21 October 2026

CGN Mining (1164 HK)

Initiate at Buy: Riding on the global uranium rally

Equities
Metals & Mining

Hong Kong

- Well positioned to benefit from higher uranium prices through trading and mine investments with production expansion
- We forecast an earnings CAGR of 38% for 2025-28; a 10% rise in spot uranium price drives 9% upside in 2027/28e EPS
- Initiate at Buy with a target price of HKD3.00

Riding the global nuclear upcycle: CGN Mining (CGNM) is a major supplier of natural uranium in China. Leveraging access to large-scale, low-cost uranium resources overseas, CGNM is well-placed to support China's rapidly growing nuclear power capacity − which is expected to double by 2030 − and to benefit from ongoing structural tightness in the global uranium market.

We forecast 38% earnings CAGR for 2025-28, driven by:

- **Volume growth:** Production growth at invested mines is forecast to rise 16% from 2025 to 2028 thanks to new capacity and better utilisation, with further upside from potential asset injections and acquisitions. Dividend flows from its mine investments provide stable investment cash flow to enable future M&A.
- **Upside to ASP**: We see upside risks to uranium prices over the long term driven by tight fuel supplies vs actual requirements by reactors in operation and under construction. Compared to its peers, CGNM is highly sensitive to the price of uranium – a 10% rise in the spot price drives 9% upside in EPS in 2027/2028e.
- **Trading spread expansion:** The new agreement for 2026-28 should better align the trading contract price with the spot price, providing higher visibility of trading spread and reducing the risks of trading losses seen in previous years.

Risks and opportunities from the global energy crisis: Despite production cost headwinds in 2026 linked to the Middle East crisis, we remain constructive on the long-term outlook as the renewed focus on global energy security provides further support on uranium demand and pricing. We also see China's recent power tariff reforms improving the IRR of nuclear projects and utilities' ability to secure fuel supply.

Initiate at Buy: Our DCF-based TP of HKD3.00 implies 48.5% upside and 22.9x 2027e PE/ 0.6x PEG. Share price volatility y-t-d reflects investors' concerns over tighter USD liquidity and production costs, which we think are largely priced in. We see the valuation as supported by two cross-checks: (1) the implied PE looks undemanding vs peers on 10-55x 2027e PE; and (2) on an asset/commodity basis, the current share price implies USD70/lb for attributable reserves, which looks undemanding compared to spot uranium price, with upside from trading contribution, M&A, and uranium price increase. We initiate coverage on CGNM with a Buy rating. **Key risks**: Lower uranium prices and production disruptions.

This is our latest report on the Energy Transition theme. If you want to subscribe to any of our nine big themes, *click here*.

INITIATE AT BUY

TARGET PRICE (HKD)	PREVIOUS TARGET (HKD)
3.00	–
SHARE PRICE (HKD)	**UPSIDE/DOWNSIDE**
2.02 (as of 19 Oct 2026)	**+48.5%**

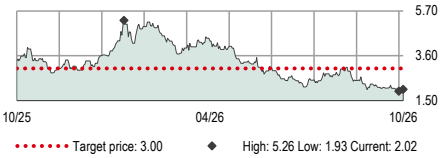
MARKET DATA

Market cap (HKDm)	15,353	Free float	43%
Market cap (USDm)	1,956	BBG	1164 HK
3m ADTV (USDm)	14	RIC	1164.HK

FINANCIALS AND RATIOS (HKD)

Year to	12/2025a	12/2026e	12/2027e	12/2028e
HSBC EPS	0.06	0.10	0.13	0.16
HSBC EPS (prev)	na	na	na	na
Change (%)	na	na	na	na
Consensus EPS	0.06	0.12	0.15	0.17
PE (x)	33.9	20.9	15.4	12.9
Dividend yield (%)	0.7	1.1	1.5	1.8
EV/EBITDA (x)	nm	nm	nm	nm
ROE (%)	10.7	15.1	17.8	18.4

52-WEEK PRICE (HKD)



Source: LSEG IBES, HSBC estimates

Evan Li*
Head, Asia Energy Transition Research
The Hongkong and Shanghai Banking Corporation Limited
evan.m.h.li@hsbc.com.hk
+852 2996 6619

Shayla Xu*
Associate, Asia Energy Transition
The Hongkong and Shanghai Banking Corporation Limited
shayla.b.xu@hsbc.com.hk
+852 2288 7378

** Employed by a non-US affiliate of HSBC Securities (USA) Inc, and is not registered/ qualified pursuant to FINRA regulations.*

Less bull, more bite
The 25th edition of the EM Sentiment Survey
Click to view

Disclosures & Disclaimer

This report must be read with the disclosures and the analyst certifications in the Disclosure appendix, and with the Disclaimer, which forms part of it.

Issuer of report: The Hongkong and Shanghai Banking Corporation Limited

View HSBC Global Investment Research at:
https://www.research.hsbc.com

Financials & valuation: CGN Mining

Buy

Financial statements

Year to	12/2025a	12/2026e	12/2027e	12/2028e
Profit & loss summary (HKDm)				
Revenue	6,870	8,345	9,849	11,284
EBITDA	759	977	1,248	1,480
Depreciation & amortisation	2	2	1	0
Operating profit/EBIT	757	975	1,247	1,480
Net interest	-124	-105	-81	-74
PBT	593	838	1,124	1,346
HSBC PBT	593	838	1,124	1,346
Taxation	-140	-104	-129	-153
Net profit	453	734	996	1,193
HSBC net profit	453	734	996	1,193
Cash flow summary (HKDm)				
Cash flow from operations	-985	111	-388	-387
Capex	0	0	0	0
Cash flow from investment	805	744	919	1,100
Dividends	-53	-106	-172	-354
Change in net debt	334	-611	-236	-345
FCF equity	1,324	708	1,489	1,683
Balance sheet summary (HKDm)				
Intangible fixed assets	3	2	1	0
Tangible fixed assets	0	0	0	0
Current assets	4,218	4,633	5,833	6,984
Cash & others	944	1,233	1,853	2,440
Total assets	8,715	9,294	10,698	12,092
Operating liabilities	1,101	1,375	1,572	1,765
Gross debt	3,045	2,723	3,107	3,349
Net debt	2,101	1,490	1,254	909
Shareholders' funds	4,563	5,191	6,014	6,973
Invested capital	6,664	6,680	7,267	7,881

