressure in the medium term.

Given the company's unhedged production profile, earnings remain highly leveraged to gold price movements. A ±10% change in realised gold prices would translate into a ±16% change in net profit, while even under our bear-case gold price assumption of US$3,375/oz, the company would remain highly cash-generative, with 2025 AISC of US$1,501/oz still implying a margin buffer of about US$1,874/oz.

Strong earnings leverage and free cash flow support the company's expansion outlook.

Strong cash generation should provide additional support to our earnings outlook. Based on our current model, the company is expected to generate free cash flow of about US$3.6b/US$4.2b/US$4.4b in 2026/2027/2028 respectively, supported by rising operating cash flow as production scales despite still-elevated capex during the expansion phase, while the balance sheet remains in a net cash position across 2025-28 following the post-IPO shift from net debt of US$0.5b to about US$3.0b in net cash. Cost capabilities, earnings growth, free cash flow generation and net cash balance support our BUY rating with a target price of HK$139.21, derived from 11.1x 2027F PE.

Profit & Loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	**5,383.5**	**9,168.4**	**11,187.3**	**11,655.7**
EBITDA	3,227.9	6,509.9	7,795.0	8,035.8
Deprec. & amort.	671.0	847.9	935.5	1,039.5
EBIT	2,556.9	5,662.0	6,859.5	6,996.3
Total other non-operating income	164.0	164.0	164.0	164.0
Associate contributions	70.3	70.3	70.3	70.3
Net interest income/(expense)	(37.0)	(33.9)	(28.3)	(18.3)
Pre-tax profit	**2,754.1**	**5,862.4**	**7,065.4**	**7,212.2**
Tax	(881.6)	(1,876.7)	(2,261.8)	(2,308.4)
Minorities	(270.9)	(398.6)	(480.4)	(490.3)
Net profit	1,601.6	3,587.2	4,323.3	4,413.5
Net profit (adj.)	**1,601.6**	**3,587.2**	**4,323.3**	**4,413.5**

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	3,737.1	3,730.1	3,665.7	3,543.6
Other LT assets	3,714.1	3,780.2	4,100.6	4,631.1
Cash/ST investment	3,616.8	6,056.4	8,868.1	11,757.6
Other current assets	1,499.5	1,950.8	2,404.7	2,580.8
Total assets	**12,567.5**	**15,517.6**	**19,039.0**	**22,513.1**
ST debt	158.1	142.3	113.8	68.3
Other current liabilities	1,093.3	1,192.0	1,311.5	1,374.0
LT debt	423.4	381.1	304.9	182.9
Other LT liabilities	1,997.5	1,997.5	1,997.5	1,997.5
Shareholders' equity	8,374.5	10,885.5	13,911.8	17,000.5
Minority interest	520.7	919.2	1,399.6	1,889.9
Total liabilities & equity	**12,567.5**	**15,517.6**	**19,039.0**	**22,513.1**

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	**2,402.5**	**4,478.8**	**5,402.4**	**5,826.0**
Profit fo the year	2,754.1	5,862.4	7,065.4	7,212.2
Tax	(881.6)	(1,876.7)	(2,261.8)	(2,308.4)
Deprec. & amort.	671.0	847.9	935.5	1,039.5
Associates	(70.3)	(70.3)	(70.3)	(70.3)
Working capital changes	(425.2)	(354.9)	(336.8)	(116.3)
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	354.4	70.3	70.3	69.3
Investing	**(4,840.1)**	**(907.1)**	**(1,191.4)**	**(1,448.0)**
Capex (growth)	(595.2)	(600.0)	(600.0)	(600.0)
Investment	178.1	178.1	178.1	178.1
Others	(4,425.4)	(485.2)	(769.5)	(1,026.0)
Financing	**5,819.3**	**(1,132.1)**	**(1,399.3)**	**(1,488.6)**
Dividend payments	(316.2)	(1,076.1)	(1,297.0)	(1,323.8)
Proceeds from borrowings	185.7	(58.2)	(104.7)	(167.5)
Loan repayment	(396.0)	0.0	0.0	0.0
Others/interest paid	6,345.8	2.2	2.4	2.6
Net cash inflow (outflow)	3,381.6	2,439.5	2,811.8	2,889.4
Beginning cash & cash equivalent	234.6	3,616.8	6,056.4	8,868.1
Changes due to forex impact	0.6	0.0	0.0	0.0
Ending cash & cash equivalent	**3,616.8**	**6,056.4**	**8,868.1**	**11,757.6**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	60.0	71.0	69.7	68.9
Pre-tax margin	51.2	63.9	63.2	61.9
Net margin	29.7	39.1	38.6	37.9
ROA	17.8	25.5	25.0	21.2
ROE	29.9	37.2	34.9	28.6
Growth				
Turnover	80.1	70.3	22.0	4.2
EBITDA	133.6	101.7	19.7	3.1
Pre-tax profit	193.9	112.9	20.5	2.1
Net profit	232.7	124.0	20.5	2.1
Net profit (adj.)	232.7	124.0	20.5	2.1
EPS	n.a.	124.0	20.5	2.1
Leverage				
Debt to total capital	6.1	4.2	2.7	1.3
Debt to equity	6.9	4.8	3.0	1.5
Net debt/(cash) to equity	(36.2)	(50.8)	(60.7)	(67.7)
Interest cover (x)	87.2	192.0	275.7	439.8

