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1H26A earnings review (base metals): aluminium, copper, gold, lithium and other EV metals; upgrade Ganfeng-H/Huayou Cobalt to Neutral, downgrade Zhaojin/GEM to Neutral/Sell

Trina Chen
+852-2978-2678 | trina.chen@gs.com
Goldman Sachs (Asia) L.L.C.

Joy Zhang
+852-2978-6545 | joy.x.zhang@gs.com
Goldman Sachs (Asia) L.L.C.

Fiona Ye
+852-2978-0680 | fiona.ye@gs.com
Goldman Sachs (Asia) L.L.C.

Daisy Dai
+852-2978-7904 | daisy.dai@gs.com
Goldman Sachs (Asia) L.L.C.

We summarize 1H26A earnings for Chinese base metals in this report, including aluminium, copper, gold, lithium, and other EV metals, with 19 stocks under our coverage.

1H26 results were mostly below expectation for copper, aluminium and gold, and mixed for lithium. Key trends observed: 1) higher aluminum margins as a result of elevated aluminum prices, 2) strong profit delivery for copper companies under rising copper price, but cost inflation partly offset the benefit, 3) profit turnaround for most lithium companies under rising lithium prices, 4) rising sulfur prices and lower MHP production, which led to weaker profit than expected for Huayou and GEM.

Versus 1H26A, we expect softening trend in SHFE aluminium prices and spreads as new supply picks up in both China and overseas. We expect copper prices to remain high in 2H26E due to ongoing tight scrap supply and continued US stock piling. We expect lithium prices to correct in 2H26E and further decline to US$10.3-16.0k/t-LCE in 2027-28E with global lithium market turning into surplus from current deficit.

We revised earnings by -54% to +30% in 2026-27E for the companies under coverage: 1) downward revisions by 12-19% for 2027E for aluminium companies, factoring in lower SHFE aluminium price assumptions, 2) downward revisions for selected copper companies for 2027E to factor in sustained cost inflation, 3) downward revisions for gold company for 2026-27E to factor in lower self-mined gold production and cost inflation, 4) upward revisions for most lithium companies in 2026E by 11-30% to incorporate higher lithium prices by marking to market, but keep limited changes for 2027E, 5) downward revisions for other EV metal names to factor in sustained high sulfur price impact to nickel profit.

On the stock level, we maintain Buy ratings on copper names including Zijin and CMOC, maintain Sell rating on Chalco and Tianqi. We upgrade Ganfeng-H to Neutral from Sell and Huayou Cobalt to Neutral from Sell. We downgrade Zhaojin to Neutral from Buy and GEM to Sell from Neutral.

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Exhibit 1: 1H26A earnings review summary – China base metals, gold,lithium and EV metals

Company	Ticker	12M-TPs		Rating		1H26A rpt earnings		Recurring earnings		vs expectation		Dividend 1H26A		Earnings revision	
		New	Old	New	Old	NP	yoy	NP-recur	yoy	vs GSe	vs cons	Payout	DPS	2026E	2027E
						Rpt ccy bn	%	Rpt ccy bn	%	%	%	%	ccy/shr	%	%
Aluminum														**2%**	**-15%**
Chalco-H	2600.HK	6.80	7.50	SELL	SELL	11.9	68%	11.5	71%	-1%	10%	40%	0.276	6%	-12%
Chalco-A	601600.SS	7.00	7.80	SELL	SELL	11.9	68%	11.5	71%	-1%	12%	40%	0.276	6%	-12%
Honggiao	1378.HK	23.00	26.00	NEUTRAL	NEUTRAL	17.2	39%	17.7	22%	-10%	6%	0%	0.000	-5%	-19%
Copper														**2%**	**-1%**
JXC-H	0358.HK	50.00	45.00	BUY	BUY	8.90	100%	8.00	98%	18%	31%	0%	0.000	16%	20%
JXC-A	600362.SS	65.00	60.00	BUY	BUY	8.90	100%	8.00	98%	18%	32%	0%	0.000	16%	20%
MMG	1208.HK	12.50	14.00	BUY	BUY	0.90	164%	0.92	184%	-12%	15%	0%	0.000	-11%	-17%
CMOC-H	3993.HK	23.50	25.00	BUY	BUY	16.2	86%	16.8	95%	-8%	1%	13%	0.095	-2%	-7%
CMOC-A	603993.SS	25.00	26.00	BUY	BUY	16.2	86%	16.8	95%	-8%	4%	13%	0.095	-2%	-7%
Zijin-H	2899.HK	51.00	51.00	BUY	BUY	39.2	68%	38.8	77%	-1%	-4%	28%	0.419	2%	0%
Zijin-A	601899.SS	49.00	49.00	BUY	BUY	39.2	68%	38.8	77%	-1%	-4%	28%	0.419	2%	0%
Gold														**-52%**	**-54%**
Zhaojin	1818.HK	21.50	42.00	NEUTRAL	BUY	1.58	10%	1.94	45%	-40%	-24%	0%	0.000	-52%	-54%
Lithium/other EV metals														**11%**	**-3%**
Ganfeng-H	1772.HK	46.0	60.0	NEUTRAL	SELL	4.26	-8.9x	4.28	-10.7x	30%	13%	0%	0.000	30%	1%
Ganfeng-A	002460.SZ	45.0	53.0	SELL	SELL	4.26	-8.9x	4.28	-10.7x	30%	3%	0%	0.000	30%	1%
Tianqi-H	9696.HK	33.0	48.0	SELL	SELL	4.24	47.9x	3.78	-19.1x	-2%	23%	0%	0.000	14%	-2%
Tianqi-A	002466.SZ	32.0	42.0	SELL	SELL	4.24	47.9x	3.78	-19.1x	-2%	6%	0%	0.000	14%	-2%
Yahua	002497.SZ	15.5	21.5	SELL	SELL	1.22	8.0x	1.34	8.7x	6%	17%	0%	0.000	11%	4%
Yongxing	002756.SZ	36.0	52.0	SELL	SELL	0.96	139%	0.94	150%	-24%	-13%	17%	0.300	-6%	2%
Huayou	603799.SS	42.0	51.0	NEUTRAL	SELL	3.51	29%	4.38	75%	2%	-1%	0%	0.000	-8%	-5%
GEM	002340.SZ	5.0	8.0	SELL	NEUTRAL	1.08	35%	0.54	-2%	-51%	-45%	15%	0.032	-49%	-35%

Green highlight is upward trend and red highlight is downward trend.

Source: Company data, Bloomberg, Goldman Sachs Global Investment Research

Exhibit 2: China commodities – coverage summary

Company	Ticker	Price	Target	Trading	Rating	Upside	Mkt cap	EPS(rpt ccy/sh)		PE		ROE		PB		Div yield		Perf.	ADTV
Price as of 1-Sep-2026		Tccy	Tccy	ccy		%	US$ bn	26E	27E	26E	27E	26E	27E	26E	27E	26E	27E	YTD	US$ mn
Steel																			
Angang-H	0347.HK	1.18	1.00	HKD	Sell	-15%	1.4	(0.478)	(0.203)	n.a.	n.a.	-11%	-5%	0.2	0.2	0.0%	0.0%	-40%	0.9
Angang-A	000898.SZ	2.08	1.40	CNY	Sell	-33%	2.9	(0.478)	(0.203)	n.a.	n.a.	-11%	-5%	0.5	0.5	0.0%	0.0%	-18%	11.2
Baosteel	600019.SS	5.86	6.10	CNY	Neutral	4%	18.6	0.364	0.554	16.1	10.6	4%	6%	0.6	0.6	3.9%	5.9%	-21%	89.5
Maanshan-H	0323.HK	1.74	2.20	HKD	Neutral	26%	1.7	0.044	0.138	34.1	10.8	1%	5%	0.5	0.5	1.5%	4.6%	-33%	1.4
Maanshan-A	600808.SS	2.62	2.50	CNY	Sell	-5%	3.0	0.044	0.138	60.0	19.0	1%	5%	0.9	0.8	0.8%	2.6%	-38%	25.6
Coal																			
Shenhua-H	1088.HK	46.20	43.00	HKD	Neutral	-7%	122.4	2.974	2.831	13.3	14.0	13%	13%	1.8	1.8	5.5%	5.5%	16%	65.3
Shenhua-A	601088.SS	48.30	46.00	CNY	Neutral	-5%	149.3	2.974	2.831	16.2	17.1	13%	13%	2.2	2.2	4.5%	4.5%	19%	261.2
Chinacoal-H	1898.HK	11.93	17.50	HKD	Buy	47%	20.2	1.436	1.503	7.1	6.8	11%	11%	0.8	0.7	5.2%	5.4%	18%	25.6
Chinacoal-A	601898.SS	15.43	22.00	CNY	Buy	43%	30.4	1.436	1.503	10.7	10.3	11%	11%	1.2	1.1	3.4%	3.6%	24%	114.0
Yankuang-H	1171.HK	13.60	14.00	HKD	Neutral	3%	17.4	1.391	1.087	8.4	10.7	18%	13%	1.5	1.4	7.0%	5.5%	39%	61.0
Yankuang-A	600188.SS	22.48	18.00	CNY	Sell	-20%	33.6	1.391	1.087	16.2	20.7	18%	13%	2.8	2.7	3.6%	2.8%	71%	202.0
Cement																			
Conch-H	0914.HK	16.84	23.00	HKD	Buy	37%	11.3	1.170	1.319	12.3	10.9	3%	4%	0.4	0.4	6.2%	6.2%	-26%	15.0
Conch-A	600585.SS	17.75	23.00	CNY	Buy	30%	13.9	1.170	1.319	15.2	13.5	3%	4%	0.5	0.5	5.1%	5.1%	-19%	80.7
BBMG-H	2009.HK	0.61	0.70	HKD	Neutral	15%	0.8	(0.332)	(0.338)	n.a.	n.a.	-5%	-6%	0.1	0.1	9.6%	9.6%	-18%	0.7
BBMG-A	601992.SS	1.42	1.00	CNY	Sell	-30%	2.3	(0.332)	(0.338)	n.a.	n.a.	-5%	-6%	0.2	0.2	3.5%	3.5%	-15%	10.3
CNBM	3323.HK	3.60	3.20	HKD	Neutral	-11%	3.5	0.014	0.156	n.a.	19.8	0%	1%	0.3	0.2	0.2%	2.5%	-30%	50.9
CRBMT	1313.HK	1.03	0.80	HKD	Sell	-22%	0.9	(0.093)	(0.012)	n.a.	n.a.	-1%	0%	0.1	0.1	3.8%	3.7%	-36%	1.6
WCC	2233.HK	1.93	1.10	HKD	Sell	-43%	1.3	0.126	0.135	13.1	12.2	5%	6%	0.7	0.7	2.3%	2.4%	-38%	6.0
Metals																			
Chalco-H	2600.HK	8.66	6.80	HKD	Sell	-21%	18.9	1.291	0.490	5.8	15.2	26%	9%	1.4	1.4	7.3%	3.0%	-31%	63.3
Chalco-A	601600.SS	9.79	7.00	CNY	Sell	-28%	25.0	1.291	0.490	7.6	20.0	26%	9%	1.8	1.8	5.5%	2.3%	-20%	386.7
Hongqiao	1378.HK	23.16	23.00	HKD	Neutral	-1%	29.2	3.517	1.855	5.6	10.7	24%	12%	1.3	1.3	11.8%	6.2%	-32%	148.2
JXC-H	0358.HK	37.20	50.00	HKD	Buy	34%	16.4	4.977	4.866	6.4	6.6	20%	17%	1.2	1.1	7.3%	7.1%	-15%	68.6
JXC-A	600362.SS	48.08	65.00	CNY	Buy	35%	24.8	4.977	4.866	9.7	9.9	20%	17%	1.8	1.6	4.8%	4.7%	-12%	457.0
MMG	1208.HK	9.45	12.50	HKD	Buy	32%	15.0	0.148	0.146	8.2	8.3	35%	25%	2.3	1.8	0.0%	1.2%	4%	59.8
CMOC-H	3993.HK	16.62	23.50	HKD	Buy	41%	45.3	1.568	1.617	9.1	8.8	35%	28%	2.8	2.3	3.3%	3.4%	-18%	100.8
CMOC-A	603993.SS	19.06	25.00	CNY	Buy	31%	60.7	1.568	1.617	12.2	11.8	35%	28%	3.7	3.0	2.5%	2.6%	-5%	830.3
Zijin-H	2899.HK	36.42	51.00	HKD	Buy	40%	123.5	3.046	3.410	10.3	9.2	37%	32%	3.3	2.7	3.4%	3.8%	-1%	262.2
Zijin-A	601899.SS	33.73	49.00	CNY	Buy	45%	133.4	3.046	3.410	11.1	9.9	37%	32%	3.6	2.9	3.2%	3.5%	-2%	1,412.1
Zhaojin	1818.HK	22.14	21.50	HKD	Neutral	-3%	10.0	0.822	1.278	23.1	14.9	11%	15%	2.5	2.1	0.4%	0.7%	-31%	58.8
Ganfeng-H	1772.HK	40.48	46.00	HKD	Neutral	14%	10.8	2.253	0.773	15.4	44.9	10%	3%	1.5	1.4	1.3%	0.4%	-25%	79.5
Ganfeng-A	002460.SZ	52.53	45.00	CNY	Sell	-14%	16.4	2.253	0.773	23.3	68.0	10%	3%	2.2	2.2	0.8%	0.3%	-16%	449.5
Tianqi-H	9696.HK	37.58	33.00	HKD	Sell	-12%	8.0	3.158	1.322	10.2	24.4	11%	4%	0.8	0.8	2.0%	0.8%	-28%	30.6
Tianqi-A	002466.SZ	49.22	32.00	CNY	Sell	-35%	12.3	3.158	1.322	15.6	37.2	11%	4%	1.3	1.3	1.3%	0.5%	-11%	483.6
Yahua	002497.SZ	18.75	15.50	CNY	Sell	-17%	3.2	1.426	1.066	13.1	17.6	14%	10%	1.8	1.6	0.8%	0.6%	-24%	149.4
Yongxing	002756.SZ	45.35	36.00	CNY	Sell	-21%	3.6	2.685	1.736	16.9	26.1	11%	7%	1.8	1.7	1.9%	1.2%	-16%	136.3
Huayou	603799.SS	39.13	42.00	CNY	Neutral	7%	11.0	3.063	3.315	12.8	11.8	11%	11%	1.4	1.3	1.2%	1.3%	-43%	442.2
GEM	002340.SZ	6.51	5.00	CNY	Sell	-23%	5.0	0.286	0.259	22.7	25.2	7%	6%	1.5	1.4	1.3%	1.2%	-22%	124.8
Paper																			
NDPaper	2689.HK	6.94	4.30	HKD	Sell	-38%	4.2	0.606	0.487	9.8	12.2	5%	4%	0.5	0.5	1.5%	1.2%	16%	14.5
Sunpaper	002078.SZ	14.90	12.50	CNY	Sell	-16%	6.2	1.284	1.166	11.6	12.8	11%	9%	1.3	1.2	2.2%	2.0%	-5%	48.1