Ratio, growth and per share analysis

Year to	12/2025a	12/2026e	12/2027e	12/2028e
Y-o-y % change				
Revenue	-20.3	21.5	18.0	14.6
EBITDA	-19.1	28.7	27.8	18.6
Operating profit	-19.1	28.7	27.9	18.7
PBT	-27.2	41.4	34.2	19.7
HSBC EPS	-14.0	62.1	35.6	19.8
Ratios (%)				
ROIC	9.4	12.8	15.8	17.3
Keu	0.0	0.0	0.0	0.0
EV/IC (x)				
ROIC/Keu (x)	0.0	0.0	0.0	0.0
REP (x)				
ROE	10.7	15.1	17.8	18.4
EBITDA margin	11.0	11.7	12.7	13.1
Operating profit margin	11.0	11.7	12.7	13.1
Net debt/equity	46.0	28.7	20.8	13.0
Net debt/EBITDA (x)	2.8	1.5	1.0	0.6
Per share data (HKD)				
EPS Rep (diluted)	0.06	0.10	0.13	0.16
HSBC EPS	0.06	0.10	0.13	0.16
CFPS	-0.13	0.01	-0.05	-0.05
DPS	0.01	0.02	0.03	0.04

Key forecast drivers

Year to	12/2025a	12/2026e	12/2027e	12/2028e
Average spot uranium price (USD/lb)	74	88	95	100
Uranium trading volume (tU3O8)	4,613	4,624	5,079	5,533
Equity production at invested mines (tU3O8)	1,317	1,309	1,432	1,522
Average production cost at invested mines (USD/lb)	29	38	38	36

Valuation data

Year to	12/2025a	12/2026e	12/2027e	12/2028e
EV/EBITDA	nm	nm	nm	nm
PE*	33.9	20.9	15.4	12.9
P/CFPS		138.5		
P/FCF equity				
Dividend yield (%)	0.7	1.1	1.5	1.8

* Based on HSBC EPS (diluted)

ESG metrics

Environmental Indicators	12/2025a
GHG emission intensity*	32.0
Energy intensity*	0.9
CO_2 reduction policy	Yes
Social Indicators	**12/2025a**
Employee costs as % of revenues	0.2
Employee turnover (%)	6.3
Diversity policy	Yes

Governance Indicators	12/2025a
No. of board members	8
Average board tenure (years)	3.8
Female board members (%)	25
Board members independence (%)	37.5

Source: Company data, HSBC

* GHG intensity and energy intensity are measured in kg and kWh respectively against revenue in USD '000s

Issuer information

Share price (HKD)	2.02	Free float	43%
Target price (HKD)	3.00	Sector	Metals & Mining
RIC (Equity)	1164.HK	Country/Region	Hong Kong
Bloomberg (Equity)	1164 HK	Analyst	Evan Li
Market cap (USDm)	1,956	Contact	+852 2996 6619