Appendix I – Company Background

CORPORATE PROFILE & HISTORY

a) Company Overview

Overseas gold platform. Zijin Gold serves as Zijin Mining's primary overseas gold financing and operating platform. Established to consolidate the group's international gold portfolio, Zijin Gold has evolved from a single-asset operator into a global mining major with a diversified footprint across South America, Africa, Central Asia, and Oceania.

The company's operating approach draws on Zijin Mining's capabilities in processing low-grade and refractory ores to improve under-optimised assets. As of early-26, following the acquisition of Allied Gold and the integration of the Akyem gold mine, Zijin Gold operated 12 core producing mines. This portfolio places it among the larger global gold producers and offers investors direct exposure to a growth-oriented, pure-play gold platform listed on the HKEX.

b) Key Milestones And Development History

The company's international expansion began in 2007 with the acquisition of the Jilau and Taror gold mines in Tajikistan (operated by ZGC and Zeravshan respectively). Over the following decade, the company applied its operating model in Kyrgyzstan, through the acquisition of the Taldybulak Levoberezhny gold mine in 2011, and in Australia, through the acquisition of Norton Gold Fields from 2012-15, demonstrating its ability to manage assets across different jurisdictions.

Expansion accelerated after 2020 with the acquisition of high-grade assets in South America, including the Buriticá gold mine in Colombia and the Aurora gold mine in Guyana, followed by the Rosebel gold mine in Suriname (2023) and the Akyem gold mine in Ghana (2025). The Buriticá gold mine is operated through a Colombia Entrustment Arrangement due to specific strategic considerations.

The 2023 acquisition of the Rosebel gold mine was an important milestone. Through cost optimisation and technical upgrades, Zijin Gold cut Rosebel's AISC from a historical high of US$1,824/oz in 2022 under IAMGOLD to US$1,463/oz in 2023, demonstrating its turnaround capabilities.

Following its Main Board listing on the HKEX in Sep 25, the company announced its largest transaction to date in early-26: the C$5.5b merger with Allied Gold. This transaction, together with the acquisition of Newmont's Akyem mine, has strengthened the company's presence in the West African gold belt and increased its scale among international gold producers.

Key Milestones

Year	Event
2007	Acquisition of the Jilau and Taror gold mines in Tajikistan.
2011	Acquisition of the Taldybulak Levoberezhny gold mine in Kyrgyzstan.
2012-15	Acquisition of the Norton gold mine in Australia.
2015	Investment in the Porgera gold mine in Papau New Guinea.
2020	Acquisition of the Buriticá gold mine in Colombia and Aurora gold mine in Guyana.
2023	Acquisition of the Rosebel gold mine in Suriname.
2025	Acquisition of the Akyem gold mine in Ghana.
	Completion of reorganisation.
	Acquisition of the Raygorodok gold mine in Kazakhstan.
2026	Proposed acquisition of Allied Gold, including the Sadiola gold mine, Côte d'Ivoire Complex (CDI Complex) and Kurmuk gold mine.