Source: LSEG Data & Analytics, Company data, Goldman Sachs Global Investment Research

Aluminum - Chalco (2600.HK/601600.SS): 1H26A in line with expectations; Maintain Sell

Difference versus expectation

Chalco 1H26 recurring earnings was mostly inline with our estimates as better profit from aluminium offset by higher taxes and minorities. The company proposed an interim dividend of Rmb0.276/sh for 1H26A, implying a 40% payout ratio for 1H26A, versus 30% for 1H25A.

Management update on 2026E guidance

- The company guided total CAPEX for 2026E at Rmb15bn, mainly for technical upgrade, direct plant user model in renewable, capacity optimizations etc. The capex didn't include potential M&A.
- As per the management, ODI regulatory requirements have become stricter across the full project lifecycle but have limited impact on the company's ongoing projects. The Guinea alumina project with 1.2mnt capacity started construction this June and targets to start operation by 2029E.
- Chalco observed cost increase in Guinea bauxite supply - driven by rising transportation and local diesel cost, leading to production cut for local small miners and higher cost support for Guinea bauxite. Therefore, domestic alumina producers are facing rising margin pressure.

Assumption changes and investment thesis

We revise up Chalco recurring earnings by 6% for 2026E by marking to market higher SHFE aluminium price/spread YTD. We cut Chalco recurring earnings by 12% for 2027-28E to reflect our lower SHFE aluminium price forecast by 1% to Rmb18,958/t in 2027E and Rmb18,896/t in 2028E (from prior Rmb19,222/t in 2027E and Rmb19,160/t in 2028E) after incorporating lower Rmb/USD exchange rate. We maintain our cautious view on SHFE aluminium price and spread outlooks. While the industry margin remains elevated YTD, we expect the pace of new supply to pick up in both China and overseas, starting in 2H26E, which should drive corrections in margin/spread ahead - we forecast SHFE spread to correct from Rmb8,542/t in 2026E, to Rmb4,250/t in 2027E and Rmb4,000/t in 2028E. Accordingly, we expect Chalco recurring profit to decline by 58% in 2027E. Our Chalco-H/A TPs imply 12x/14x PE on 2027E. Maintain Sell/Sell with a revised 12-m TP of HK$6.8/Rmb7.0 (from HK$7.5/Rmb7.8).

Exhibit 3: 1H26A financial results summary – Chalco

Chalco-Financials		1H26A	1H25A	YoY (%)	1H26E	A vs E
Turnover	Rmb mn	125,413	116,409	8%	136,502	-8%
COGS	Rmb mn	(92,859)	(98,188)	-5%	(106,441)	-13%
Gross profit	Rmb mn	32,554	18,221	79%	30,061	8%
SG&A	Rmb mn	(5,788)	(5,122)	13%	(6,006)	-4%
EBIT	Rmb mn	27,099	13,777	97%	23,555	15%
EBIT-recurring	Rmb mn	27,013	13,653	98%	23,555	15%
Share of profit of JV	Rmb mn	128	602	-79%	475	-73%
Finance costs	Rmb mn	(997)	(1,132)	-12%	(719)	39%
Profit before taxes	Rmb mn	26,230	13,247	98%	23,311	13%
Income taxes	Rmb mn	(4,734)	(2,152)	120%	(3,892)	22%
Minorities	Rmb mn	(9,625)	(4,025)	139%	(8,130)	18%
Net profit	Rmb mn	11,871	7,070	68%	11,288	5%
One offs (bf tax)	Rmb mn	470	430	9%	(500)	n.a.
recurring NP	Rmb mn	11,519	6,747	71%	11,663	-1%
EPS	Rmb/sh	0.692	0.412	68%	0.658	5%
EPS-recurring	Rmb/sh	0.671	0.393	71%	0.680	-1%
DPS	Rmb/sh	0.276	0.123	124%	-	n.a.
Effective tax rate	%	18%	16%	2%	17%	1%
Minorities %	%	45%	36%	8%	42%	3%
Dividend payout	%	40%	30%	10%	0%	40%
GP-alumina	Rmb mn	1,943	7,263	-73%	1,883	3%
GP-Al	Rmb mn	29,425	10,057	193%	26,319	12%
GP-Others	Rmb mn	1,187	901	32%	1,859	-36%
EBIT-alumina	Rmb mn	(548)	4,929	-111%	(446)	23%
EBIT-Al	Rmb mn	26,581	8,146	226%	23,648	12%
EBIT-Others	Rmb mn	979	577	70%	853	15%
A/R days	days	23	17	40%		
A/P days	days	27	34	-21%		
Inv days	days	45	48	-6%		
Net debt (Incl. PPB)*	Rmb mn	16,707	37,540	-55%	*vs. end of 2025A	
Net gearing (Incl. PPB)*	%	20%	52%	-32%	*vs. end of 2025A	
OCF	Rmb mn	26,235	14,188	85%		
FCF	Rmb mn	21,666	9,475	129%		

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 4: 1H26A operational results summary – Chalco

Chalco-Operations		1H26A	1H25A	YoY (%)	1H26E	A vs E
China alumina price, w VAT	Rmb/t	2,698	3,414	-21%	2,688	0%
Al price - SHFE, w VAT	Rmb/t	24,253	20,302	19%	24,433	-1%
Realized ASP-alumina-estimate	Rmb/t	2,388	3,021	-21%	2,379	0%
Realized ASP-aluminium-estimate	Rmb/t	21,317	17,967	19%	21,626	-1%
Unit GP-alumina	Rmb/t	200	678	-71%	175	14%
Unit GP-aluminium	Rmb/t	7,320	2,533	189%	6,515	12%
Unit COGS-alumina	Rmb/t	2,400	2,730	-12%	2,419	-1%
Unit COGS-aluminium	Rmb/t	14,000	15,200	-8%	15,090	-7%
Sales-alumina	mnt	2.57	3.32	-23%	2.99	-14%
Sales-aluminium	mnt	4.02	3.97	1%	4.04	0%
Alumina output	mnt	9.72	10.68	-9%	10.78	-10%
Al output	mnt	4.02	3.97	1%	4.04	0%
Coal output	mnt	6.62	6.61	0%	6.86	-3%

Source: Company data, Goldman Sachs Global Investment Research

Aluminum - Hongqiao (1378.HK): 1H26A below expectations; Maintain Neutral

Difference versus expectation

Hongqiao's 1H26 recurring earnings were below our expectation mostly due to lower-than-expected profit from aluminium with lower realized ASP and higher COGS, and higher SG&A. Specifically, the company recognized Rmb1.1bn impairment from inventory and PP&E. The company did not provide an interim dividend in 1H26A, same as 1H25.

Management update on 2026E guidance

- Hongqiao keeps capex guidance unchanged at Rmb15-16bn for 2026E, including Rmb5bn for renewables capacity additions, Rmb2bn for Yunnan relocation, Rmb2bn for aluminium downstream fabrication, and the rest for technical upgrade and maintenance.
- The company has relocated 2.28mnt of aluminum capacity to Yunnan as of 1H26, including 1.8mnt in Wenshan and the rest in Honghe. Hongqiao planned to relocate a total aluminium capacity at 3mnt to Yunnan in the medium-term.
- The company targets to maintain total liability/total asset ratio below 40%, vs 40.5% by end of 1H26.
- Hongqiao plans to maintain its payout ratio relatively stable or at around 67% in 2025.

Assumption changes and investment thesis

We cut Hongqiao's recurring earnings by 5-19% for 2026-28E by incorporating higher unit COGS for aluminium and alumina and lower realized ASP for aluminium from 1H26 results, partly offset by marking to market higher SHFE aluminium price/spread YTD for 2026E. We maintain our cautious view on SHFE aluminium price and spread outlooks. While the industry margin remains elevated YTD, we expect the pace of new supply to pick up, starting in 2H26E, which should drive corrections in margin/spread ahead - we forecast SHFE spread to correct from Rmb8,542/t in 2026E, to Rmb4,250/t in 2027E and Rmb4,000/t in 2028E. Accordingly, we expect recurring profit to decline by 48% in 2027E. Our TP implies 11x PE on 2027E. Maintain Neutral with a revised 12-m TP of HK$23.0 (from HK$26.0).

Exhibit 5: 1H26A financial results summary – Hongqiao

Hongqiao-Financials		1H26A	1H25A	YoY (%)	1H26E	A vs E (%)
Revenue	Rmb mn	87,506	81,039	8%	91,214	-4%
COGS	Rmb mn	(59,980)	(60,234)	0%	(60,311)	-1%
Gross profit	Rmb mn	27,526	20,805	32%	30,903	-11%
Other income and gains	Rmb mn	1,187	1,492	-20%	1,223	-3%
SG&A	Rmb mn	(3,354)	(2,676)	25%	(2,216)	51%
Other expenses	Rmb mn	(1,113)	(274)	306%	-	n.a.
EBIT	Rmb mn	24,246	19,347	25%	29,910	-19%
Finance costs	Rmb mn	(1,110)	(1,284)	-14%	(1,705)	-35%
Fair value chgs	Rmb mn	953	(2,105)	n.a.	-	n.a.
Associate income	Rmb mn	1,064	1,807	-41%	1,091	-2%
PBT	Rmb mn	25,154	17,764	42%	29,297	-14%
Income taxes	Rmb mn	(6,043)	(4,213)	43%	(7,884)	-23%
Minorities	Rmb mn	(1,900)	(1,190)	60%	(1,881)	1%
Net profit	Rmb mn	17,210	12,361	39%	19,532	-12%
NP recurring	Rmb mn	17,653	14,458	22%	19,532	-10%
EPS	Rmb/sh	1.734	1.314	32%	1.968	-12%
EPS recurring	Rmb/sh	1.779	1.537	16%	1.968	-10%
DPS	Rmb/sh	-	-	n.a.	-	n.a.
Effective tax rate	%	24%	24%	0%	27%	-3%
Minorities %	%	10%	9%	1%	9%	1%
Dividend payout	%	0%	0%	0%	0%	0%
Rev-Al products	Rmb mn	70,941	59,953	18%	72,729	-2%
Rev-Alumina	Rmb mn	16,094	20,655	-22%	18,117	-11%
Rev-Steam	Rmb mn	471	431	9%	368	28%
GP-Al products	Rmb mn	26,603	14,973	78%	29,431	-10%
GP-Alumina	Rmb mn	1,007	5,945	-83%	1,635	-38%
GP-Steam	Rmb mn	(84)	(113)	-26%	(163)	-49%
OCF	Rmb mn	22,149	22,306	-1%		
ICF	Rmb mn	(2,843)	(9,414)	-70%		
FCF	Rmb mn	19,306	12,891	50%		
Net debt*	Rmb mn	17,766	21,263	-16%	*vs end of 2025A	
Net gearing*	%	13%	16%	-3%	*vs end of 2025A	
A/R days	days	21	21	4%		
A/P days	days	36	36	0%		
Inv days	days	112	109	3%		

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 6: 1H26A operational results summary – Hongqiao

Hongqiao-Operations		1H26A	1H25A	YoY (%)	1H26E	A vs E (%)
Al products production	mnt	3.26	3.26	0%	3.24	1%
Al products sales	mnt	3.26	3.30	-1%	3.24	1%
Aluminum alloy	mnt	2.81	2.91	-3%	2.84	-1%
Aluminum fabrication	mnt	0.44	0.39	13%	0.40	12%
Alumina sales	mnt	6.92	6.37	9%	7.70	-10%
Al-SHFE	US$/lb	1.42	1.12	26%	1.43	-1%
Al-SHFE	Rmb/t	21,465	17,967	19%	21,625	-1%
Al spread	Rmb/t	8,740	4,438	97%	8,879	-2%
Alumina price-China	Rmb/t	2,698	3,414	-21%	2,688	0%
Realized ASP-Al products	Rmb/t	21,795	18,178	20%	22,463	-3%
Realized ASP-Al alloy	Rmb/t	21,194	17,852	19%	21,487	-1%
Realized ASP-Al fabrication	Rmb/t	25,599	20,598	24%	29,488	-13%
Realized ASP-Alumina	Rmb/t	2,327	3,244	-28%	2,354	-1%
Unit COGS-Al products	Rmb/t	13,622	13,639	0%	13,373	2%
Unit COGS-Alumina	Rmb/t	2,181	2,310	-6%	2,141	2%
Unit GP-Al products	Rmb/t	8,173	4,540	80%	9,090	-10%
Unit GP-Alumina	Rmb/t	146	934	-84%	213	-31%

Source: Company data, Goldman Sachs Global Investment Research

Copper - Zijin (2899.HK/601899.SS): 1H26A inline with expectations; Maintain Buy

Difference versus expectation

Zijin reported 1H26A recurring earnings mostly in line with our estimates and Bloomberg consensus as lower GP was offset by lower SG&A and income tax expenses. The company declared the interim cash dividend per share, implying a 28% payout ratio in 1H26, versus 25% in 1H25.