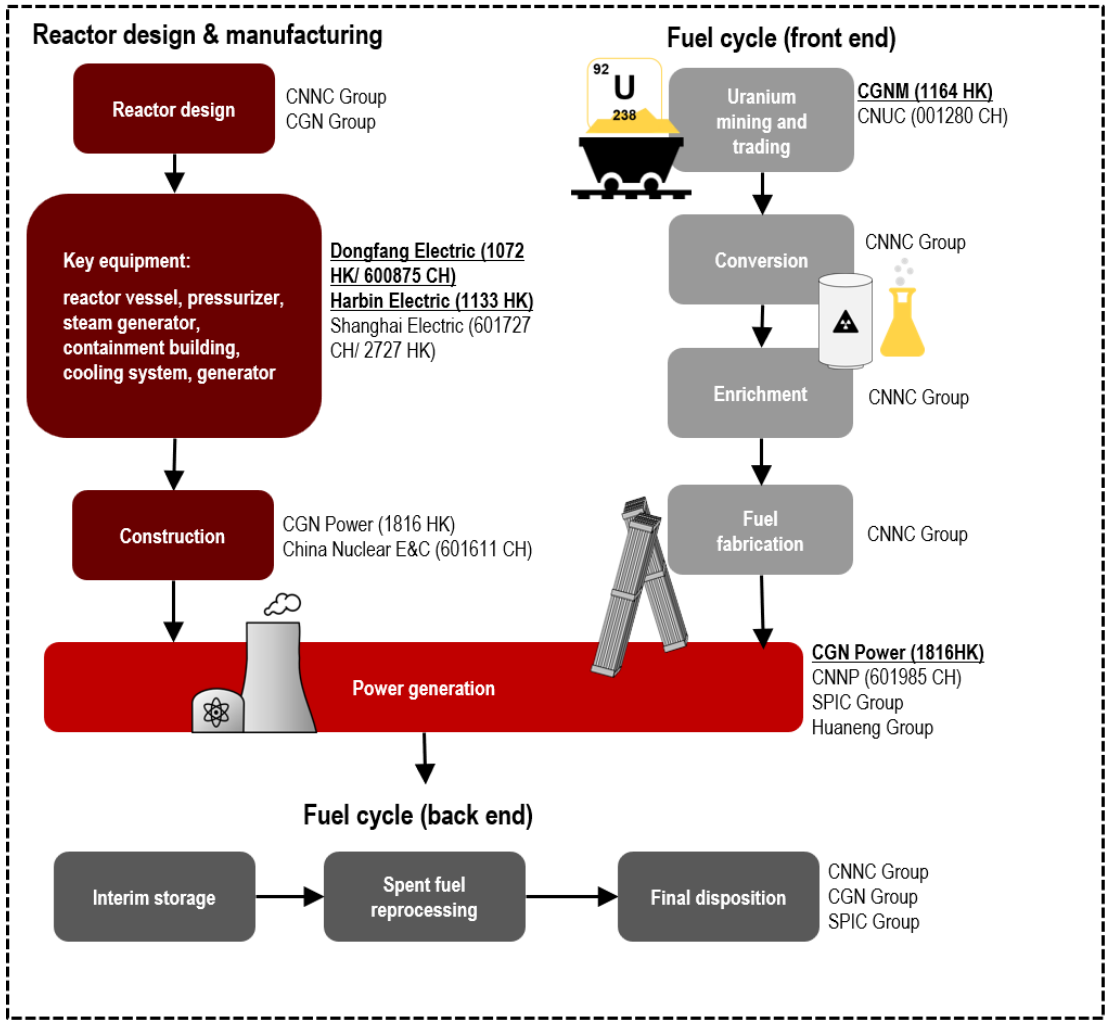
Price relative



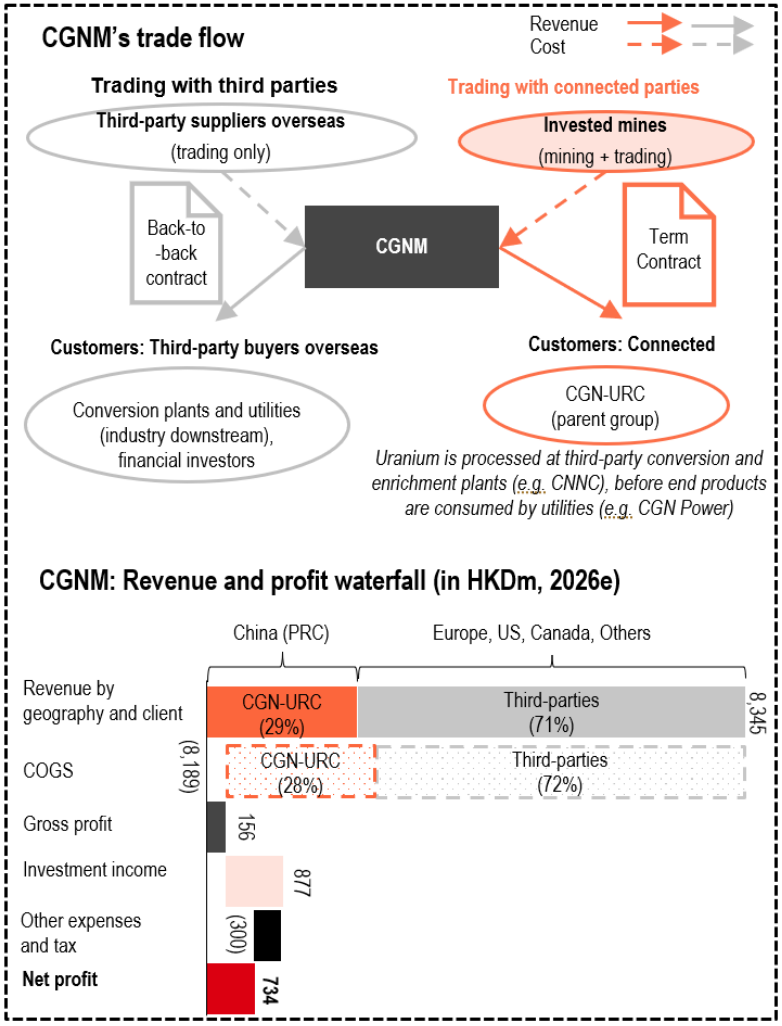
Source: HSBC

Note: Priced at close of 19 Oct 2026

Nuclear fuel cycle and China's domestic supply chain



CGNM's business model: Trading + investment



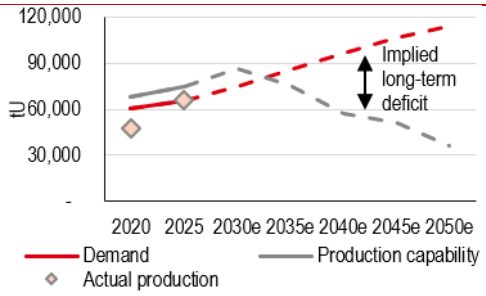
Note: Companies underscored are covered by HSBC Global Investment Research.
Source: Company data, HSBC

CGNM: Key charts at a glance

Global uranium demand will increase by

30%

from 2025 to 2035e



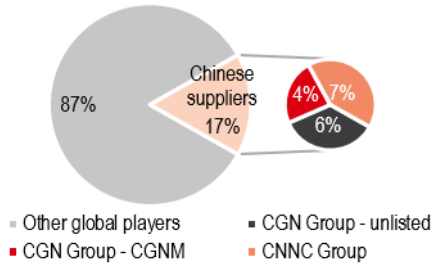
Source: OECD NEA estimates, WNA. Note: 1tU=1.179 tU_3O_8

- Global nuclear power reactor capacity is expected to rise by over 30% to 500GW+ from 2025 to 2035 based on current pipeline, with further upside from new projects and technologies such as small modular reactors (SMRs)...
- …driving global power-related uranium demand to rise to close to 90,000tU by 2035.

CGNM share of global uranium production

4%

in 2025



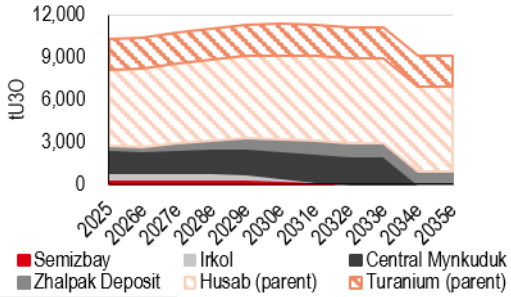
Source: UxC, CGNM. Note: Based on production proportional to equity holding.

- There are two major uranium suppliers in China – CGN Group and CNNC Group.
- As a subsidiary of CGN Group, CGNM invests in uranium mines overseas, accounting for 4% of global supply in 2025 (by equity holding).

Production outlook

+16%

growth in CGNM's uranium production, 2025 to 2028e



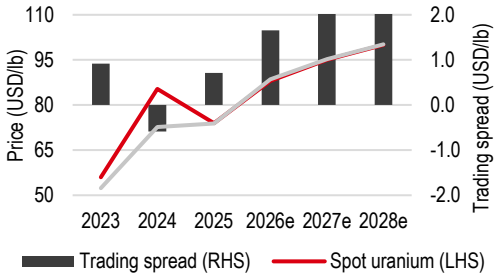
Source: CGNM, HSBC estimates

- We expect CGNM's uranium production to grow by 16% from, 2025 to 2028, driven by new capacity and better utilisation.
- Potential asset injection from its parent group provides further upside.