Source: Zijin Gold, HKEX, UOB Kay Hian

GLOBAL ASSET PORTFOLIO OVERVIEW

a) The South American Cluster: High-Grade And Turnaround Stories

The company's South American portfolio is characterised by high-grade reserves and significant optimisation potential. The Buriticá gold mine in Colombia is the key high-grade asset, with an average head grade of over 7g/tonne, and is one of the lowest-cost underground mines in the portfolio. Rosebel in Suriname is a large-scale open-pit operation. Since taking it over from IAMGOLD, management has focused on extending mine life by exploring near-mine areas and improving mill throughput, repositioning it as a more stable cash flow contributor. The cluster also includes the Aurora gold mine in Guyana and the La Arena project in Peru, providing a mix of current production and longer-term development potential.

Notably, three of the mines delivered 2025 production below their earlier official guidance ranges, with Buriticá affected by lower feed grades and elevated underground development activity, and Rosebel and Aurora still in the operational optimisation and transition phases respectively.

South American Mine Production And 2026 Guidance

Asset Name	Location	Interest	2024 Production (Actual) (Tonnes / koz)	2025 Production (Actual) (Tonnes / koz)	2026 Guidance (Official) (Tonnes / koz)	Remarks
Buriticá	Colombia	68.77%*	10.0 tonnes / 344 koz	8.8 tonnes / 283 koz	9.2 tonnes / 296 koz	High-grade underground asset; output recovery targeted in 2026.
Rosebel	Suriname	95%	7.5 tonnes / 241 koz	8.3 tonnes / 267 koz	8.7 tonnes / 280 koz	Operational optimisation to support continued ramp-up.
Aurora	Guyana	100%	4.1 tonnes / 132 koz	4.5 tonnes / 145 koz	5.0 tonnes / 161 koz	Plant upgrade and underground ramp-up to drive growth.

** Buriticá is managed via an Entrustment Agreement pending arbitration resolution.*
Source: Zijin Gold, UOB Kay Hian

b) The West African Cluster: The New Growth Engine

With the proposed 2026 integration of Allied Gold and Akyem, West Africa has emerged as Zijin Gold's new growth engine. The Akyem gold mine in Ghana, acquired from Newmont, is a Tier 1 asset known for its robust cash margins and established infrastructure. The acquisition of Allied Gold would add the Sadiola gold mine in Mali and the Agbaou/Bonikro complex in Côte d'Ivoire to the portfolio. Sadiola, in particular, offers substantial upside through its sulphide expansion project, which aligns well with the company's expertise in roasting and pressure oxidation technologies. This cluster provides the scale and volume necessary for the company to achieve its medium-term production target of 100 tonnes per annum by 2030.

In contrast to the South American cluster, West Africa is defined more by integration-led growth than by asset turnaround. Akyem adds immediate scale, while Sadiola and Kurmuk provide the clearest medium-term growth visibility through expansion and project commissioning.

West African Asset Production And 2026 Guidance

Asset Name	Location	Interest	2024 Production (Actual) (Tonnes / koz)	2025 Guidance (Official) (Tonnes / koz)	2026 Guidance (Official) (Tonnes / koz)	Remarks
Akyem	Ghana	100%	6.4 tonnes / 206 koz	5.3-5.9 tonnes / 170-190 koz	5.3-5.9 tonnes / 170-190 koz	Tier 1 asset acquired from Newmont.
Sadiola	Mali	80%	6.0 tonnes / 193 koz	6.2-6.5 tonnes / 200-210 koz	6.2-7.2 tonnes / 200-232 koz	Sulphide expansion to drive medium-term growth.
Bonikro	Côte d'Ivoire	90%	3.1 tonnes / 98 koz	2.9-3.2 tonnes / 95-105 koz	3.1 tonnes / 100 koz	Together with Agbaou, it forms the CDI Complex, with high-grade focus.
Aqbaou	Côte d'Ivoire	85%	2.4 tonnes / 77 koz	2.3-2.6 tonnes / 75-85 koz	2.7 tonnes / 87 koz	Together with Bonikro, it forms the CDI Complex, with steady oxide operation.
Kurmuk	Ethiopia	100%	N/A (Construction)	N/A (Construction)	9.0 tonnes / 290 koz	Greenfield project; first gold targeted in 2H26.

Note: 2024 figures and 2025 guidance for Sadiola, Bonikro, Agbaou, and Kurmuk are derived from Allied Gold's public disclosures prior to the merger.
Source: Zijin Gold, UOB Kay Hian

c) The Central Asia And Oceania Base: Mature Cash Cows

The portfolio rests on a foundation of mature, steady-state operations. Norton Gold Fields in Australia serves as a regional processing hub, treating ores from multiple satellite pits at its Paddington Mill. In Central Asia, the Zeravshan (Tajikistan) and Altynken (Kyrgyzstan) mines continue to deliver consistent output. These assets benefit from sunk capital and mature infrastructure, requiring minimal sustaining capex while generating the free cash flow needed to service debt and fund new growth initiatives.