Management update on 2026E guidance

- Lithium carbonate production outlook: Zijin maintained its lithium carbonate production guidance unchanged at 120kt-LCE in 2026E, including 1H26 production at 44kt-LCE. The progress of lithium projects' production is on track to deliver its full year target, per management. Manono started production in May 2026 and is expected to continue to ramp up in 2H26. The total planned lithium capacity is at 130kt-LCE/year for Manono. Considering the timing for shipment from DRC, Zijin expects full-year lithium carbonate sales to reach at 100-110kt in 2026E. Zijin also expects the unit production cost for its integrated lithium chemicals to decline to Rmb50k-55k/t-LCE in 2027-28E, from Rmb60k/t-LCE in 2026E.
- Production cost outlook: Zijin targets to keep unit production cost increase within 10% yoy in 2026E for both mined gold and copper. Per management, unit cost increase for mined copper reached over 15% yoy in 1H26, due to 1) ore grade decline, 2) diesel, reagent and sulfur price increase, 3) the continued advancement of mining and stripping led to rising haulage distances and, 4) labor cost increase, therefore difficult to achieve its annual target. The management is confident to control gold production cost increase within 10%.
- Minor metals: Zijin is also expanding its exposure in selected minor metals, mostly on Tungsten, Tin and Moly. The Shapinggou molybdenum project commenced construction in Jun-2026 and is expected to produce 22kt/year of moly concentrate when fully ramp up, boosting total moly production to 40-50kt/year, from 15kt in 2026E.

Assumption changes and investment thesis

We expect Zijin to maintain its strong growth momentum in 2026E by delivering 58% recurring profit growth to reach Rmb80.6bn, from Rmb50.9bn in 2025A, driven by both rising gold/copper prices and volume growth (gold and copper output up by 5-12% yoy). We believe current valuation is attractive - we estimate current share price implies US$8,376/t in copper price in Zijin-H if 2028E targets are achieved, 42% lower than spot level of US$14,446/t. Maintain Buy/Buy for Zijin-H/A, with unchanged 12-month target prices of HK$51.0/Rmb49.0.

Exhibit 7: 1H26A results summary – Zijin

Financial results summary - Zijin		1H26A	1H25A	YoY	1H26E	A vs E
Net Revenue	Rmb mn	194,178	167,711	16%	285,976	-32%
Cost of sales	Rmb mn	(120,881)	(127,878)	-5%	(210,363)	-43%
Gross profit	Rmb mn	67,311	36,258	86%	70,875	-5%
Other revenue	Rmb mn	1,673	2,838	-41%	274	511%
SG&A	Rmb mn	(7,170)	(5,392)	33%	(8,117)	-12%
Other operating Costs	Rmb mn	(224)	(63)	253%	-	n.a.
EBIT	Rmb mn	61,589	33,641	83%	63,032	-2%
EBIT-recurring	Rmb mn	61,090	32,012	91%	63,032	-3%
Finance costs	Rmb mn	(650)	(1,174)	-45%	337	n.a.
Share of associates	Rmb mn	2,849	2,634	8%	3,079	-7%
Non-Operating income/exp	Rmb mn	(298)	(604)	-51%	-	n.a.
PBT	Rmb mn	63,489	34,497	84%	66,448	-4%
Tax	Rmb mn	(13,677)	(5,851)	134%	(16,654)	-18%
Minority	Rmb mn	(10,643)	(5,353)	99%	(10,432)	2%
Net Profit	Rmb mn	39,170	23,292	68%	39,363	0%
One offs	Rmb mn	499	1,629	-69%	-	n.a.
Net Profit(recurring)	Rmb mn	38,778	21,939	77%	39,363	-1%
EPS	Rmb/sh	1.473	0.876	68%	1.480	0%
EPS-recurring	Rmb/sh	1.458	0.825	77%	1.480	-1%
DPS	Rmb/sh	0.419	0.220	90%		
Effective tax rate	%	22%	17%	5%	25%	-4%
Minorities %	%	21%	19%	3%	21%	0%
Dividend payout	%	28%	25%	3%		
GP-mined gold	Rmb mn	31,605	16,446	92%	33,958	-7%
GP-mined copper	Rmb mn	26,183	16,609	58%	24,498	7%
GP-lithium	Rmb mn	2,662	99	2586%	3,610	-26%
GP-Others	Rmb mn	6,860	3,104	121%	8,808	-22%
A/R days	days	12	12	2%		
A/P days	days	26	23	11%		
Inv days	days	59	50	18%		
Operating cash flow	Rmb mn	55,472	28,830	92%		
Investing cash flow	Rmb mn	(18,236)	(29,083)	-37%		
FCF	Rmb mn	37,236	(253)	n.a.		
Net debt*	Rmb mn	74,037	98,916	-25%	*vs. end of 2025	
Net Gearing*	%	36%	53%	-17%	*vs. end of 2025	

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 8: 1H26A operational summary – Zijin

Operational results summary - Zijin		1H26A	1H25A	YoY	1H26E	A vs E
Sales volume						
Mined gold	t	44	38	16%	45	-2%
Mined copper, excl Kamoa	kt	460	439	5%	456	1%
Lithium	kt-LCE	41	7	465%	43	-4%
Output						
Mined gold	t	47	41	13%	50	-7%
Mined copper, incl Kamoa	kt	534	567	-6%	535	0%
Lithium	kt-LCE	44	7	501%	43	3%
Zinc concentrate, total	kt	177	180	-2%	182	-3%
Benchmark price						
Gold	US$/oz	4,686	3,070	53%	4,769	-2%
Copper SHFE	US$/lb	5.95	4.29	39%	5.90	1%
Copper LME	US$/lb	5.94	4.28	39%	5.90	1%
Lithium carbonate-CN Spot	US$/t-LCE	21,030	8,606	144%	21,245	-1%
ASP						
Mined gold	Rmb/g	1,006	692	45%	1,076	-6%
Mined copper (metal)	Rmb/t	84,466	62,079	36%	81,519	4%
Copper in concentrates	Rmb/t	82,624	60,354	37%	79,501	4%
Copper cathodes	Rmb/t	90,617	67,332	35%	88,302	3%
Lithium	Rmb/t-LCE	111,969	48,989	129%	143,915	-22%
COGS						
Mined gold	Rmb/g	291	262	11%	283	3%
Mined copper (metal)	Rmb/t	27,521	24,256	13%	27,831	-1%
Copper in concentrates	Rmb/t	24,480	21,104	16%	24,612	-1%
Copper cathodes	Rmb/t	37,676	33,858	11%	38,648	-3%
Lithium	Rmb/t-LCE	46,985	35,321	33%	58,975	-20%

Source: Company data, Goldman Sachs Global Investment Research

Copper - CMOC (3993.HK/603993.SS): 1H26 below expectations; Maintain Buy

Difference versus expectation

CMOC 1H26 recurring earnings came below our expectation mostly due to lower DRC copper production. CMOC declared a cash dividend implying 13% payout in 1H26, versus nil in 1H25.

Management update on 2026E guidance

CMOC keeps 2026 production guidance unchanged. We summarize major takeaways from earnings call as below:

- Production outlook: management is confident to deliver copper output of 760-820kt for 2026E despite sulfur tightness. The company prioritizes sulfur/sulfuric acid supply over pricing, ensuring that copper production is not affected. However, management estimate the cost impact from higher sulfur price is likely to be more significant in 3Q-4Q26E. KFM phase 2 expansion is expected to complete construction by 1H27E, boosting copper production by 50-100kt when fully ramp up.
- DRC super tax: DRC super tax charge is based on the annual average copper price, specifically targeting the portion of the price that exceeds the feasibility study copper price assumption or at US$11,500/t, by more than 25%, and applying for a net tax rate of 20% (net of DRC income tax of 30%). The company has made provisions of US$50mn for super tax in 1H26.
- Gold projects: Lumina Gold in Ecuador is currently under feasibility study and may have larger gold production capacity than previous PFS. The company is confident to deliver at least 20t of gold production in 2029E.

Assumption changes and investment thesis

We revise down our recurring earnings estimates by 2-7% for 2026-27E by incorporating lower DRC copper production in 2026E reflected in 1H26 results, higher cost under sustained higher sulfur price and super tax impact for DRC copper operation for 2027. We revised up our recurring earnings estimates by 17% for 2028E to reflect a revised copper price assumption to US$13,700/t, from US$10,000/t, by aligning with global commodity team's forecast. We expect rising copper price, recovery of cobalt sales and strong minor metals price to drive CMOC recurring profit to increase by 75% yoy in 2026E. We believe current valuation is attractive - we estimate current share price implies US$9,267/t in copper price for CMOC-H if 2028E targets are achieved, 35% lower than spot level of US$14,446/t. Maintain Buy/Buy with revised 12-month target prices of HK$23.5/Rmb25.0 (from HK$25.0/Rmb26.0).

Exhibit 9: 1H26A financial results summary – CMOC

CMOC - Financials		1H26A	1H25A	YoY	1H26E	A vs E
Moly &Tungsten	Rmb mn	7,127	4,064	75%	7,556	-6%
Niobium & Phosphorus related	Rmb mn	3,746	3,892	-4%	3,698	1%
Copper & gold related	Rmb mn	3,017	-	n.a.	3,098	-3%
Copper & Cobalt related-DRC	Rmb mn	35,676	31,446	13%	38,095	-6%
Trading	Rmb mn	85,417	55,264	55%	66,393	29%
Others	Rmb mn	336	106	217%	121	178%
Gross revenue	Rmb mn	135,320	94,773	43%	118,960	14%
Business tax	Rmb mn	(2,457)	(1,852)	33%	(2,364)	4%
COGS	Rmb mn	(104,184)	(74,727)	39%	(86,002)	21%
Gross profit	Rmb mn	28,679	18,194	58%	30,595	-6%
Other income	Rmb mn	125	6	1966%	-	n.a.
Sales & dist cost	Rmb mn	(43)	(57)	-25%	(61)	-31%
Admin	Rmb mn	(1,947)	(1,350)	44%	(1,731)	12%
Fair value chgs	Rmb mn	(38)	(1,153)	-97%	-	n.a.
Impairment loss	Rmb mn	(33)	(3)	887%	-	n.a.
EBIT	Rmb mn	26,743	15,638	71%	28,802	-7%
EBIT-recurring	Rmb mn	27,615	15,554	78%	28,802	-4%
Share of associate/JV	Rmb mn	687	301	128%	680	1%
Finance cost, net	Rmb mn	(1,699)	(979)	74%	(610)	179%
Other non operating income	Rmb mn	(26)	(57)	-54%	-	n.a.
Income tax expenses	Rmb mn	(7,255)	(5,060)	43%	(8,001)	-9%
Minorities	Rmb mn	(2,298)	(1,172)	96%	(2,723)	-16%
Net profit	Rmb mn	16,152	8,671	86%	18,149	-11%
One-offs	Rmb mn	(871)	84	n.a.	-	n.a.
NP-recurring	Rmb mn	16,778	8,616	95%	18,149	-8%
EPS	Rmb/sh	0.755	0.403	87%	0.848	-11%
EPS-recurring	Rmb/sh	0.784	0.401	96%	0.848	-8%
DPS	Rmb/sh	0.095	-	n.a.		
Effective tax rate	%	28%	34%	-6%	28%	1%
Minorities	%	12%	12%	1%	13%	-1%
Dividend payout ratio	%	13%	0%	13%		
Revenue-mining	Rmb mn	49,903	39,509	26%	52,568	-5%
GP-mining	Rmb mn	29,563	20,656	43%	32,021	-8%
Gross profit-recurring	Rmb mn	28,529	16,852	69%	30,595	-7%
Moly & Tungsten	Rmb mn	4,312	1,845	134%	4,973	-13%
Niobium & Phosphorus related	Rmb mn	938	1,477	-36%	852	10%
Copper & gold related	Rmb mn	1,241	-	n.a.	1,669	-26%
Copper & Cobalt related-DRC	Rmb mn	23,073	17,335	33%	24,527	-6%
Trading-recurring	Rmb mn	1,269	(1,974)	n.a.	896	42%
Others & business tax	Rmb mn	(2,304)	(1,830)	26%	(2,322)	-1%
OCF	Rmb mn	16,334	12,009	36%		
ICF	Rmb mn	(14,025)	(2,301)	509%		
FCF	Rmb mn	2,309	9,708	-76%		
A/R days-mining	days	1	2	-54%		
A/P days-mining	days	6	13	-51%		
Inv days-mining	days	39	69	-43%		
Net debt*	Rmb mn	23,607	18,100	30%	*vs. end of 2025	
Net gearing*	%	26%	22%	4%	*vs. end of 2025	
Rev-Moly & Tungsten	Rmb mn	7,127	4,064	75%	7,556	-6%
Rev-Niobium & Phosphorus related	Rmb mn	3,746	3,892	-4%	3,698	1%
Rev-Gold related	Rmb mn	3,017	-	n.a.	3,098	-3%
Rev-Copper & Cobalt related-DRC	Rmb mn	35,676	31,446	13%	38,095	-6%
Rev-Trading	Rmb mn	85,417	55,264	55%	66,393	29%
Rev-Others	Rmb mn	336	106	217%	121	178%
GP-Moly & Tungsten	Rmb mn	4,312	1,845	134%	4,973	-13%
GP-Niobium & Phosphorus related	Rmb mn	938	1,477	-36%	852	10%
GP-Gold related	Rmb mn	1,241	-	n.a.	1,669	-26%
GP-Copper & Cobalt related-DRC	Rmb mn	23,073	17,335	33%	24,527	-6%
GP-Trading-recurring	Rmb mn	1,269	(1,974)	n.a.	896	42%
GP-Others & business tax	Rmb mn	(2,304)	(1,830)	26%	(2,322)	-1%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 10: 1H26A operational results summary – CMOC

