



Flash Note: China Gold International (02099 HK)

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2022 Interim Results in Line with Market Expectations

2022年中期业绩符合市场预期

- **2022 interim results of the Company were generally in line with market consensus and our estimations.** Total revenue of China Gold International (the "Company") increased 3.3% yoy to US\$596.0 million, net profit attributable to shareholders decreased 2.2% yoy to US\$153.5 million.
- **Total mining output of the Company in 1H2022 was generally in line with our estimation.** China Gold International produced 43,279 tons of mined copper and 124,110 oz of mined gold in 1H2022, which represented 48.1% and 49.5%, respectively, of its annual plan. The production capacity of the Company remained unchanged and output fluctuation was mainly attributed to ore grade mined. The production of the Company was stable in 1H2022 and we expect the Company to fulfill its annual plan.
- **Production costs of mined gold and copper were in line with our estimation.** The average production costs of mined gold from the CSH mine decreased 2.9% to US\$1,489/oz, while average production costs of mined copper increased 13.8% to US\$3.13/lb. The Company intentionally exploited low-grade ore in Jiama Mine which led to higher production costs of mined copper, but was generally in line with our estimations.
- **Maintain "Accumulate" investment rating for the Company, with TP of HK\$34.30.** Mining output of the Company is expected to be stable as both mines have reached full capacity. The profitability of the Company remains strong while metal prices have stayed high. We believe that gold price will regain uptrend momentum as adverse impact from the US Federal Reserve's interest rate hike is mitigated; maintain "Accumulate" rating.
- **公司 2022 年中期业绩与市场一致预期和我们的估计基本一致。** 中国黄金国际（“公司”）收入同比增长 3.3% 至 5.960 亿美元，股东净利同比减少 2.2% 至 1.535 亿美元。
- **公司 2022 年上半年的矿产品产量基本符合我们的估计。** 中国黄金国际在 2022 年上半年生产了 43,279 吨矿产铜和 124,110 盎司矿产金，分别为其年度计划的 48.1% 和 49.5%。公司的产能保持不变，产量的波动主要归因于开采的矿石品位。公司 2022 年上半年的生产稳定，我们预计公司将能完成其年度生产计划。
- **矿产金和矿产铜的生产成本符合我们的估计。** 长山壕矿的矿金平均生产成本减少 2.9% 至 1,489 美元/盎司，但矿铜平均生产成本上涨 13.8% 至 3.13 美元/磅。公司在甲玛矿有意识地开采低品位矿石，这导致了更高的矿产铜生产成本，但与我们的估计基本一致。
- **维持公司“收集”的投资评级，目标价 34.30 港元。** 由于两座矿山已经完全达产，公司的矿产品产量预计将保持稳定。由于金属价格维持在高位，公司的盈利能力保持强劲。我们相信随着美联储加息的负面影响逐步减弱，金价将重新获得上涨动能；维持“收集”的投资评级。

Company Rating Definition

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

Rating		Definition
Buy	买入	Relative Performance > 15%; or the fundamental outlook of the company or sector is favorable.
Accumulate	收集	Relative Performance is 5% to 15%; or the fundamental outlook of the company or sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the company or sector is neutral.
Reduce	减持	Relative Performance is -5% to -15%; or the fundamental outlook of the company or sector is unfavorable.
Sell	卖出	Relative Performance < -15%; or the fundamental outlook of the company or sector is unfavorable.

Sector Rating Definition

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

Rating		Definition
Outperform	跑赢大市	Relative Performance > 5%; or the fundamental outlook of the sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the sector is neutral.
Underperform	跑输大市	Relative Performance < -5%; Or the fundamental outlook of the sector is unfavorable.

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