CGNM's uranium trading spread to expand

+200%

from 2025 to 2028e



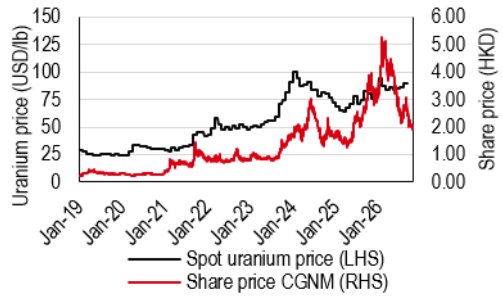
Source: UxC, CGNM, HSBC estimates

- Legacy contracts priced below spot previously caused trading losses.
- This gap is expected to close from 2H26 as new contracts better capture spot-price movements.

CGNM's share price has pulled back by

-62%

since January 2026



Source: Cameco, LSEG Datastream

- The share price is highly sensitive to uranium prices: spot uranium has nearly quintupled since January 2020, while CGNM's share price has risen 552% (vs HSCEI down 8% over the same period).
- The recent pullback reflects macro headwinds and cost pressure, presenting a good entry opportunity.

Executive summary

- Investment in nuclear power is re-accelerating globally and this benefits CGNM as a major uranium supplier in China
- Clear earnings growth supported by higher uranium prices, growth in production volume, and expanding trading spread
- Initiate coverage with a Buy rating and a DCF-based TP of HKD3.00; key catalyst: future M&A and asset injection from parent

Investment highlights

CGNM secures long-term, low-cost uranium supply to China through investments in Kazakhstan mines

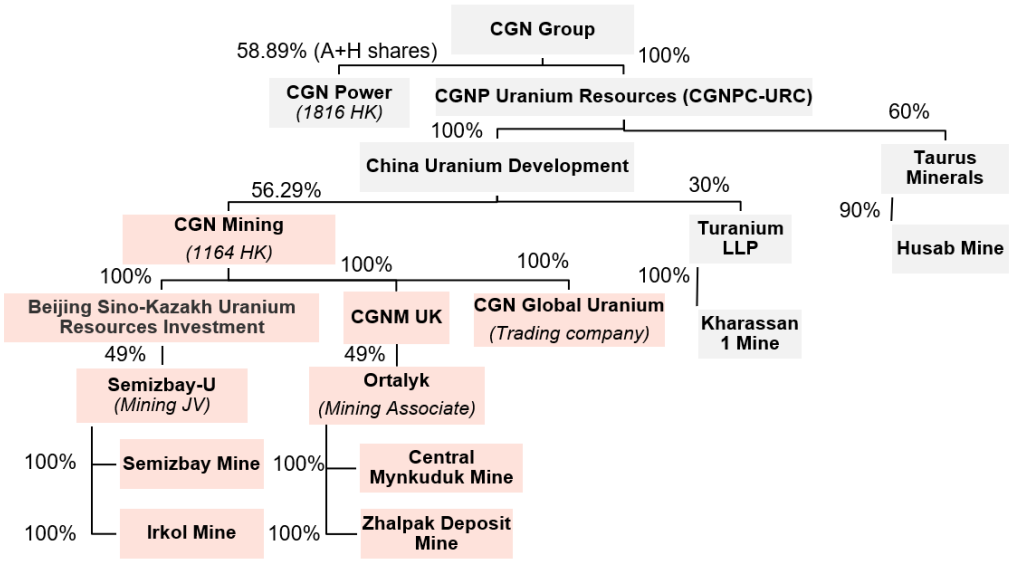
China's key natural uranium supplier with cost leadership vs peers

CGN Mining (CGNM) is a key supplier of natural uranium in China, as a group company of China General Nuclear Power Group (CGNPC) – China's largest nuclear power operator. Production at CGNM's invested mines meets c8% of China's annual uranium demand.

CGNM participates in uranium mine investment and trading globally. It holds equity interests, through joint ventures or associates, in four key uranium mines in Kazakhstan − Semizbay, Irkol, Central Mynkuduk, and Zhalpak. These mines were acquired via counter-cyclical M&A activity between 2015 and 2021, holding high-grade, large-scale uranium deposits sitting at the lowest quantile of global uranium cost curve, with total natural uranium (U_3O_8) reserves of over 35,900tU (as of end-2025).

The mine investments are tied to long-term off-take rights covering the mines licensed operational life through to 2030-41. The products are sold to the parent company under framework sales agreements, renewed every three years to reflect the latest market dynamics. CGNM also participates in spot trading with third parties in international markets, securing supply and delivery contracts simultaneously to limit risk exposure.

CGNM is the overseas uranium trading and investment platform under CGN Group



Note: Based on 2025 annual report.
Source: Company data, HSBC

Beneficiary of global energy market disruptions and China's nuclear power expansion

China is adding more nuclear power and locking uranium resources to secure energy supply in the future

Since the energy crisis in 2021-22, policy makers worldwide have been reintegrating nuclear power into energy transition planning, driven by both a global acceleration in power infrastructure investment and the pursuit of energy security – the latter reached a new level of importance after the Middle East crisis began. This renewed focus has put uranium, the critical fuel for nuclear reactors, firmly back in the limelight.

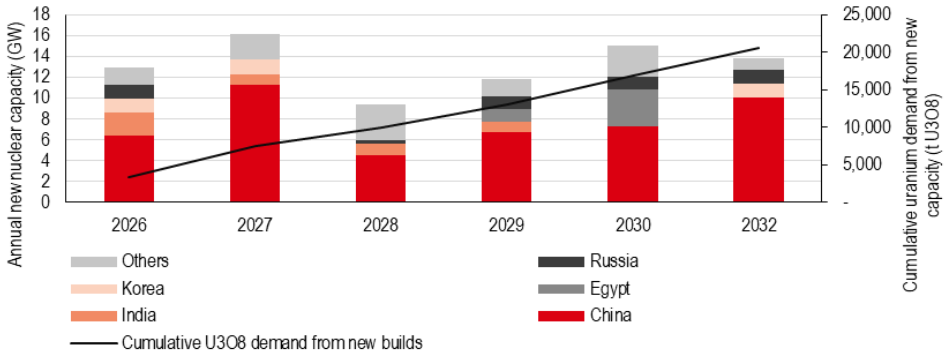
For China in particular, regulators have accelerated approval of new nuclear power plants to a pace of 8-10 new utility-scale reactors each year since 2022. In the meantime, China is rolling out a contract-for-difference mechanism, which would ideally lock in a stable power price for nuclear power utilities (see *CGN Power*, 23 March 2026). These efforts have made the current construction pipeline quite visible towards 2035s, and in the meantime, making utilities more able to take on new fuel contracts given visibility of project returns. Domestic uranium supply currently covers less than a quarter of today's needs, making imports and strategic reserves critical as the country targets a near-doubling of nuclear capacity by 2030.