Central Asia And Oceania Mine Production And 2026 Guidance

Asset Name	Location	Interest	2024 Production (Actual) (Tonnes / koz)	2025 Guidance (Actual) (Tonnes / koz)	2026 Guidance (Official) (Tonnes / koz)	Remarks
Norton	Australia	100%	8.3 tonnes / 339 koz	7.9 tonnes / 254 koz	8.4 tonnes / 270 koz	Processing hub asset with blended ore feed and a relatively high cost base.
Jilau/Taror	Tajikistan	70%	5.4 tonnes / 174 koz	6.1 tonnes / 196 koz	6.2 tonnes / 199 koz	Mature asset with incremental expansion upside.
Taldybulak	Kyrgyzstan	60%	3.7 tonnes / 119 koz	3.5 tonnes / 113 koz	3.5 tonnes / 113 koz	Stable production with mine plan optimisation.
Porgera	Papua New Guinea	24.5%	n.a.	1.5 tonnes / 48 koz(Attrib.)	3.3 tonnes / 106 koz (Attrib.)	Non-consolidated JV; operated by Barrick.

Note: The Porgera figures reflect 24.5% attributable interest consistent with prospectus disclosure. The 100% basis production target for 2025 is ~11.7 tonnes (376 koz).
Source: Zijin Gold, UOB Kay Hian

Appendix II – Management Line-up

As of the date of publication, Zijin Gold has a total of 2,676.3m outstanding shares. The controlling shareholder was Zijin Mining, which indirectly owned 2,275m shares (~86.7% stake) via its wholly-owned subsidiaries, Gold Mountains (H.K.) (64.6%) and Zijin Northwest (20.4%). Key executives, including Chairman Lin Hongfu and Directors Wang Chun and Jian Ximing, held beneficial interests in the shares of Zijin Mining. Notably, Mr Lin Hongfu and Mr Wang Chun also hold a 0.01% stake and 0.00% stake in Zijin Gold respectively.