CMOC - Operations		1H26A	1H25A	YoY	1H26E	A vs E
Production volume						
Moly (100%)	kt	7	7	-3%	7	3%
Tungsten (100%)	kt	3	4	-11%	3	3%
Copper	kt	388	354	10%	404	-4%
DRC - Tenke - est	kt	268	244	10%	292	-8%
DRC - Kisanfu - est	kt	120	109	10%	112	7%
Cobalt	kt	65	61	7%	50	29%
Phosphate fertilizer	kt	587	583	1%	607	-3%
Niobium (metal)	kt	5	5	2%	5	3%
LME-copper	US$/lb	5.94	4.28	39%	5.90	1%
LME-cobalt	US$/t	55,472	26,188	112%	55,481	0%
Unit COGS - copper DRC	US/t	4,533	4,650	-3%	4,267	6%
Unit COGS - cobalt DRC	US/t	1,187	4,937	-76%	4,937	-76%

Source: Company data, Goldman Sachs Global Investment Research

Copper - Jiangxi Copper (0358.HK/600362.SS): 1H26A above expectations; Maintain Buy

Difference versus expectation

Jiangxi Copper's 1H26 recurring earnings came above both our expectations and the high end of its previous profit alert, primarily driven by stronger-than-expected profit from copper and rare/other non-ferrous metals. The company did not declare the interim cash dividend in 1H26 (vs. Rmb0.4 per share in 1H25).

Management update on 2026E guidance

Jiangxi Copper's copper concentrate output reached 136kt in 1H26, which includes 36.4kt from equity share of FQM, implying copper concentrate output from Jiangxi at 100kt, up 1% yoy, on track to deliver its full year target of 200kt. Capex reached Rmb10.6bn in 1H26, including the payment of Rmb6.9bn for acquisition of Solgold which completed in 1H26, 40% of full-year guidance of RMB26.6bn. Solgold holds 100% stake of Cascabel project with reported resources of 12.2mnt of copper, 865t of gold, and 2,900t of silver.

On 17 Jul 17 2026, Jiangxi Copper announced a proposed spin-off and separate listing of its 70.19%-owned subsidiary, JCC Copper Foil, on the HKEX Main Board. JCC Copper Foil reported revenue of Rmb5.83bn in 2025, accounting for around 1% of Jiangxi Copper's 2025 revenue, and a net loss attributable to shareholders of Rmb85mn (vs. Rmb216mn loss in 2024). The proposed IPO remains subject to multiple approvals, including shareholder approvals from both Jiangxi Copper and JCC Copper Foil, approval from the state-owned assets regulator (SASAC), CSRC filing approval, and HKEX approval. Following the spin-off, JCC Copper Foil is expected to remain a consolidated subsidiary of Jiangxi Copper.

Assumption changes and investment thesis

We revise up recurring earnings estimates by 16-20% for 2026-27E to incorporate better profit from copper and minor metals segments. We revise up recurring earnings estimates by 58% for 2028E to reflect a revised copper price assumption to US$13,700/t, from US$10,000/t, by aligning with global commodity team's forecast. With strong profit delivery, Jiangxi Copper has proven itself to continue to benefit from self-supplied copper concentrate from its mines in Jiangxi, and is less affected by its smelting business under depressed TCRC. As a pure copper play, we expect recurring net profit to increase by 176% yoy in 2026E, driven by rising copper price and rising profit contribution from association/JV (Jiaxin and FQM). The H-share valuation looks attractive by trading at 7x PE for 2026E, versus its historical range of 5-10x. We maintain our Buy/Buy ratings on Jiangxi Copper-H/A with revised 12-m TPs of HK$50.0/Rmb65.0 (from HK$45.0/Rmb60.0).

Exhibit 11: 1H26A financial results summary – Jiangxi Copper

Financial results summary - JXC		1H26A	1H25A	YoY	1H26E	AvE
Revenue	Rmb mn	305,854	256,030	19%	319,962	-4%
COGS	Rmb mn	(291,319)	(246,837)	18%	(308,609)	-6%
Gross Profit	Rmb mn	14,535	9,193	58%	11,352	28%
Other revenue (net)	Rmb mn	832	947	-12%	1,126	-26%
SG&A	Rmb mn	(2,267)	(2,050)	11%	(2,419)	-6%
Others	Rmb mn	551	(1,266)	n.a	365	51%
EBIT	Rmb mn	13,651	6,824	100%	10,423	31%
EBIT-recurring	Rmb mn	13,045	6,624	97%	10,423	25%
Finance costs	Rmb mn	(990)	(1,110)	-11%	(1,573)	-37%
Profit before taxes	Rmb mn	12,661	5,714	122%	8,850	43%
Income taxes	Rmb mn	(2,882)	(1,005)	187%	(1,733)	66%
Minorities	Rmb mn	(881)	(258)	241%	(333)	165%
Net profit	**Rmb mn**	**8,897**	**4,451**	**100%**	**6,784**	**31%**
One-off	Rmb mn	606	201	202%	-	n.a
Asset/inv write backs	Rmb mn	7	(5)	n.a	-	n.a
Fair value/hedging gain	Rmb mn	126	404	-69%	-	n.a
FX gain and inv gains	Rmb mn	473	(199)	n.a	-	n.a
NP-recurring	**Rmb mn**	**7,996**	**4,035**	**98%**	**6,784**	**18%**
EPS	Rmb/sh	2.577	1.285	101%	1.965	31%
EPS-recurring	Rmb/sh	2.316	1.165	99%	1.965	18%
DPS	Rmb/sh	-	0.399	n.a		
Effective tax rate	%	23%	18%	5%	20%	3%
Minorities %	%	9%	5%	4%	5%	4%
Dividend payout	%	0%	31%	-31%		
OCF	Rmb mn	5,814	2,871	102%		
ICF	Rmb mn	(17,621)	(13,408)	31%		
FCF	Rmb mn	(17,621)	(13,408)	31%		
FCF- ex WMP	Rmb mn	(5,081)	(1,033)	392%		
A/R days	days	8.1	6.8	20%		
A/P days	days	11.9	14.4	-17%		
Inv days	days	37.3	39.3	-5%		
Net Debt*	Rmb mn	36,857	31,286	18%	vs. end of 2025	
Net Gearing*	%	42%	38%	4%	vs. end of 2025	
Revenue	Rmb mn	305,854	256,030	19%	319,962	-4%
Copper cathode - sales	Rmb mn	125,625	129,022	-3%	98,165	28%
Copper wires	Rmb mn	85,154	57,084	49%	102,301	-17%
Gold/silver	Rmb mn	67,366	45,504	48%	78,616	-14%
Chemicals & Others	Rmb mn	27,709	24,420	13%	40,881	-32%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 12: 1H26A operational results summary – Jiangxi Copper

Operational results summary - JXC		1H26A	1H25A	YoY	1H26E	AvE
SHFE price - Cu	US$/lb	5.95	4.29	39%	5.91	1%
LME price - Cu	US$/lb	5.94	4.28	39%	5.90	1%
Benchmark price - Gold	US$/oz	4,686	3,070	53%	4,769	-2%
Production - Mined Cu in JX	kt	100	99	1%	98	2%
Output-Cu cathodes	kt	1,260	1,195	5%	1,190	6%
Sulphuric acid	kt	3,472	3,462	0%	3,517	-1%
Pyrite concentrates	kt	1,502	1,419	6%	1,439	4%
Output-Silver	t	750	704	7%	692	8%
Output-Gold	t	43.7	50.0	-12%	59.5	-26%

Source: Company data, Goldman Sachs Global Investment Research

Copper - MMG (1208.HK): 1H26A below expectations; Maintain Buy

Difference versus expectation

MMG reported 1H26 recurring earnings below our expectations mostly due to higher cost. MMG has completed its new share issuance of 706mn at HK$8.88/shr, or 5.5% of total shares and CB issuance of US$800mn. The company declared no interim dividend, same as last year.

Management update on 2026E guidance

- Production outlook: MMG maintained its Las Bambas copper production guidance at 400kt/year. Khoemacau phase II expansion to 130kt/year of copper production made construction progress in 1H26, with first concentrate production expected in 1H28. The company is currently studying total copper capacity of 200kt/year for next phase expansion.
- C1 cost: MMG lowered its C1 cost guidance for Las Bambas in 2026E to US$0.85-1.05/lb, from prior guidance of US$1.20-1.40/lb, likely due to stronger than expected price for its by-products.
- Capex: The company maintained 2026E Capex guidance at a range of US$1.6bn-1.7bn, including US$800-850mn for Las Bambas, US$500-550mn for Khoemacau expansion, US$300mn for other mines including solar and ESS projects for Kinsevere, and mine life extension for Rosebery, etc.

Assumption changes and investment thesis

We cut our recurring earnings estimates by 11-17% for 2026-27E to reflect higher cost from 1H26 results and lower gold price assumptions. We revised up our recurring earnings estimates by 53% for 2028E to reflect a revised copper price assumption to US$13,700/t, from US$10,000/t, by aligning with global commodity team's forecast. We expect MMG, as a pure copper play, to more than double its recurring profit to US$1.86bn in 2026E from US$0.82bn in 2025 driven by rising copper price and finance cost reduction through deleveraging. With improving profit, we expect MMG to have the chance to pay its first dividend in 10 years starting in 2026E. Maintain Buy with a revised 12-month target price to HK$12.5/sh (from HK$14.0).