Harnessing opportunities from tight uranium markets

Global uranium supply remains tight and concentrated

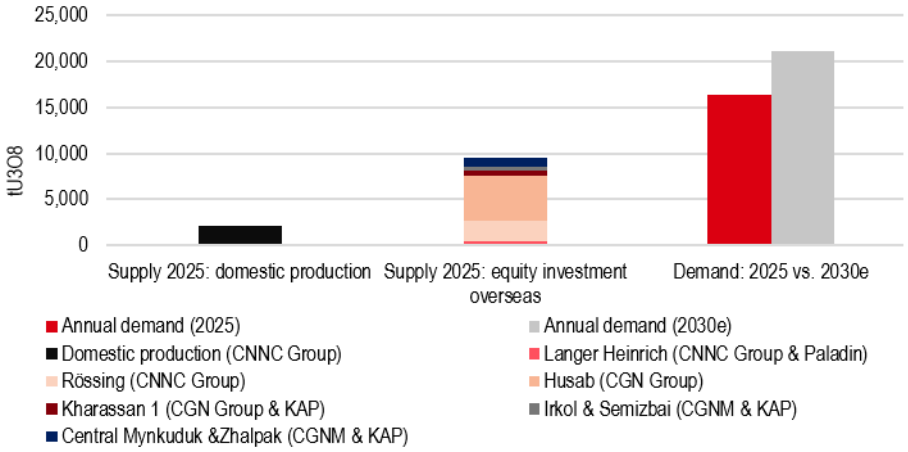
Meanwhile, global uranium production remains concentrated in a few countries and faces long lead times, cost pressures, and supply constraints. These factors have led to a tightly balanced market and rising uranium prices since 2020. We maintain a positive outlook on uranium pricing, as utilities can typically absorb higher uranium costs, given they represent a small share of overall operational expenses and can be partially passed through to downstream operations. Additionally, the nuclear power industry's growing collaboration with energy-thirsty big tech companies further supports ongoing investment in new projects.

Global nuclear power reactors under construction and corresponding uranium demand



Note: As of end-2025.
Source: WNA, HSBC estimates

China's uranium demand/supply landscape (2025)



Note: Our estimates for supply volume overseas are proportional to the equity stakes.
Source: Company data, WNA, HSBC estimates

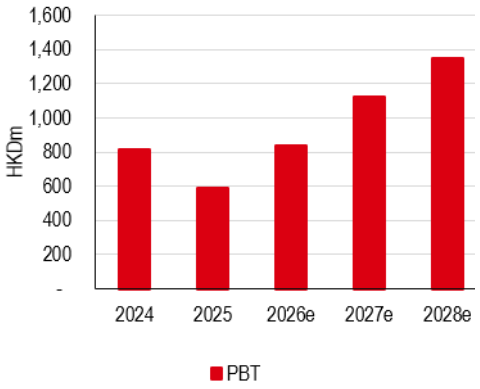
We expect higher production volume, better pricing, and better trading spread to outweigh cost pressures

We forecast an earnings CAGR of 38% for 2025-28

Despite continued cost pressures, we forecast an earnings CAGR of 38% for 2025-28, a strong recovery from 2025. This will be driven by:

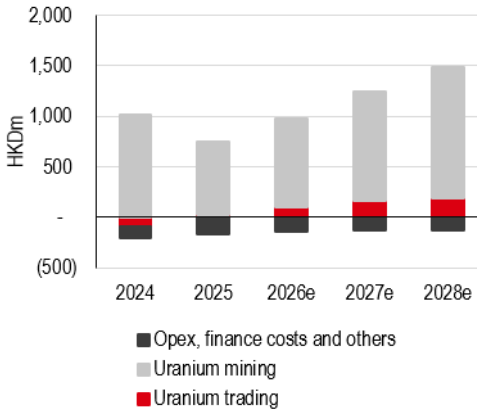
- **Increase in production volume**: We forecast production to increase 16% by 2028 from end-2025 levels as our base case, driven by the ramp up of the Zhalpak mine and higher utilisation levels.
- **Increase in uranium pricing**: We forecast CGNM's trading ASP to rise by 20%/8%/5% y-o-y in 2026/2027/2028, translating into USD89/95/100 per lb. Every additional 10% increase in the spot uranium price is expected to deliver 9% upside in our NOPAT estimate for 2027 and 2028, respectively. Historically, CGNM's share price has shown a strong correlation with movements in the spot uranium price.
- **More favourable trading contract terms**: Under the new framework agreement for offtake sales reset for 2026-28, the selling price is 70% tied to the spot market price while the remaining 30% will be tied to a fixed reference price, adjusted progressively over the period. This mechanism will allow CGNM to pass through procurement costs amid a rising spot price.

CGNM: Profit before tax



Source: Company data

CGNM: Breakdown of profit (loss) before tax by segment



Source: Company data

We see longer-term growth coming from potential asset injection by its parent group and M&A. The parent company, CGNPC-URC, owns equity interests in Husab Mine (54%) in Namibia and the Kharassan 1 Mine (30%) in Kazakhstan. As at end-2025, its attributable (equity) production is over two times that of CGNM's. Given its parent's track record, CGNM's strategic role and established sales channels, we see a clear incentive to inject quality mining assets into CGNM.