Management Line-up

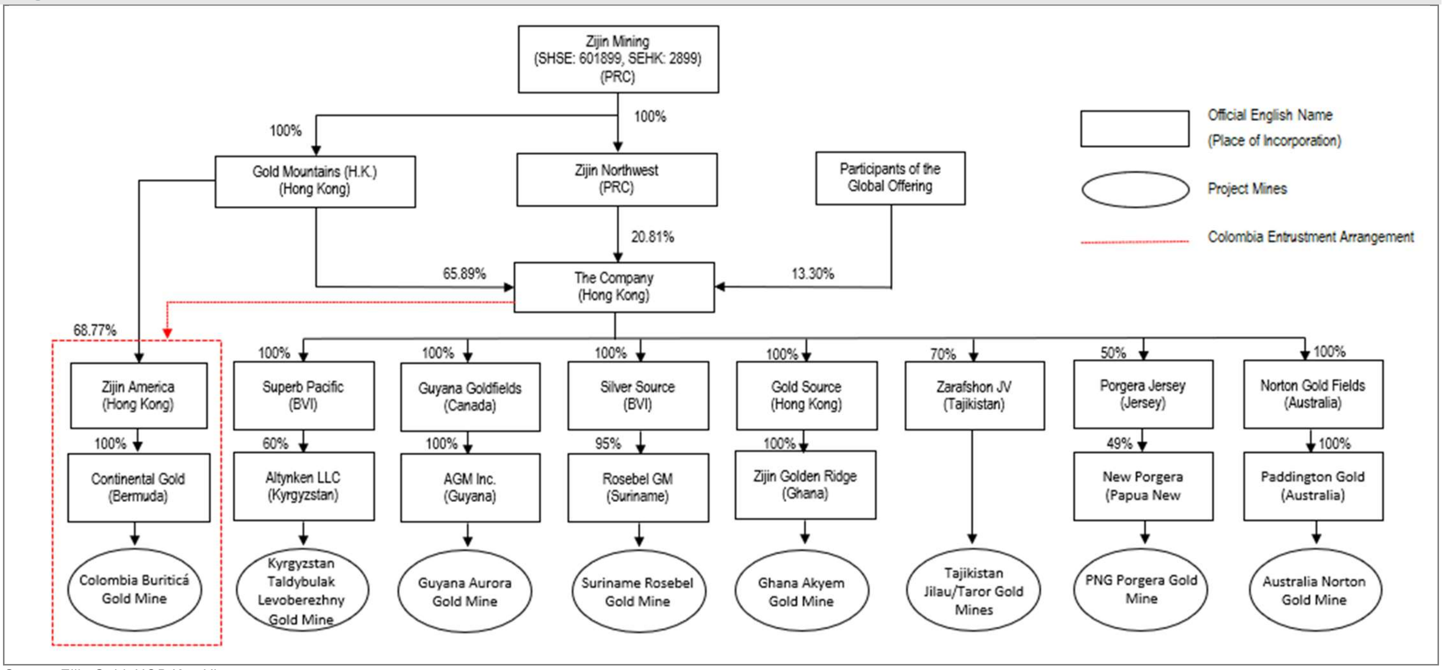
Name	Age	Position(s) for the Current Tenure in the Company	Roles and Responsibilities
Executive Directors			
Guo Xian Jian (郭先健)	66	Chief Executive Officer and Executive Director	Responsible for strategic vision, corporate management and business planning
Yiu Kai (饒佳)	44	Chief Financial Officer and Executive Director	Responsible for the overall financial strategy, corporate finance, capital management, sales and marketing
Huang Zhihua (黃志華)	43	Chief Operating Officer and Executive Director	Responsible for the overall operations management, construction, procurement and logistics
Non-executive Directors			
Lin Hongfu (林泓富)	51	Chairman of the Board and Non-executive Director	Providing guidance and advice to the Board on corporate and business strategies
Wang Chun (王春)	56	Non-executive Director	Providing guidance and advice to the Board on corporate and business strategies
Jian Ximing (簡錫明)	48	Non-executive Director	Providing guidance and advice to the Board on corporate and business strategies
Independent non-executive Directors			
Xie Shaobo (謝少波)	51	Independent non-executive Director	Responsible for supervising and providing independent advice to the Board
Hui Lai Kwan (許麗君)	54	Independent non-executive Director	Responsible for supervising and providing independent advice to the Board
Chan Hon (陳漢)	65	Independent non-executive Director	Responsible for supervising and providing independent advice to the Board
Senior Management			
Guo Xian Jian (郭先健)	66	Chief Executive Officer and Executive Director	Responsible for strategic vision, corporate management and business planning
Yiu Kai (饒佳)	44	Chief Financial Officer and Executive Director	Responsible for the overall financial strategy, corporate finance, capital management, sales and marketing
Huang Zhihua (黃志華)	43	Chief Operating Officer and Executive Director	Responsible for the overall operations management, construction, procurement and logistics
Huang Xiaohong (黃曉虹)	42	Vice president and Joint company secretary	Responsible for strategy, investment, legal affairs and investor relations
Huang Yuanguang (黃遠光)	45	Vice president	Responsible for management tasks in the general affairs department (excluding legal affairs and investment-related matters)
Liao Jiansheng (廖建生)	58	Vice president	Responsible for assisting the Chief Operating Officer in managing projects in Central Asia
Lin Wei (林煒)	43	Vice president	Responsible for assisting the Chief Operating Officer in managing projects in Oceania and Africa
Wang Qianjie (王乾杰)	43	Vice president	Responsible for assisting the Chief Operating Officer in managing projects in South America

Source: Zijin Gold, UOB Kay Hian

Appendix III – Organisational Structure

The company operates under a lean, three-tier organisational structure: headquarters (Hong Kong), regional centres, and mine sites. This structure is designed to decentralise operational decision-making while centralising capital allocation and risk management. As a subsidiary of Zijin Mining, Zijin Gold enjoys an investment-grade credit profile, granting it access to low-cost financing from international banks – a critical competitive edge in a capital-intensive industry.