Exhibit 13: 1H26A results summary – MMG

		1H26A	1H25A	YoY	1H26E	A vs E
Total revenue	US$ mn	4,540	2,817	61%	4,679	-3%
Expenses	US$ mn	(1,813)	(1,277)	42%	(1,672)	8%
EBITDA	US$ mn	2,727	1,540	77%	3,007	-9%
D&A	US$ mn	(550)	(481)	14%	(515)	7%
EBIT	US$ mn	2,177	1,059	106%	2,492	-13%
Finance costs	US$ mn	(113)	(140)	-19%	(69)	62%
Income taxes	US$ mn	(699)	(353)	98%	(875)	-20%
Minorities	US$ mn	(469)	(226)	107%	(501)	-6%
Net profit	US$ mn	897	340	164%	1,046	-14%
one-offs	US$ mn	(29)	18	n.a.	-	n.a.
Recurring NP	US$ mn	916	322	184%	1,046	-12%
EPS	US$/sh	0.074	0.028	163%	0.086	-14%
EPS-recurring	US$/sh	0.075	0.027	183%	0.086	-12%
Effective tax rate	%	34%	38%	-5%	36%	-2%
Minorities %	%	34%	40%	-6%	32%	2%
Dividend payout	%	0%	0%	0%		
Revenue-Las Bambas	US$mn	3,308	2,007	65%	3,356	-1%
Revenue-Dugald River	US$mn	340	228	50%	332	3%
Revenue-others	US$mn	892	583	53%	991	-10%
EBITDA-Las Bambas	US$mn	2,251	1,311	72%	2,359	-5%
EBITDA-Dugald River	US$mn	127	66	92%	144	-12%
EBITDA-others	US$mn	349	163	114%	503	-31%
Copper-LME benchmark	US$/lb	5.94	4.28	39%	5.90	1%
Zinc-LME benchmark	US$/lb	1.52	1.24	22%	1.51	1%
Implied realized price - Cu	US$/lb	5.65	3.83	47%	5.44	4%
Implied realized price - Zinc	US$/lb	1.68	1.16	45%	1.60	5%
Rpt C1 cost-Las Bambas	US$/lb	0.55	1.06	-48%	1.32	-58%
Total payable metal sold						
Copper	kt	266	238	12%	280	-5%
Las Bambas	kt	213	191	12%	223	-4%
Zinc	kt	92	89	3%	94	-2%
Operating cash flow	US$ mn	2,234	1,185	89%		
Investing cash flow	US$ mn	(554)	(424)	31%		
Free cash flow	US$ mn	1,680	761	121%		
Free cash flow-rpt	US$ mn	1,551	614	152%		
A/R days	days	34	49	-31%		
A/P days	days	35	44	-20%		
Inv days	days	92	100	-8%		
Net debt*	US$ mn	606	3,089	-80%	*vs. end of 2025	
Net gearing*	%	11%	78%	-67%	*vs. end of 2025	

Source: Company data, Goldman Sachs Global Investment Research

Gold - Zhaojin (1818.HK): 1H26A below expectation; downgrade to Neutral

Difference versus expectation
Zhaojin 1H26 recurring NP was below our expectations and Bloomberg consensus mostly due to lower gold production and higher production cost. The company did not declare the interim cash dividend, same as last year.

Management update on 2026E guidance
Zhaojin lowered its 2026E total gold output target by 36% (including self-mined, buy-out and by-product gold) to 11.72t (vs. prior guidance of 18.26t), likely due to company-wide production disruptions in its operating gold mines post two mine fatal accidents in 1H26 and subsequent tightening safety inspection on the company. According to Zhaojin, the 2 mines involved in the safety incidents had yet to resume operations as of Jun 2026. Zhaojin also updated Haiyu mine progress that 60% of construction has finished by 1H26. The company has spent Rmb1.173bn capex in 1H26, or less than 20% of full year capex guidance of Rmb6.615bn (including Rmb3.5bn for potential acquisitions).

Assumption changes and investment thesis
We cut our recurring earnings estimate by 52-54% for 2026-28E to reflect lower self-mined gold production by 6-11t to 12t in 2026E, 15t in 2027E and 17t in 2028E from 1) lower gold output guidance by company in 2026E, 2) our expectation of slower production recovery from 2H27E, 3) delay of Haiyu mine operation starts to 2028E from 2026E based on recent construction progress update, along with lower gold price assumptions from global commodity team (5-7% gold price forecast cut for 2026-27E).

We expect slow production recovery of Zhaojin's gold mines from 2H27E given the government has not published the official accident investigation reports which typically requires 4-6 months or potentially longer. We expect Zhaojin to face a multi-year production recovery, with self-mined gold output only returning to its 2025 level or at 17-18t until 2028E. The further delay in the start of Haiyu mine operation add more uncertainty to its execution of volume growth outlook. We estimate current Zhaojin share price implied gold price is at US$4,600/oz, therefore valuation is fair in our view. We downgrade Zhaojin to Neutral (from Buy) with a revised 12m TP of HK$21.5/sh (from HK$42.0/sh). Our TP implies 7% downside vs. 5% upside for our commodities coverage average.

Since adding Zhaojin to Buy list on Mar-27 2024, share price has increased by 126% vs HSI index up by 55%. We attribute this outperformance to strong gold price increase. Our earnings forecasts are 33-63% below LSEG Data & Analytics consensus for 2026-28E, due to our more cautious view on mined gold production recovery and elevated production cost.

Key upside risks: 1) Stronger than expected gold and copper prices, which are key to Zhaojin's earnings (2026E earnings will increase 5.2% for every US$100/oz increase in gold price); and 2) better project execution and delivering projects ahead of schedule, which should secure the sustainability of the company's growth profile and drive output higher than expectation and could boost FCF generation; and 3) higher than modeled

ore grades for mines or implementing effective ore-sorting technology, which will lead to higher output and lower unit production cost of a mine.

Key downside risks: 1) Weaker than expected gold and copper prices which are key to Zhaojin's earnings (2026E earnings will decrease 5.2% for every US$100/oz decrease in gold price); and 2) slow project execution and construction delays, which are key to the sustainability of the company's growth profile and drive output lower than expectation; and 3) natural ore grade decay or unexpected grade decline for mines, which will lead to lower output and higher unit production cost of a mine.

Exhibit 14: 1H26A financial results summary - Zhaojin

Zhaojin-Financials		1H26A	1H25A	YoY	1H26E	AvE
Net Revenue	Rmb mn	9,022	6,973	29%	10,147	-11%
Cost of sales	Rmb mn	(4,675)	(3,923)	19%	(5,120)	-9%
Gross profit	Rmb mn	4,347	3,050	43%	5,026	-14%
Other revenue	Rmb mn	147	1,134	-87%	976	-85%
SG&A	Rmb mn	(924)	(726)	27%	(609)	52%
Other operating costs	Rmb mn	(625)	(968)	-35%	(114)	450%
Operating profit	Rmb mn	2,944	2,490	18%	5,280	-44%
Operating profit-recurring	Rmb mn	3,387	2,360	44%	5,280	-36%
Finance costs	Rmb mn	(201)	(253)	-20%	(235)	-14%
Share of associates	Rmb mn	8	11	-27%	12	-28%
Operating profit bf tax and MI	Rmb mn	2,751	2,249	22%	5,057	-46%
Tax	Rmb mn	(646)	(472)	37%	(1,026)	-37%
Minority	Rmb mn	(527)	(337)	56%	(779)	-32%
Net profit	Rmb mn	1,578	1,440	10%	3,253	-51%
Net profit-recurring	Rmb mn	1,944	1,337	45%	3,253	-40%
EPS (bf PPB)	Rmb/sh	0.445	0.414	8%	0.918	-51%
EPS (recurring)	Rmb/sh	0.549	0.384	43%	0.918	-40%
EPS(rpt)	Rmb/sh	0.420	0.380	11%	0.849	-51%
DPS	Rmb/sh	-	-	n.a.		
Dividend payout	%	0%	0%	0%		
Effetive tax rate	%	23%	21%	2%	20%	3%
Rev-Gold	Rmb mn	7,932	6,500	22%	9,664	-18%
Rev-Copper	Rmb mn	178	222	-20%	271	-34%
GP-Gold	Rmb mn	3,885	3,032	28%	5,263	-26%
GP-Copper	Rmb mn	80	96	-17%	105	-23%
Inv days	days	275	320	-14%		
A/R days	days	14	15	-5%		
A/P days	days	30	20	52%		
OCF	Rmb mn	-	2,282	n.a.		
FCF	Rmb mn	-	599	n.a.		
Net debt-rpt*	Rmb mn	14,127	15,036	-6%	vs. end of 2025	
Net debt-adj perpetual*	Rmb mn	19,474	20,275	-4%	vs. end of 2025	
Net gearing-rpt, excl MI*	%	55%	61%	-6%	vs. end of 2025	
Net gearing-adj perp, ex MI*	%	96%	105%	-8%	vs. end of 2025	

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 15: 1H26A operational results summary - Zhaojin

Zhaojin-Operations		1H26A	1H25A	YoY	1H26E	AvE
Gold price - Benchmark	US$/oz	4,686	3,070	53%	4,769	-2%
Gold price - realized ASP	US$/oz	4,838	3,097	56%	4,769	1%
Mined gold output	t	8.0	10.2	-22%	10.0	-20%
Prod self mined-Gold	t	7.0	9.0	-22%	9.0	-22%
Prod Tolling-Gold	t	4.5	4.1	12%	3.4	33%
Unit production cost-rpt	Rmb/g	323.0	216.2	49%	216.6	49%

Source: Company data, Goldman Sachs Global Investment Research

Lithium - Ganfeng (1772.HK/002460.SZ): 1H26A above expectation; Upgrade Ganfeng-H to Neutral from Sell, Maintain Sell on Ganfeng-A

Difference versus expectation

Ganfeng's 1H26A recurring earnings were above expectation, mostly due to higher profit from lithium chemicals and batteries. The company made fair value gains of Rmb562mn, offset by impairment for receivables, sales of PP&E and inventory, FX loss and deferred tax expenses. The company declared no interim dividend in 1H26A, the same as last year.

Management update on 2026E guidance

Lithium chemical output guidance was unchanged at 230-240kt-LCE for 2026E, implying 26-32% increase yoy. Management commented that the ramp-up and expansion of most key projects are on track and provided updates for several new projects:

- Bombali project is guided to ramp up in 2027E with expected unit cost at or below the average level of existing Africa spodumene projects.
- PPGS project is expected to start construction once funding is secured.
- Management believes Mariana has the potential for future expansion.

Ganfeng maintained its EV/ESS battery shipment guidance at 40GWh for 2026E. Management expected 2H26E Capex to increase versus 1H26A but would remain mostly flat yoy.

Assumption changes and investment thesis

We revise up Ganfeng's recurring EPS by 30% for 2026E but mostly unchanged for 2027-2028E, to reflect the higher 2H26E spot price by marking to market - our average 2026E China spot lithium carbonate price assumption is US$18.8k/t-LCE or 21% higher than prior numbers, including US$16.6k/t-LCE for 2H26E. Our assumption for 2027E and 2028E, ranging between US$10.3-16.0k/t-LCE, remains unchanged. We remain cautious on lithium price outlook.

With the sharp correction in share prices (21% lower YTD and 54% lower from peak), current share price for Ganfeng-H has partly factored in lithium price correction ahead, historically 3-6 month ahead - we estimate current Ganfeng-H implies lithium price of US$13.5k/t-LCE, thus risk reward has become more balanced, in our view. We upgrade Ganfeng-H to Neutral from Sell with revised 12m TP of HK$46.0/sh (from HK$60.0/sh). We view Ganfeng-A share price remains expensive with an implied lithium price of US$16.6k/t-LCE. We retain Ganfeng-A at Sell with a revised 12m TP of Rmb45.0/sh (from Rmb53.0/sh).

Our valuation is based on an average of near-term and long-term mid cycle valuations. For our near-term valuation, we use Gangfeng's H/A average consensus 12-month forward trading multiples of 14x/20x (vs. prior 30x/30x) over the past year, which we then apply to our 2026E EPS based on 2H26E lithium price assumption. For our long-term mid-cycle valuation we use a SOTP including 15x/15x P/E for the core

operation from mining materials on 2030E earnings when we expect most of Ganfeng's ongoing construction projects to be fully ramped up and a lithium price at mid cycle levels, and 18x/18x P/E for core operation from EV recycling materials on 2030E earnings, discounting back to 2026E using a discount rate of 10.0%. Our revised TPs for H/A implies 12% upside and 16% downside potential respectively. Our TP for Gangfeng's H/A implies 12% upside/16% downside vs. 5% upside for our commodities coverage average.

Since downgrading Ganfeng-H to Sell on Nov 24 2025, the share price has decreased by 16% vs. HSI down 2%. Our earnings forecasts are 8-81% below LSEG Data & Analytics consensus for 2026-28E, due to our more cautious view on lithium price.

Key upside/downside risks for Ganfeng-H: 1) higher/lower lithium product prices, driven by industry supply-demand dynamics, could support/weigh on the company's earnings; 2) project execution risk, faster/slower than expected ongoing project expansion could positively/negatively affect production growth and earnings; 3) raw material purchase risk, higher/lower than expected raw material costs due to new arrangements would support margins or reduce profitability; 4) policy risk that may affect the pace of EV adoption, leading to higher/lower than expected lithium compounds demand; 5) Favorable/adverse currency movements, regulatory changes, and geopolitical developments could support/weigh on overseas project development; and 6) Faster/slower growth in EV battery recycling could increase/reduce earnings contribution.