CGNM: Impact of spot uranium price change on our earnings estimates (2027e)

Spot uranium ASP (USD/lb)	ASP change from base case %	Gross profit from trading (HKDm)	Investment income (HKDm)	NOPAT (HKDm)	% change to NOPAT
67	-30%	414	534	726	**-27.1%**
76	-20%	350	717	816	**-18.1%**
86	-10%	287	899	907	**-9.1%**
95	0%	223	1,082	996	**0.0%**
105	10%	160	1,265	1,087	**9.1%**
114	20%	97	1,447	1,177	**18.1%**
124	30%	33	1,630	1,267	**27.2%**

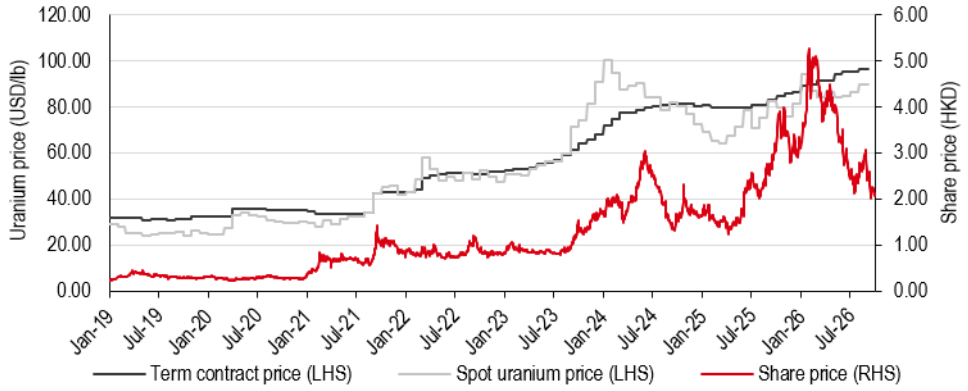
Source: HSBC estimates

CGNM: Changes to realised ASP for framework agreement against spot price for 2026-28

Spot price (70%)	Realised ASP for offtake sales (70% spot + 30% fixed)		
USD/lb	2026	2027	2028
70	77	78	80
75	81	82	83
80	84	85	87
85	88	89	90
90	91	92	94
95	95	96	97
100	98	99	101
105	102	103	104
110	105	106	108
vs fixed price leg (30%)	94	98	102

Source: Company data, HSBC estimates

CGNM: Historical share price vs monthly uranium price



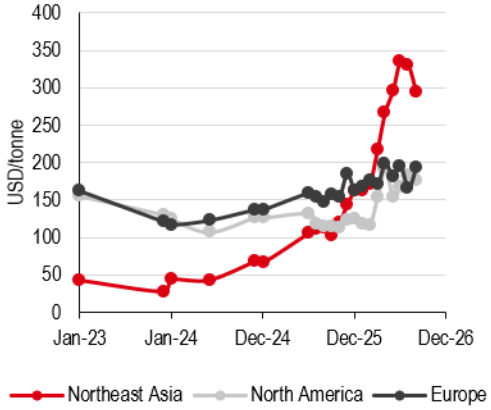
Note: From January 2018 to September 2026.
Source: LSEG IBES, UxC, Trade Tech

Update on the Middle East crisis and supply chain disruptions

Shortage of sulfuric acid brings downside risks to production and upside risks to costs in 2026-27

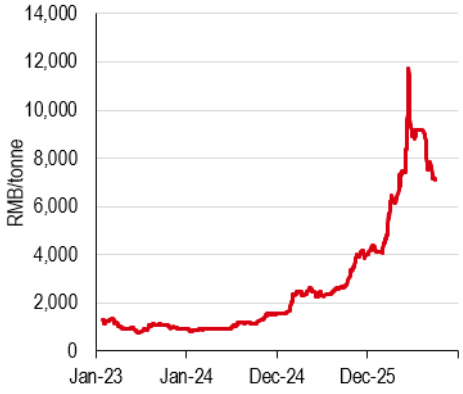
Sulfuric acid, a critical input material for uranium mining, has seen prices spike amid supply chain disruptions in the Middle East. Meanwhile, China, the world's largest exporter of sulfuric acid, has restricted exports since early May 2026.

Spot price: Sulfuric acid, global markets



Source: IMARC, S&P

Spot price: Sulfur, China domestic market



Source: Wind

CGNM is fully exposed to Kazakhstan-based uranium production, where sulfuric acid is essential in-situ recovery mining. Kazakhstan's reliance on acid imports raised costs and constrained output at CGNM's JV and associate mines in 1H26. Procurement and site-priming lead times could extend the impact through 2026, even if the situation de-escalates in 4Q26.

CGNM: Impact of raw material cost change on our earnings estimates (2027e)

Unit raw material cost (USD/lb)	Change from base case (%)	Total production cost (USD/lb)	Investment income (HKDm)	NOPAT (HKDm)	% change to NOPAT
8.4	-30%	34.6	1,141	1,048	5%
9.6	-20%	35.8	1,121	1,031	3%
10.8	-10%	37.0	1,102	1,014	2%
12.0	0%	38.2	1,082	996	0%
13.2	10%	39.4	1,062	979	-2%
14.4	20%	40.6	1,043	962	-3%
15.6	30%	41.8	1,023	945	-5%

Note: Our base case for total production cost (all-in sustaining cash cost) is USD38.2/lb for 2027e, implying a flattish y-o-y growth compared to 2026e.
Source: HSBC estimates

Read-across from peers:

- **Kazatomprom (KAP)**: KAP's weighted average cost of sulfuric acid increased 38.7% y-o-y (in Kazakhstan tenge) in 1H26 due to a shortage of domestic supplies and an increase in imports at higher prices. The commissioning of its own domestic sulfuric acid plant was further delayed by 6-12 months to 3Q27-1Q28 amid regulatory work suspension, according to KAP. Following 1H26 results, KAP lifted cost guidance by 8-11% for 2026 while production and sales guidance were reiterated.
- **Cameco:** According to Cameco (1Q26 analyst briefing), it does not expect cost inflation to materially impact FY26 results, especially for the Canadian mines where sulfuric acid is self-supplied. While the situation in Kazakhstan "would be a little trickier", it expects KAP to prioritise sulfuric acid resources to the best-performing JVs.
- **Paladin:** Paladin uses the alkaline leach process for production, which requires little sulfuric acid. As shared by the company at its March 2026 quarterly earnings call, it held around 3-10 months' supply of key reagents. From June 2026 results, Paladin also reaffirmed there were no supply disruptions stemming from the Middle East conflict in 6M26.