Organisational Structure



Source: Zijin Gold, UOB Kay Hian

Post-IPO M&A Update

Item	1. Raygorodok Gold Mine (Kazakhstan)	2. Allied Gold Corporation (Canada)
Status	Completed	Pending completion (parties are working to satisfy the remaining conditions by the extended outside date of 29 Jul 26)
Agreement signed	29 Jun 25	26 Jan 26 (arrangement agreement)
Completion	10 Oct 25 (10 days after the Hong Kong listing); the group's ninth gold mine	Not yet closed; shareholders approved on 31 Mar 26; outside date extended to 29 Jul 26 (Canadian ICA, ECOWAS & COMESA clearances received)
Consideration	~US$1.2b (cash-free, debt-free basis; subject to closing adjustments)	C$44.00 per share, all cash (~C$5.5b/US$4.0b)
Seller/counterparty	Cantech S.à r.l. (Luxembourg; Verny Capital/Resource Capital Funds)	Allied Gold shareholders (TSX / NYSE: AAUC; incl. BlackRock, Helikon); shares to be delisted upon closing
Ownership structure	The company → Jinha (Singapore) Mining (Singapore, 100%) → RG Gold LLP & RG Processing LLP (Kazakhstan, 100%; mine assets & processing plant respectively)	The company → Allied Gold Corporation (Canada, 100% upon closing, by plan of arrangement under the Business Corporations Act (Ontario))
Assets	Raygorodok open-pit gold mine, Akmola Region, Kazakhstan (North & South pits, heap leach + processing plant)	Sadiola Gold Mine (Mali); CDI Complex (comprising the Bonikro and Agbaou gold mines); Kurmuk project (Ethiopia, first gold expected in 3Q26)

Source: Zijin Gold, UOB Kay Hian

Appendix IV – Business Model

Gold-focused product mix with by-product support. Zijin Gold's principal business encompasses the exploration, mining, and processing of gold. As Zijin Mining's sole overseas gold platform, the company is primarily engaged in the production and sale of gold, with gold sales accounting for 94.9% of total revenue in 2024. In terms of product mix, the company has established a diversified portfolio tailored to the distinct metallurgical capabilities and ore characteristics of its various mines, including gold ingots, gold doré, and gold concentrates. In addition, by utilising comprehensive recovery technologies to efficiently extract associated metals, sales of by-products such as copper and silver contributed approximately 5.1% of total revenue in 2024, effectively diluting overall operating costs through by-product credits. This number was further compressed to 1.8% in 2025, with gold products generating US$5.29b, or 98.2% of revenue, while other products accounted for 1.8%.

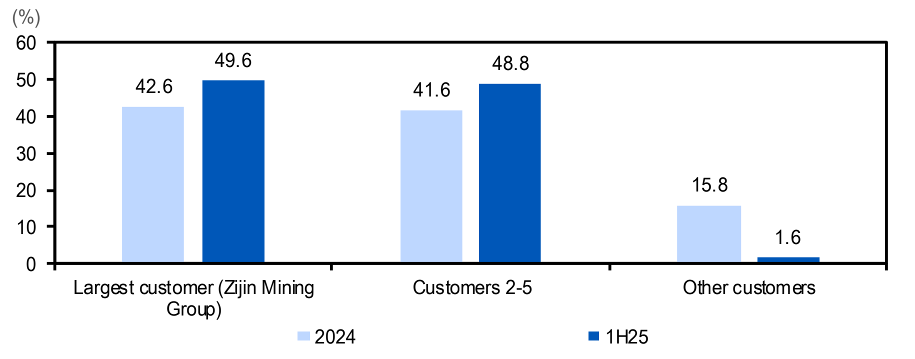
Parent-backed channel lowers receivable risk. Zijin Gold has established a sales framework combining parent-group coordination, national strategy and market-oriented operations to support sales efficiency and reduce receivable risk. Zijin Mining, the company's largest customer and accounting for 42.6% of revenue in 2024, acts as a core trader. Under the Product Sales Framework Agreement, the company sells most of its gold doré and gold concentrates to Zijin Mining's trading subsidiaries. This provides a stable offtake channel, supports working capital discipline and allows the company to use the parent group's established trading network and market access.

EM focus creates acquisition opportunities. As part of its broader growth strategy, Zijin Gold remains open to acquiring assets in resource-rich EMs. Management believes many attractive gold resources are located in jurisdictions where geological quality is high but operational complexity, political risks or legacy issues keep Western majors away. This distinctive focus gives the company access to large-scale opportunities that may be overlooked or discounted due to operational complexity or under-optimisation, creating scope for reserve growth and post-acquisition value creation.