Exhibit 16: 1H26A financial results summary - Ganfeng

Ganfeng - Financials		1H26A	1H25A	YoY	1H26E	AvE
Net Revenue	Rmb mn	22,884	8,258	177%	20,226	13%
Cost of sales	Rmb mn	(15,748)	(7,367)	114%	(13,907)	13%
Gross profit	Rmb mn	7,136	890	702%	6,319	13%
SG&A	Rmb mn	(1,543)	(1,158)	33%	(1,472)	5%
SG&A-recurring (est)	*Rmb mn*	*(1,514)*	*(1,101)*	*37%*	*(1,472)*	*3%*
Other expenses	Rmb mn	(338)	(711)	-52%	(82)	315%
Other income and gains	Rmb mn	969	984	-1%	394	146%
EBIT	Rmb mn	6,224	5	1163x	5,161	21%
EBIT-recurring	*Rmb mn*	*5,950*	*351*	*16x*	*5,161*	*15%*
Finance cost, net	Rmb mn	(647)	(704)	-8%	(808)	-20%
Share from associates & JV	Rmb mn	626	(245)	n.a.	464	35%
Income tax expenses	Rmb mn	(1,770)	157	n.a.	(979)	81%
Minorities	Rmb mn	(175)	250	n.a.	(556)	-69%
Net profit	Rmb mn	4,258	(536)	n.a.	3,282	30%
Net profit-recurring	Rmb mn	4,280	(442)	n.a.	3,282	30%
EPS	Rmb/sh	2.031	(0.261)	n.a.	1.565	30%
EPS-recurring	Rmb/sh	2.041	(0.215)	n.a.	1.565	30%
DPS	Rmb/sh	-	-	n.a.		
Effective tax rate	%	29%	17%	12%	20%	8%
Minorities	%	4%	32%	-28%	14%	-11%
Dividend payout ratio	%	0%	0%	0%		
OCF	Rmb mn	1,328	300	342%		
ICF	Rmb mn	53	(2,181)	n.a.		
FCF	Rmb mn	1,381	(1,881)	n.a.		
Net debt*	Rmb mn	26,017	27,235	-4%	*vs end of 2025	
Net Gearing*	%	54%	60%	-6%	*vs end of 2025	
Revenue-compounds & metal	Rmb mn	14,095	4,726	198%	14,563	-3%
Revenue-Batteries	Rmb mn	7,786	2,940	165%	4,616	69%
Revenue-Others	Rmb mn	1,003	592	70%	1,048	-4%
GP-compounds & metal	Rmb mn	5,923	395	1400%	5,404	10%
GP-Batteries	Rmb mn	929	409	127%	613	51%
GP-Others	Rmb mn	284	87	227%	302	-6%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 17: 1H26A operational results summary – Ganfeng

Ganfeng - Operations		1H26A	1H25A	YoY	1H26E	AvE
Benchmark price						
Lithium carbonate - CN Spot	US$/t	21,030	8,606	144%	21,016	0%
Lithium hydroxide - Asia CIF	US$/t	17,510	9,086	93%	16,967	3%
Lithium metal	Rmb/t	964,826	548,765	76%	951,278	1%
Output-compounds and metal, est.	kt LCE	104.4	72.9	43%	108.7	-4%
Sales-compounds and metal, est.	kt LCE	102.0	73.1	40%	106.4	-4%
Realized ASP, est.						
Lithium carbonate	US$/t	21,030	8,606	144%	21,016	0%
Lithium hydroxide	US$/t	14,809	6,757	119%	15,096	-2%
Lithium metal	Rmb/t	723,619	548,765	32%	761,023	-5%
Unit COGS-Lithium compounds, est.	Rmb/t-LCE	80,101	59,283	35%	86,104	-7%

Source: Company data, Goldman Sachs Global Investment Research

Lithium - Tianqi (9696.HK/002466.SZ): 1H26A inline expectations; Maintain Sell

Difference versus expectation
Tianqi's 1H26A recurring earnings was inline with expectations, mostly due to lower realized ASP for lithium ore and higher unit COGS for lithium compounds, offsetting by lower minorities. The company declared no interim dividend, same as last year.

Management update on 2026E guidance
Tianqi provided major projects update:

- For lithium ore projects:
  - Greenbushes project production outlook: The Greenbushes project currently has total capacity of 2.14mnt/year of spodumene concentrate. The no. 3 chemical grade plant (CGP3) in Greenbushes is currently ramping up production, and is expected to fully ramp up by end of 2026. In 1H26, spodumene concentrate production at Greenbushes reached 738kt, including 722kt of chemical-grade concentrate and 16kt of technical-grade concentrate. IGO recently announced Greenbushes FY27 guidance (from CY2H26-1H27) at 1.55-1.75mnt. IGO noted that CGP3's performance has already exceeded pre-fire levels and may reach nameplate capacity by the end of Sep-Q, providing potential upside to FY27 production guidance. IGO also announced production guidance for Kwinana project for FY27 at 9-11kt, slightly increased from 8.8kt in FY26.
  - Yajiang Cuola project update: The company conducted the preliminary feasibility study for the Yajiang Cuola project in Jun 2026, with project design expected to commence in 2H26.
- For lithium chemicals projects:
  - Jiangsu lithium carbonate project: The production line has been converted from lithium hydroxide (30kt annual capacity) to lithium carbonate (26kt annual capacity), and is currently ramping up production.
  - Chongqing lithium metal project: The project has 1.6kt of lithium metal annual capacity, of which 600t is already operational. The remaining 1ktpa phase has been in trial production since construction was completed on May 20, 2026.

We expect CGP3 ramp up in Greenbushes will boost Tianqi's upstream integrated lithium chemical output by 19% in 2026E to 52kt-LCE from 44kt-LCE in 2025. In our view, Yajiang Cuola and CGP4 expansion could potentially boost Tianqi's upstream self-sufficiency to 84% by 2030E from 68% in 2025.

Assumption changes and investment thesis
We revise up Tianqi's recurring earnings by 14% for 2026E and fine-tuning 2027-28E by lowering 2-4%, to reflect the higher 2H26E spot price by marking to market - our average 2026E China spot lithium carbonate price assumption is US$18.8k/t-LCE or 21% higher than prior numbers, including US$16.6k/t-LCE for 2H26E. Our assumption for 2027E and 2028E, ranging US$10.3-16.0k/t-LCE, remained unchanged. We remain

cautious on lithium price outlook.

We view Tianqi-H/A share price remains expensive with an implied lithium price of US$18.1-24.5k/t-LCE. Maintain Sell on Tianqi-H/A, with a revised 12-m target price at HK$33.0/Rmb32.0 (from HK$48.0/Rmb42.0), suggesting 13%/36% downside potential.

Our valuation is based on an average of near-term and long-term mid cycle valuations. For our near-term valuation, we use Tianqi's H/A average consensus 12-month forward trading multiples of 12x/15x (vs. prior 20x/20x) over the past year, which we then apply to our 2026E EPS based on 2H26E lithium price assumption. For our long-term mid-cycle valuation, we use long-term mid cycle valuation of 12x/12x P/E on 2030E earnings when lithium price at mid-cycle levels, discounted back to 2026E using a discount rate of 10.0%.

Exhibit 18: 1H26A financial results summary - Tianqi

Tianqi - Financials		1H26A	1H25A	YoY	1H26E	AvE
Revenue	Rmb mn	12,224	4,821	154%	12,694	-4%
COGS	Rmb mn	(4,359)	(2,910)	50%	(3,756)	16%
Gross profit	Rmb mn	7,865	1,911	312%	8,938	-12%
SG&A	Rmb mn	(323)	(306)	6%	(320)	1%
Others	Rmb mn	533	535	0%	210	154%
EBIT	Rmb mn	8,074	2,139	277%	8,828	-9%
EBIT-recurring	*Rmb mn*	*7,619*	*1,844*	*313%*	*8,828*	*-14%*
Finance cost, net	Rmb mn	(276)	(324)	-15%	(275)	0%
Share from associates & JV	Rmb mn	1,434	221	548%	1,382	4%
Income taxes	Rmb mn	(2,282)	(522)	337%	(2,379)	-4%
Minorities	Rmb mn	(2,715)	(1,428)	90%	(3,707)	-27%
Net profit	Rmb mn	4,236	87	4789%	3,849	10%
One offs	Rmb mn	456	296	54%	-	n.a.
Net profit recurring	Rmb mn	3,781	(209)	n.a.	3,849	-2%
EPS	Rmb/sh	2.502	0.053	4634%	2.273	10%
EPS-recurring	Rmb/sh	2.233	(0.127)	n.a.	2.273	-2%
DPS	Rmb/sh	-	-	n.a.		
Effective tax rate	%	25%	26%	-1%	24%	1%
Minorities	%	39%	94%	-55%	49%	-10%
Dividend payout ratio	%	0%	0%	0%		
OCF	Rmb mn	2,212	1,820	22%		
ICF	Rmb mn	(4,934)	(3,050)	62%		
FCF	Rmb mn	(2,722)	(1,230)	121%		
Net debt*	Rmb mn	6,468	9,869	-34%		
Net gearing*	%	11%	19%	-8%		
Revenue-Lithium ore	Rmb mn	5,123	2,379	115%	5,897	-13%
Revenue-Lithium compounds	Rmb mn	7,101	2,442	191%	6,797	4%
GP-Lithium ore	Rmb mn	3,801	1,289	195%	4,615	-18%
GP-Lithium compounds	Rmb mn	4,064	621	554%	4,323	-6%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 19: 1H26A operational results summary - Tianqi

Tianqi - Operations		1H26A	1H25A	YoY	1H26E	AvE
Benchmark price						
Lithium carbonate - CN Spot	US$/t	21,030	8,606	144%	21,016	0%
Lithium hydroxide - Asia CIF	US$/t	17,510	9,086	93%	16,967	3%
Spodumene 6%-CN CIF	US$/t	2,281	774	195%	2,265	1%
Output						
Output-Lithium ore	kt	738.0	681.0	8%	738.3	0%
Output-Lithium compounds, est	kt	51.2	39.4	30%	48.1	7%
Sales						
Sales-Lithium ore, est	kt	384.9	438.4	-12%	377.9	2%
Sales-Lithium compounds, est	kt	51.1	38.8	31%	48.1	6%
Realized ASP-Lithium ore, est	US$/t	1,939	748	159%	2,265	-14%
Realized ASP-Lithium compounds, est	US$/t	20,262	8,669	134%	20,516	-1%
Unit GP-Lithium ore-estimate, est	US$/t	1,439	405	255%	1,773	-19%
Unit GP-Lithium compounds, est	US$/t	11,595	2,205	426%	13,049	-11%

Source: Company data, Goldman Sachs Global Investment Research

Lithium - Yahua (002497.SZ): 1H26A above expectations; Maintain Sell

Difference versus expectation

Yahua's 1H26A recurring earnings is slightly above expectation, mostly due to lower than expected income tax expenses. Gross profit is mostly inline with our expectation as higher profit from lithium offset weaker civil explosive. The company reported Rmb166mn of loss in one-offs, mostly on impairment loss, FX loss and investment loss in futures options. The company declared nil interim dividend in 1H26A, same as last year.

Management update on 2026E guidance

The construction for the lithium sulphate plant in Zimbabwe, with capacity of 60kt/year along with acid production plant, is on track. The project is expected to start operation in mid-2027E.

Assumption changes and investment thesis

We revised up Yahua recurring earnings by 4-16% for 2026-28E to reflect the higher 2H26E spot price by marking to market and lower unit COGS for lithium from 1H26 results. Our average 2026E China spot lithium carbonate price assumption is US$18.8k/t-LCE or 21% higher than prior numbers, including US$16.6k/t-LCE for 2H26E. Our assumption for 2027E and 2028E, ranging US$10.3-16.0k/t-LCE, remained unchanged. We remain cautious on lithium price outlook. We view Yahua's share price remains expensive with an implied lithium price of US$19.2k/t-LCE. Maintain Sell on Yahua, with a revised 12-m target price at Rmb15.5 (from Rmb21.5), suggesting 19% downside potential.

Our valuation is based on SOTP including:

- Rmb10.8/sh for lithium operation on an average of near-term and long-term mid cycle valuations. For our near-term valuation, we use Yanhua's average consensus 12-month forward trading multiple of 10x (vs. prior 20x) over the past year, which we then apply to our 2026E EPS based on 2H26E lithium price assumption. Our long-term mid cycle lithium valuation is derived from 12x PE on 2030E based earnings when lithium price at mid cycle levels, discounted back to 2026E using a discount rate of 10%.
- Rmb4.7/sh for the civil explosives operation at 15x P/E on 2026E based earnings, consistent with the average historical trading multiples of its domestic civil explosive peers at 15-30x P/E.