While the vulnerable supply chain remains a risk to monitor, the crisis also creates tailwinds, in our view: higher nuclear capex and delays to new uranium supply may support both spot and term uranium prices. This would benefit producers with established capacity, including CGNM.

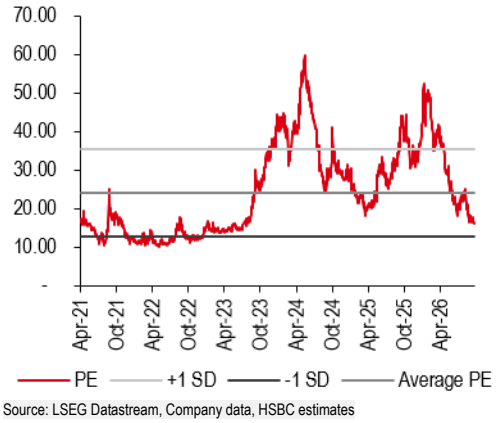
Valuation and risks

Initiate at Buy with a DCF-based TP of HKD3.00

We use DCF model to value CGNM, from which we derive a value per share of HKD3.00. Our key assumptions include a WACC of 5.1%, based on a risk-free rate of 4.25%, equity risk premium of 4.75%, equity beta of 1.1 (based on 2-year historical beta), and a cost of debt of 4.5%. We assume a terminal growth rate of 0%. We derive at a DCF-based target price of HKD3.00, which implies 48.5% upside from current levels. We initiate coverage on CGNM with Buy rating.

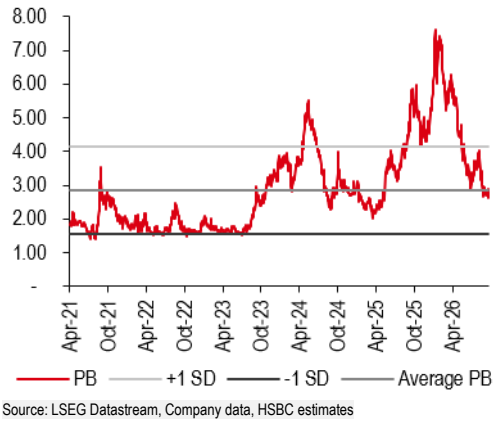
Our DCF-based target price implies a 31.1x/22.9x 2026e/2027e PE multiples and a 0.6x forward PEG for 2025-2028e. Our target PE multiple is broadly in line with the mid-point of CGNM's historical forward PE range of 10-60x since 2021, and undemanding compared to the forward PE valuation range of 10-55x for uranium trading and mining companies globally. On an asset/commodity price basis, the current share price implies cUSD70/lb for attributable reserves, a 23% discount compared to the spot uranium price, which looks undemanding given (1) embedded trading contribution with better pricing terms for its framework agreement for 2026-28; (2) upside risks to uranium price driven by bullish demand outlook; and (3) M&A optionality beyond the value of existing mining assets.

CGNM: Historical forward PE (x)



Source: LSEG Datastream, Company data, HSBC estimates

CGNM: Historical forward PB (x)



Source: LSEG Datastream, Company data, HSBC estimates

Valuation already reflects near-term headwinds; any cost normalisation presents upside potential

The broader uranium mining sector has remained under pressure due to a combination of elevated USD interest rates, persistent cost inflation, and a lack of near-term uranium price catalysts, with average selling prices (ASP) remaining largely flat since August 2026.

Within this context, CGNM has been disproportionately affected compared to its direct peers because of its greater vulnerability to sulfuric acid costs in Kazakhstan relative to peers using more diverse production bases and production methods. In addition, 1H26 results miss has added to weaker investor sentiment.

After the y-t-d correction, we believe the difficulties in 1H26 are already in the market. Our base case assumes an unchanged geopolitical environment and broadly stable unit production cost in 2027 vs 2026. Earnings growth in 2027-28 is expected to be driven primarily by higher volumes and ASP. If input costs normalise and supply constraints ease, CGNM could deliver a stronger earnings recovery and share price rebound, presenting upside to our base case.

Downside risks

Production disruptions at invested mines; connected party transactions and high customer concentration risk; lower-than-expected global uranium requirement and market price; rising uranium mining costs; FX volatilities; policy risks; failure to acquire new uranium mine resources through overseas M&A; and new technologies.

Uranium: Riding on the global nuclear upcycle

- The quest for clean and resilient base-load power is fuelling the return of nuclear power and a rise in demand for uranium
- The supply of uranium remains concentrated and constrained, with structural deficits expected as new reactors come online
- China leads nuclear growth but relies heavily on uranium imports

Recharged by energy security and a surge in global power demand

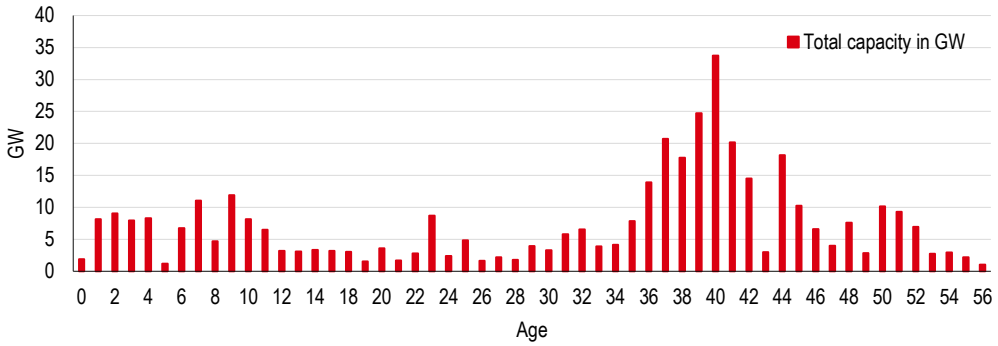
Uranium – the fuel behind nuclear power
Uranium is a very heavy metal which can be used as an abundant source of concentrated energy. The demand for uranium is predominantly driven by its use as fuel for nuclear power plants, which account for over 99% of end use. As global interests in nuclear power development returns, we see a multi-year upcycle for demand and pricing for uranium.