Integrated execution, complex-ore capability, and turnaround discipline sustain low costs. Zijin Gold's profitability is fundamentally supported by its structural cost advantages. AISC edged up 3% yoy to US$1,501/oz in 2025, while the global gold mining industry's average AISC rose around 20% yoy to US$1,706/oz in 4Q25, according to the World Gold Council and Metals Focus. This competitive edge stems from the "Five-Stage-Integrated Life-of-Mine" engineering management model inherited from Zijin Mining. By systematically coordinating the five critical stages of geology, mining, processing, smelting, and environmental protection, Zijin Gold can comprehensively extract value from low-grade and refractory gold resources, including through the deployment of technologies such as bio-heap leaching. This model allows the company to maintain tighter internal control from exploration to operations, accelerate project development, and reduce its reliance on external counterparties.

Scale and speed raise entry barriers. Unlike many competitors, the company can both identify under-valued or operationally difficult assets and improve them through global supply-chain support, centralised procurement, parent-backed financing and post-acquisition execution. Its expertise in handling low-grade and complex ores addresses a technical challenge that many peers find difficult to solve profitably. The company's "Zijin Speed" approach – its relatively rapid integration and operational optimisation of acquired assets – has contributed to an acquisition track record with M&A costs of US$61.3/oz during 2019-24, approximately 52% below the industry average of US$92.9/oz. These factors support a low-cost position that is difficult for competitors to replicate.

Disclosed Customer Concentration (2024 And 1H25)



Source: Zijin Gold, UOB Kay Hian

Appendix V – Risk Factors

Exposure to gold price volatility and cyclical downturns. The company's financial performance is highly sensitive to fluctuations in international gold prices. As Zijin Gold adopts a largely unhedged strategy to maximise upside participation in bull markets, its profitability remains fully exposed to downside price risks. A sustained correction, triggered by a strengthening US dollar, a hawkish pivot in Federal Reserve policy, or the de-escalation of geopolitical tensions, would materially impact margins.

Our constructive investment case rests on four pillars: persistently elevated gold prices, scarce global mine supply growth, visible internal production growth from 2026-28, and a still competitive cost base despite some inflation in AISC. At the same time, these factors also define the main downside risks. We therefore see the current valuation as requiring sustained delivery on gold prices, production growth and cost control, leaving limited room for disappointment.

Sensitivity and safety margin. Based on our sensitivity model, a 10% decline in the average realised gold price is estimated to reduce net profit by approximately 16%. However, given the company's competitive AISC of US$1,501/oz in 2025 (up from US$1,458/oz in 2024), we believe its low-cost operations provide a meaningful margin buffer, supporting profitability even in lower-gold price scenarios.

Execution and timing of 100-tonne M&A strategy. To bridge the roughly 20% production gap required to meet its 2030 strategic target, the company must maintain an active inorganic growth strategy. Acquiring assets when gold prices are elevated creates timing risk, as a subsequent correction could lead to impairments or lower returns on acquisition valuations. Competition for high-quality assets from global majors such as Newmont and Shandong Gold also raises the risk of overpaying in a competitive bidding process. Integrating underperforming or operationally complex assets carries further risk, as unidentified liabilities – including community obligations or environmental rehabilitation costs – could delay ramp-ups and lower capital-allocation returns.

Geopolitical and security developments in EM jurisdictions. Operating in EMs exposes the company to regime instability and event-specific risks. This is amplified by the portfolio's high exposure to EMs, with over 90% of its mines located in EM jurisdictions, leaving earnings and valuation more exposed to country-specific disruptions than those of more geographically balanced peers. For example, the Buriticá mine in Colombia has faced safety and financial challenges from organised illegal mining syndicates attempting to access high-grade veins through illegal tunnels, requiring significant security expenditure. Resource nationalism also remains a risk: the Porgera gold mine in Papua New Guinea entered a three-year care-and-maintenance period in 2020-23 after the government initially declined to renew its Special Mining Lease.

Operational bottlenecks and persistent cost inflation. The company's medium-term growth depends on asset-level execution and cost control. Aurora's transition from open-pit to underground mining is important to the growth outlook; delays in infrastructure development, adverse hydrogeological conditions or ground instability could result in missed production guidance. Persistent inflation in diesel, cyanide, explosives and labour costs, together with higher gold-linked royalty expenses, also poses a risk to AISC stability. This is particularly relevant for lower-grade, cost-sensitive assets such as

Norton Gold Fields, highlighting the risk of high-tail AISC dispersion if turnaround assets underperform (Norton recorded AISC of US$2,092/oz vs the group's average of US$1,501/oz in 2025).