Exhibit 20: 1H26A financial results summary – Yahua

Yahua - Financials		1H26A	1H25A	YoY	1H26E	AvE
Net Revenue	Rmb mn	6,451	3,351	92%	6,904	-7%
Cost of sales	Rmb mn	(4,582)	(2,843)	61%	(5,013)	-9%
Gross profit	Rmb mn	1,869	509	267%	1,891	-1%
SG&A	Rmb mn	(390)	(380)	3%	(415)	-6%
Others	Rmb mn	(63)	(14)	355%	31	n.a.
EBIT	Rmb mn	1,416	114	1138%	1,507	-6%
Finance cost, net	Rmb mn	(61)	7	n.a.	(28)	118%
Share from associates & JV	Rmb mn	200	(2)	n.a.	190	5%
Income tax expenses	Rmb mn	(228)	(72)	215%	(334)	-32%
Minorities	Rmb mn	(70)	49	n.a.	(75)	-6%
Net profit	Rmb mn	1,216	136	795%	1,260	-3%
One offs	Rmb mn	(166)	(3)	5229%	0	n.a.
Net profit-recurring	Rmb mn	1,340	138	870%	1,260	6%
EPS	Rmb/sh	1.055	0.118	795%	1.093	-3%
EPS-recurring	Rmb/sh	1.163	0.120	870%	1.093	6%
DPS	Rmb/sh	-	-	n.a.		
Effective tax rate	%	15%	45%	-30%	20%	-5%
Minorities	%	5%	-56%	62%	6%	0%
Dividend payout ratio	%	0%	0%	0%	0%	0%
OCF	Rmb mn	(413)	(346)	19%		
ICF	Rmb mn	267	460	-42%		
FCF	Rmb mn	(146)	114	n.a.		
Net debt*	Rmb mn	(442)	(1,025)	-57%	*vs end of 2025	
Net Gearing*	%	-4%	-10%	6%	*vs end of 2025	
Revenue-Lithium	Rmb mn	4,928	1,764	179%	5,034	-2%
Revenue-Civil explosive and others	Rmb mn	1,781	1,659	7%	1,997	-11%
GP-Lithium	Rmb mn	1,621	29	5541%	1,351	20%
GP-Civil explosive and others	Rmb mn	248	480	-48%	540	-54%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 21: 1H26A operational results summary – Yahua

Yahua - Operations		1H26A	1H25A	YoY	1H26E	AvE
Benchmark price						
Lithium hydroxide - Asia CIF	Rmb/t	120,195	65,901	82%	116,890	3%
Lithium hydroxide - CN Spot	Rmb/t	135,205	59,708	126%	134,832	0%
Lithium carbonate - CN Spot	Rmb/t	144,359	62,420	131%	144,790	0%
Reallized ASP-estimated	Rmb/t	117,189	67,650	73%	119,713	-2%
Lithium hydroxide	Rmb/t	107,798	70,904	52%	111,046	-3%
Lithium carbonate	Rmb/t	144,359	62,420	131%	144,790	0%
Unit COGS						
Lithium chemicals, est	Rmb/t	78,647	66,548	18%	87,576	-10%
Civil explosives-dynamite, est	Rmb/t	2,691	1,529	76%	3,281	-18%
Volume- estimated						
Sales-Lithium chemicals	kt	42.0	26.1	61%	42.0	0%
Output-Lithium chemicals	kt	41.3	26.1	59%	41.3	0%

Source: Company data, Goldman Sachs Global Investment Research

Lithium - Yongxing (002756.SZ): 1H26A below expectations; Maintain Sell

Difference versus expectation

Yongxing 1H26 recurring earnings were below expectation, mostly due to lower profit from lithium, as a result of lower realized ASP and higher COGS, more than offset improving margin for special steel. The company made one-off gain from disposal of traded financial assets at Rmb59mn, partly offset by credit impairment loss. The company reported interim dividend of Rmb0.3/sh in 1H26, implying 17% payout ratio, versus 40% in 1H25.

Management update on 2026E guidance

Yongxing expects lithium carbonate sales to remain mostly flattish in 2026E at 24.8kt-LCE, partly through external purchase of ore concentrate, including 17.8kt-LCE from integrated mine. The company has mined all the lepidolite ore from Huashan mine in 1H26 or at ~25kt-LCE, and plans to convert to lithium carbonate over 2H26E-1H27E. The lithium mine license change for Huashan mine is expected to complete in 3Q26E, and then will wait for approval process for its paralleled brownfield mine expansion to 9mnt/year. The construction of expansion is targeting to start in 2H27E once approval is received, with production of construction ore. We expect Yongxing's integrated lithium mine production capacity to reach 50kt-LCE/year in 2028E when Huashan mine expansion completes.

Assumption changes and investment thesis

We revise Yongxing's recurring earnings by -6% for 2026E, +2% for 2027E and -8% for 2028E by incorporating a higher lithium price by marking to market and higher unit COGS for its lithium business by purchasing external ore for 2026E and improving unit GP for its stainless steel business from 1H26 results, and lower lithium volume by 10% for 2028E to reflect ramp up process. Our average 2026E China spot lithium carbonate price assumption is US$18.8k/t-LCE or 21% higher than prior numbers, including US$16.6k/t-LCE for 2H26E. Our assumption for 2027E and 2028E, ranging US$10.3-16.0k/t-LCE, remained unchanged. We remain cautious on lithium price outlook. We view Yongxing share price remains expensive with an implied lithium price of US$14.6k/t-LCE. Maintain Sell on Yongxing, with a revised 12-m target price at Rmb36.0 (from Rmb52.0), suggesting 22% downside potential.

Our valuation is based on SOTP including:

- Rmb26.5/sh for the lithium operation on an average of near-term and long-term mid cycle valuations. For our near-term valuation, we use Yongxing's average consensus 12-month forward trading multiple of 15x (vs. prior 25x) over the past year, which we then apply to our 2026E EPS based on 2H26E lithium price assumption. Our long-term mid-cycle lithium valuation is derived from 15x PE on 2030E based earnings when lithium price at mid cycle levels, discounted back to 2026E using a discount rate of 10%.
- Rmb9.5/sh for the special steel operation based on a 10x P/E on 2026E earnings, consistent with the average historical trading multiples for other specialty steel A-share peers.

Exhibit 22: 1H26A financial results summary – Yongxing

Yongxing - Financials		1H26A	1H25A	YoY	1H26E	AvE
Net Revenue	Rmb mn	5,083	3,693	38%	4,964	2%
Cost of sales	Rmb mn	(3,720)	(3,140)	18%	(3,379)	10%
Gross profit	Rmb mn	1,363	553	146%	1,585	-14%
Selling and dist	Rmb mn	(11)	(11)	2%	(15)	-27%
Admin	Rmb mn	(284)	(206)	38%	(276)	3%
Other expenses	Rmb mn	(9)	(7)	18%	0	n.a.
Other income and gains	Rmb mn	56	79	-29%	53	6%
EBIT	Rmb mn	1,114	408	173%	1,346	-17%
Finance cost, net	Rmb mn	30	44	-33%	41	-28%
Share from associates & JV	Rmb mn	5	8	-41%	11	-58%
Profit before taxes	Rmb mn	1,198	495	142%	1,398	-14%
Income tax expenses	Rmb mn	(217)	(85)	156%	(190)	15%
Minorities	Rmb mn	(22)	(10)	126%	26	n.a.
Net profit	Rmb mn	959	401	139%	1,235	-22%
One offs	Rmb mn	27	32	-16%	0	n.a.
Net profit-recurring	Rmb mn	937	374	150%	1,235	-24%
EPS	Rmb/sh	1.810	0.756	139%	2.330	-22%
EPS-recurring	Rmb/sh	1.768	0.706	150%	2.330	-24%
DPS	Rmb/sh	0.300	0.300	0%		
Effective tax rate	%	18%	17%	1%	14%	5%
Minorities %	%	2%	2%	0%	-2%	4%
Dividend payout	%	17%	40%	-23%		
A/R days	days	30	36	-17%		
A/P days	days	28	40	-30%		
Inv days	days	52	41	27%		
Operating cash flow	Rmb mn	1,085	241	350%		
Investing cash flow	Rmb mn	141	(1,077)	n.a.		
FCF	Rmb mn	1,226	(836)	n.a.		
Net debt*	Rmb mn	(4,477)	(3,772)	19%	vs. end of 2025	
Net Gearing*	%	-33%	-30%	-4%	vs. end of 2025	
Net Gearing (adj by WMP)*	%	-64%	-67%	4%	vs. end of 2025	

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 23: 1H26A operational results summary – Yongxing

Yongxing - Operations		1H26A	1H25A	YoY	1H26E	AvE
Benchmark price						
Lithium carbonate - CN Spot	Rmb/t	144,359	62,420	131%	144,790	0%
Reallized ASP - estimated						
Lithium carbonate	Rmb/t	137,805	61,609	124%	144,790	-5%
Special steel	Rmb/t	18,835	18,122	4%	18,245	3%
Unit COGS						
Lithium carbonate	Rmb/t	64,001	41,254	55%	49,705	29%
Special steel	Rmb/t	16,508	16,035	3%	16,348	1%
Sales volume						
Sales-Lithium carbonate	kt	14.2	12.1	18%	13.7	4%
Sales-Ferrous metal	kt	156.2	156.2	0%	156.2	0%
Revenue-lithium carbonate	Rmb mn	1,957	742	164%	1,977	-1%
Revenue-lithium, others	Rmb mn	184	120	53%	137	34%
Revenue-ferrous metal	Rmb mn	2,942	2,831	4%	2,850	3%
GP-lithium carbonate	Rmb mn	1,048	245	327%	1,298	-19%
GP-ferrous metal	Rmb mn	364	326	12%	296	23%
GP-others	Rmb mn	(49)	(18)	174%	(10)	403%

Source: Company data, Goldman Sachs Global Investment Research

Lithium/other EV metals - Huayou Cobalt (603799.SS): 1H26A inline with expectations; upgrade to Neutral from Sell

Difference versus expectation

Huayou's 1H26 recurring earnings were inline with our expectation, as weaker nickel profit offset by higher profit in ternary materials and copper. The company recorded Rmb1,162mn one-off loss, including FX and impairment loss.

Management update on 2026E guidance

- MHP shipment declined by 9.5% yoy to 194.5kt in nickel metal in 1H26, mostly due to partial suspension in Huafei project since May-26 under rising sulfur cost and Indonesia nickel ore issue. The management expects the partial suspension in Huafei to continue in 2H26E unless nickel price surge or sulfur price correct. Pomalaa MHP project is under construction and expected to start trial operation by end of 2026E. Meanwhile, Huayou is working on several sulfuric acid recycling projects to secure the supply and lower the production cost for MHP.
- Zimbabwe lithium production is expected to reach 70kt-LCE, including 30kt-LCE in 1H26. Lithium sulphate project is expected to fully ramp up by Nov-2026.
- Huayou expects capex in 2H26E to reach Rmb10bn, adding to a total capex of Rmb19-20bn for 2026E, mostly for projects including Pomalaa, Huaxing and acid recycling projects in Indonesia, and lithium project in Zimbabwe.

Assumption changes and investment thesis

We revise down Huayou's recurring earnings by 2-8% in 2026-28E to reflect weaker nickel profit from sustained higher sulfur price impact, partly offset by better unit profit in ternary battery material business reflected in 1H26 results. With the sharp correction in the share price (43% lower YTD and 51% lower from peak), we view the current share price for Huayou has partly factored in lithium price correction ahead and weaker profit from nickel business amid rising sulfur price. On the other hand, Huayou's ternary battery material business showed signs of improvement in 1H26 with shipments almost doubled yoy and unit GP much improved for both precursor and cathode. We estimate the current Huayou share price implies nickel price of US$16.0k/t, 4% below spot level, thus risk reward has become more balanced in our view. We upgrade Huayou Cobalt to Neutral from Sell with a revised 12m TP of Rmb42.0/sh (from Rmb51.0/sh).

Since downgrading Huayou to Sell on Apr 23rd 2024, the share price has increased by 40% vs. Shanghai Composite Index up 32%. We attribute this outperformance to higher than expected lithium and cobalt prices. Our earnings forecasts are 20-40% below LSEG Data & Analytics consensus for 2026-28E, due to our more cautious view on lithium price and higher cost estimate for its MHP nickel from sustained high sulfur price.

Our valuation is based on SOTP including:

- Rmb34.3/sh using average of near-term and mid-cycle to value Huayou's battery material business. For our near-term valuation, we use Huayou's average consensus 12-month forward trading multiple of 12x (vs. prior 13x) over the past year, which

we then apply to our 2026E EPS based on 2H26E lithium price assumption. For our long-term mid-cycle valuation, we apply 15x P/E on 2030E for the core operation from mining materials and 18x P/E on 2030E for core operation from EV recycling materials, discounting back to 2026E using a discount rate of 10.0%;

- Rmb7.7/sh for copper operation at 10x P/E on 2026E earnings.

Key risks include: 1) faster or slower than expected EV battery recycling growth, as this would impact Huayou's ability in sourcing raw materials and the company's revenue outlook. 2) higher or lower than expected precursor and cathode price/margin, which are driven by industry supply/demand. A faster or slower-than-expected EV penetration and battery mix will affect demand and could impact Huayou's profit margins. 3) project execution, including both operation starting time and ramp-up period, will affect company's volume growth profile, 4) raw material risk related to purchase quantity and cost, to secure growth in final product, which in turn will affect volume growth for the company, 5) overseas policy risk with its upstream projects in Indonesia and DRC. Local mining law and export policies will change operations as the company invested several projects in these countries.