Recent AISC inflation should therefore be monitored closely. AISC increased 3% yoy to US$1,501/oz in 2025 and a further 9% to US$1,638/oz in 1Q26. While management attributes the increase mainly to higher gold-linked royalty expenses, the key question is whether the pressure proves temporary or persistent relative to peers.

Customer concentration and reliance on parent group. Zijin Mining is the company's largest customer. While the Product Sales Framework Agreement secures a stable channel for Zijin Gold, it introduces dependency risks, as the company's working capital cycle is partially dependent on the stability of its parent's procurement. As connected transactions, sales are subject to regulatory scrutiny regarding "arm's length" pricing benchmarked to the LBMA/SGE. Any changes in internal transfer pricing policies or a failure to renew the agreement could force Zijin Gold to seek alternative funding channels on less favourable commercial terms.

Appendix VI – Peer Evaluation

In the Hong Kong equity market, we benchmark Zijin Gold against major pure-play gold miners and diversified mining companies, including Shandong Gold (1787 HK), Zhaojin Mining (1818 HK), and China Gold International (2099 HK).

In terms of reserves and production scale, Zijin Gold had attributable gold reserves of 26.69m ounces (~830 tonnes) and produced 1.51m ounces (~46.9 tonnes) on the company's reported basis in 2025. This volume is higher than that of mid-tier miners such as Chifeng Jilong Gold Mining Group and Lingbao Gold and places the company among larger Hong Kong-listed producers, close to Shandong Gold's 1.57m ounces. This position is supported by the grades and scale of its overseas asset portfolio.

A key difference is profitability and returns. The company's average acquisition cost is US$61.3/oz, below the industry average of US$92.9/oz, while 2025 net profit attributable rose 232.7% yoy to US$1.6b. By comparison, its Hong Kong-listed peers generally record lower earnings growth, reflecting higher domestic extraction costs and historical asset impairments.

Zijin Gold recorded a production CAGR of about 19.6% in 2022-25, compared with most Hong Kong-listed peers' broadly flat or low production growth.

Selected Hong Kong-listed Mining Peer Operating Comparison

Company	Ticker	2025 Gold Output (tonnes)	Overseas Output (tonnes)	2025 NP Growth (%)	Operating Profile
Zijin Gold International	**2259 HK**	**46.9**	**46.9**	**232.7**	**Pure-play overseas gold miner**
Zijin Mining	2899 HK	90.0	n.d.	61.6	Diversified global miner
Shandong Gold	1787 HK	48.9	12.6	60.6	Gold-focused; mainly domestic
Zhaojin Mining	1818 HK	27.2	n.d.	149.1	Gold-focused; China and West Africa

Source: UOB Kay Hian

To contextualise the company's position among the top global producers, we selected Newmont (NEM US), Barrick Gold (GOLD US) and Agnico Eagle (AEM US) as benchmarks.

Global Top Gold Producer Operating Comparison

Key Metrics	Zijin Gold (2259 HK)	Newmont (NEM US)	Barrick (GOLD US)	Agnico Eagle (AEM US)
2025 production (10k oz)	150.8	590.0	326.0	344.7
Gold reserves (10k oz)	2,669	11,820	8,500	5,540
2025 AISC (US$/oz)	1,501	1,358	1,637	1,339
Growth profile	High	Mature	Mature	Moderate
Geographic focus	EM-heavy, diversified	Americas/Australia/ Africa	Americas/Africa	Canada/Australia/ Europe

Source: UOB Kay Hian

Zijin Gold's 2025 group AISC of US$1,501/oz was above Newmont's and Agnico Eagle's but below Barrick's. Its cost position is therefore competitive rather than uniformly lower than global majors', while its stronger production growth profile remains the main differentiator.

The company also offers above-peer production growth. Unlike mature global producers that rely mainly on legacy assets to maintain broadly flat output, Zijin Gold is in an active expansion phase. The integration of Akyem in Ghana and acquisition of Raygorodok in Kazakhstan support a visible path towards an annual gold production of 100 tonnes (~3.2m ounces) by 2030.

The combination of above-peer production growth and a competitive cost position supports a valuation premium to the sector average.

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