Exhibit 24: 1H26A financial results summary – Huayou Cobalt

Huayou Cobalt - Financials		1H26A	1H25A	YoY	1H26E	AvE
Net revenue	Rmb mn	55,228	36,974	49%	51,871	6%
COGS	Rmb mn	(44,679)	(31,296)	43%	(43,774)	2%
Gross Profit	Rmb mn	10,549	5,678	86%	8,098	30%
SG&A	Rmb mn	(2,312)	(1,458)	59%	(1,989)	16%
Selling and dist	Rmb mn	(53)	(67)	-21%	(86)	-39%
Admin	Rmb mn	(1,138)	(856)	33%	(1,038)	10%
R&D expense	Rmb mn	(1,121)	(536)	109%	(865)	30%
Others	Rmb mn	(707)	(7)	9378%	-	n.a
EBIT	Rmb mn	7,531	4,212	79%	6,108	23%
Finance cost	Rmb mn	(1,769)	(912)	94%	(1,179)	50%
Investment gain	Rmb mn	532	445	20%	821	-35%
Share of associates	Rmb mn	215	266	-19%	821	-74%
Non op inc/expense	Rmb mn	3	(3)	n.a	0	n.a
Profit before tax	Rmb mn	6,297	3,742	68%	5,750	9%
Income tax expenses	Rmb mn	(1,129)	(271)	317%	(559)	102%
Minority interest	Rmb mn	(1,660)	(760)	118%	(905)	83%
Net profit	Rmb mn	3,507	2,711	29%	4,287	-18%
One-offs	Rmb mn	(1,162)	286	n.a	-	n.a
Recurring NP	Rmb mn	4,379	2,496	75%	4,287	2%
EPS	Rmb/sh	1.862	1.608	16%	2.275	-18%
EPS-recurring	Rmb/sh	2.324	1.480	57%	2.275	2%
Effective tax rate	%	18%	7%	11%	10%	8%
Minorities	%	32%	22%	10%	17%	15%
A/R days	days	52	43	21%		
A/P days	days	110	92	20%		
Inv days	days	130	116	12%		
OCF	Rmb mn	2,148	1,618	33%		
ICF	Rmb mn	(10,858)	(4,880)	123%		
FCF	Rmb mn	(8,710)	(3,262)	167%		
Net debt*	Rmb mn	50,303	44,554	13%	*vs. end of 2025	
Net Gearing*	%	99%	92%	7%	*vs. end of 2025	
Rev-cobalt products	Rmb mn	3,683	1,237	198%	3,183	16%
Rev-copper products	Rmb mn	1,976	2,213	-11%	2,790	-29%
Rev-ternary precursor	Rmb mn	3,768	1,953	93%	2,445	54%
Rev-ternary cathode&LCO	Rmb mn	12,245	6,053	102%	13,882	-12%
Rev-nickel products	Rmb mn	10,796	12,837	-16%	11,901	-9%
Rev-nickel intermediary	Rmb mn	9,510	5,543	72%	6,573	45%
Rev-lithium	Rmb mn	4,025	1,553	159%	5,081	-21%
Rev-others	Rmb mn	9,563	5,808	65%	6,316	51%
GP-cobalt products	Rmb mn	1,469	399	268%	1,009	46%
GP-copper products	Rmb mn	779	624	25%	224	248%
GP-ternary precursor	Rmb mn	692	357	94%	334	107%
GP-ternary cathode&LCO	Rmb mn	1,877	588	219%	781	140%
GP-nickel products	Rmb mn	2,108	2,706	-22%	1,503	40%
GP-nickel intermediary	Rmb mn	1,382	710	95%	1,202	15%
GP-lithium	Rmb mn	1,058	157	573%	2,845	-63%
GP-others	Rmb mn	1,184	136	768%	199	495%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 25: 1H26A operational results summary – Huayou Cobalt

Huayou Cobalt - Operations		1H26A	1H25A	YoY	1H26E	AvE
Benchmark price						
Cobalt-LME	US$/t	55,472	26,188	112%	54,807	1%
Copper-LME	US$/t	13,088	9,433	39%	12,789	2%
Nickel-LME	US$/t	17,714	15,366	15%	18,042	-2%
Ternary precursor-NMC622&811	Rmb/t, excl VAT	104,162	75,162	39%	103,269	1%
Ternary cathode-NMC622&811	Rmb/t, excl VAT	177,099	112,912	57%	172,041	3%
Implied reallized ASP						
Cobalt products	Rmb/t	233,093	59,470	292%	132,533	76%
Copper products	Rmb/t	76,008	67,822	12%	85,491	-11%
Nickel products	Rmb/t	138,827	128,370	8%	106,894	30%
Ternary precursor	Rmb/t	59,938	54,044	11%	59,622	1%
Ternary cathode	Rmb/t	160,488	160,314	0%	187,612	-14%
Shipments-cobalt products	kt	15.8	20.8	-24%	24.0	-34%
Shipments-nickel products	kt	135.2	171.8	-21%	169.9	-20%
Shipments-copper products	kt	26.0	32.6	-20%	32.6	-20%
Shipments-lithium products	kt	30.5	25.9	18%	37.1	-18%
Shipments-ternary precursor	kt	80.8	41.8	93%	55.9	45%
Shipments-ternary cathode	kt	76.3	37.8	102%	74.0	3%

Source: Company data, Goldman Sachs Global Investment Research

Other EV metals - GEM (002340.SZ): 1H26A below expectations; Downgrade to Sell from Neutral

Difference versus expectation

GEM's 1H26A recurring earnings came in much below expectations, mostly due to lower profit in both battery materials and key metal recycling including nickel, cobalt and Tungsten. The company recorded Rmb602mn one-off gains, mostly investment gains. GEM declared a cash dividend implying 15% payout in 1H26, versus nil in 1H25.

Management guidance on 2026E

The company has updated its 2026 guidance for major products including:

- MHP nickel project: MHP nickel shipments declined 37% yoy in 1H26, mostly due to the landslide incident, annual maintenance, and tight sulfur supply following the U.S.-Iran conflict. The company expect nickel shipment from MHP projects (including associate) to reach 65kt in 2H26E (vs. 27.8kt in 1H26), with nickel daily production reaching 370t as of Jul 2026.
- IGIP nickel project update: The company expects the IGIP MHP project with 90kt annual capacity in Indonesia to be completed by end-2026 and start production in 1H27E. GEM holds a 21% stake in this project, alongside Ecopro (39%) and PT Vale Indonesia (30%) as of July 2026.
- Other key metal recycling update: In 2H26E, the company targets commercialization of high-purity scandium (4N-6N), ultrafine nickel powder and nano tungsten powder, while expanding recycling capacity for critical metals such as Molybdenum, tantalum and niobium.

Assumption changes and investment thesis

We cut GEM's recurring earnings by 8-51% for 2026-29E by incorporating weaker nickel profit from sustained higher sulfur price impact and lower nickel volume from 1H26 accident, along with lower profit in cobalt and tungsten from 1H26 results.

We expect GEM earnings to remain depressed in coming quarters with weaker profit from its nickel business on sustained higher cost from sulfur, which accounted for 25-30% of total GP and a key growth driver with expanded capacity. We forecast GEM recurring earnings to decline from Rmb543mn in 1H26 to Rmb359mn in 2H26E and Rmb283mn in 1H27E, due to rising cost for nickel business which has not fully reflected in 1H26 results due to lower volume delivery in our view. GEM's ternary battery material business showed limited sign of improvement in 1H26 results, comparing to its major peers Huayou - its precursor shipment declined yoy with limited improvement on unit GP. Therefore, we downgrade GEM to Sell (from Neutral) with a revised 12m TP of Rmb5.0 (from Rmb8.0), implying 23% downside vs 5% upside for our commodities coverage average. Our earnings are 45-54% below LSEG Data & Analyti[illegible] 2026-28E due to our more cautious view on nickel business profit.

Our valuation is now based on SOTP including:

- Rmb3.8/sh using average of near-term and mid-cycle to value its ba[illegible] business. For our near-term valuation, we use GEM's average conse[illegible]



forward trading multiple of 18x (vs. prior 21x) over the past year, which we then apply to our 2026E EPS. Our long-term mid-cycle valuation remains unchanged and includes 15x P/E on 2030E for the core operation from mining materials and 18x P/E on 2030E for core operation from EV recycling materials, discounting back to 2026E using a discount rate of 10.0%;

- Rmb1.2/sh for recycling of tungsten and cobalt alloy at 30x P/E on 2026E earnings (unchanged).

What would make us more positive/key upside risks include: 1) Faster-than-expected EV battery recycling growth could strengthen GEM's ability to source raw materials and support the company's revenue outlook; 2) Precursor margins could recover faster than expected on stronger EV demand and improved industry supply-demand dynamics, providing meaningful upside to GEM's profitability; 3) Faster ramp-up of Indonesian nickel projects and expansion of recycling businesses could drive higher volumes and lower unit costs; 4) More favorable raw material procurement conditions as raw material costs, particularly sulfur, could decline faster than expected while supply availability improves, supporting potentially higher margins; 5) A more supportive regulatory environment in Indonesia could accelerate project development, supporting stronger growth in GEM's Indonesian operations.

Exhibit 26: 1H26A financial results summary – GEM

Financial results summary - GEM		1H26A	1H25A	YoY	1H26E	AvE
Net revenue	Rmb mn	17,918	17,501	2%	25,166	-29%
COGS	Rmb mn	(15,553)	(15,369)	1%	(21,876)	-29%
Gross Profit	Rmb mn	2,365	2,132	11%	3,290	-28%
Selling and dist	Rmb mn	(53)	(56)	-6%	(66)	-19%
Admin	Rmb mn	(491)	(456)	8%	(630)	-22%
R&D expense	Rmb mn	(632)	(511)	24%	(694)	-9%
Other income/expenses	Rmb mn	42	60	-31%	-	n.a
Operating Profit	Rmb mn	1,231	1,169	5%	1,901	-35%
Finance cost	Rmb mn	(536)	(383)	40%	(660)	-19%
Investment gain	Rmb mn	638	166	284%	171	273%
Share of associates	Rmb mn	49	28	75%	-	n.a
Non op inc/expense	Rmb mn	(12)	(10)	15%	-	n.a
Profit before tax	Rmb mn	1,321	941	40%	1,412	-6%
Income tax expenses	Rmb mn	(150)	(98)	53%	(212)	-29%
Minority interest	Rmb mn	(95)	(44)	118%	(99)	-3%
Net profit	Rmb mn	1,076	799	35%	1,102	-2%
One-offs	Rmb mn	602	272	122%	-	n.a
Recurring NP	Rmb mn	543	556	-2%	1,102	-51%
EPS	Rmb/sh	0.211	0.157	35%	0.216	-2%
EPS-recurring	Rmb/sh	0.106	0.109	-2%	0.216	-51%
DPS	Rmb/sh	0.032	-	n.a		
Effective tax rate	%	11%	10%	1%	15%	-4%
Minorities %	%	8%	5%	3%	8%	0%
Dividend payout	%	15%	0%	15%		
Rev-battery materials	Rmb mn	8,819	10,226	-14%	12,453	-29%
Cobalt oxide	Rmb mn	2,142	2,156	-1%	3,941	-46%
Ternary cathode materials	Rmb mn	1,806	1,275	42%	2,901	-38%
Ternary precursor	Rmb mn	4,871	6,796	-28%	5,611	-13%
Rev-Key metal recycling	Rmb mn	7,028	5,000	41%	10,037	-30%
Nickel products	Rmb mn	3,382	2,762	22%	4,157	-19%
Cobalt products	Rmb mn	878	1,184	-26%	1,855	-53%
Tungsten products	Rmb mn	2,768	1,055	162%	4,025	-31%
Rev-EV battery recycling	Rmb mn	942	867	9%	1,211	-22%
GP-battery materials	Rmb mn	1,349	1,344	0%	1,542	-13%
Cobalt oxide	Rmb mn	463	267	73%	630	-27%
Ternary cathode materials	Rmb mn	177	116	53%	195	-9%
Ternary precursor	Rmb mn	709	961	-26%	716	-1%
GP-Key metal recycling	Rmb mn	983	768	28%	1,700	-42%
Nickel products	Rmb mn	494	527	-6%	897	-45%
Cobalt products	Rmb mn	215	164	31%	404	-47%
Tungsten products	Rmb mn	273	76	259%	399	-31%
GP-EV battery recycling	Rmb mn	91	65	41%	106	-14%
A/R days	days	62	73	-14%		
A/P days	days	73	84	-13%		
Inv days	days	131	110	18%		
Operating cash flow	Rmb mn	608	1,448	-58%		
Investing cash flow	Rmb mn	(1,161)	(5,508)	-79%		
FCF	Rmb mn	(554)	(4,060)	-86%		
Net debt*	Rmb mn	25,147	23,535	7%	vs. end of 2025	
Net Gearing*	%	116%	110%	6%	vs. end of 2025	

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 27: 1H26A operational results summary – GEM

Operational results summary - GEM		1H26A	1H25A	YoY	1H26E	AvE
Sales-cobalt oxide, est	kt	11.7	14.6	-20%	14.4	-19%
Sales-ternary cathode	kt	14.7	12.4	18%	17.3	-15%
Sales-ternary precursor	kt	60.0	86.0	-30%	66.8	-10%
Sales-nickel product	kt	29.2	29.0	1%	34.2	-15%
Reallized ASP-cobalt oxide, est	Rmb/t	183,506	147,796	24%	273,817	-33%
Reallized ASP-ternary cathode	Rmb/t	123,007	102,800	20%	168,149	-27%
Reallized ASP-ternary precursor	Rmb/t	81,182	79,018	3%	83,965	-3%
Reallized ASP-nickel product	Rmb/t	115,993	95,300	22%	121,555	-5%
GP/t-cobalt oxide, est	Rmb/t	39,686	18,324	117%	43,801	-9%
GP/t-ternary cathode	Rmb/t	12,029	9,325	29%	11,309	6%
GP/t-ternary precursor	Rmb/t	11,819	11,176	6%	10,719	10%
GP/t-nickel product	Rmb/t	16,941	18,198	-7%	26,224	-35%

Source: Company data, Goldman Sachs Global Investment Research