Policy tailwinds: Energy security and post-crisis restarts
Nuclear energy provides a strategic energy security advantage: fuel costs make up a relatively small share of total generation costs, and a single refuelling can deliver up to two years of steady, 24/7 electricity supply. It also has a low emissions footprint. These attributes explain why governments are reintegrating nuclear power into their energy transition strategies. At COP28, 20 countries pledged to triple nuclear power capacity by 2050. In the US, the Trump administration established an ambitious target for US nuclear energy capacity to expand from c100GW to 400GW by 2050, through new builds and restarts (see *US Clean Tech*, 28 May 2025). In Europe, countries like France and Spain are working to extend the operational life of existing reactors beyond their initial planned lifespans to meet tightness in power supply.

In Asia, this trend has only strengthened following the Middle East crisis in 2026. In response to the regional energy supply shock, regulators in Japan and Taiwan accelerated the restart of previously suspended nuclear power plants. Looking beyond the immediate aftermath, Asian countries including China, India, and South Korea have continued to lead the pace of new nuclear plant construction (see *Looking into the aftermath of this energy crisis*, 8 May 2026), while Singapore is assessing the options to develop its first commercial nuclear power plant.

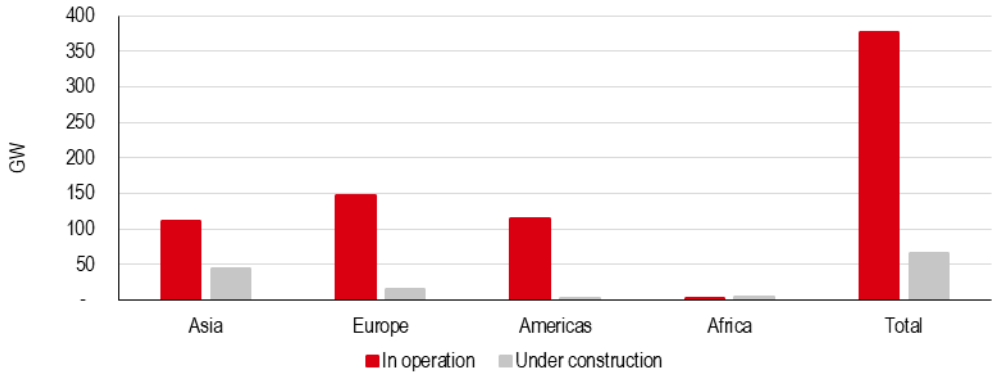
Next wave: Powering data centres and the case for SMRs
This renewed focus on nuclear is also propelled by the rising demand for electricity from new sources, such as electric vehicles and AI data centres, which requires reliable, and ideally clean, base-load power. Over the longer term, the expanding power requirements from data centres also strengthen the case for emerging technologies such as SMRs, further underpinning demand for nuclear power and uranium fuel.

Global nuclear power plants in operation by age



Note: As of 2025.
Source: Global Energy Monitor

Global nuclear power capacity in operation and under construction by region (Dec 2025)



Source: IAEA PRIS

Targets and progress on nuclear power development in selected countries

Country	Administration plan/ target on nuclear power capacity/generation mix	Capacity installed (Dec 2025)	Capacity under construction (Dec 2025)
China	110GW by 2030	62.5GW	37.6GW
France	Removed its former legal cap that aimed to limit nuclear energy to 50% of the electricity generation mix	63.0GW	Nil
India	22GW by 2032 and 100GW by 2048	7.7-7.9GW	6.0GW
Japan	20% of generation mix by 2040	31.7GW	2.7GW
Philippines	1.2GW by 2032 and 4.8GW by 2050	Nil	Nil
Russia	25% of generation mix by 2045	26.8GW	4.9GW
South Korea	35.2GW (35.6% of generation mix) by 2038	25.6GW	4.0GW
Türkiye	7.2GW by 2035 and 20GW by 2050	Nil	4.5GW
USA	400GW by 2050	96.9GW	Nil
Vietnam	6.4GW by 2035	Nil	Nil

Source: WNA, IAEA Country Nuclear Power Profile.

A closer look at the market structure for uranium

A closer look at the market structure for uranium

Uranium is primarily traded in the powdered concentrate form called U_3O_8 (Triuranium octoxide) and further processed as nuclear fuel. The uranium market is divided into two primary components: the long-term (or term) market, covering about 85% of transactions (as of 2025), and the spot market. Utilities operators are major market participants, and they sourced the majority (c90%) of their uranium supplies under term-contracts (US EIA, as of 2025). Other market participants include financial buyers, market intermediaries, and national reserves.

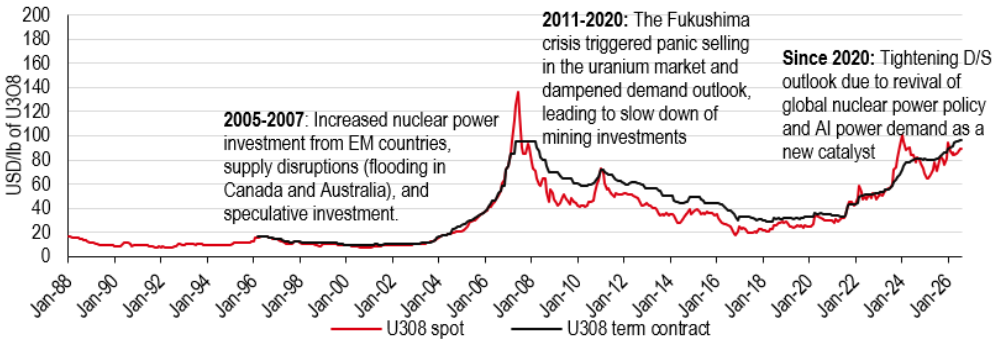
Uranium term contracts typically span 3 to 15 years, offering both mining companies and utility operators greater certainty regarding pricing and returns on project investments. There is a notable mismatch between the duration of these supply agreements and the operational lifespan of nuclear reactors, which generally ranges from 30 to 60 years. As existing contracts reach maturity, utilities need to renegotiate terms and secure ongoing fuel supplies, particularly for new reactor projects. Hence, the volume of uranium contracting acts as a key forward-looking indicator of utilities' expectations for long-term supply conditions and reflects their strategic approach to managing fuel inventories and costs.

Uranium prices have rallied since 2020 on reactor restarts and expectations of future supply shortage

The price upcycle since 2020 is driven by upward revision of global nuclear targets

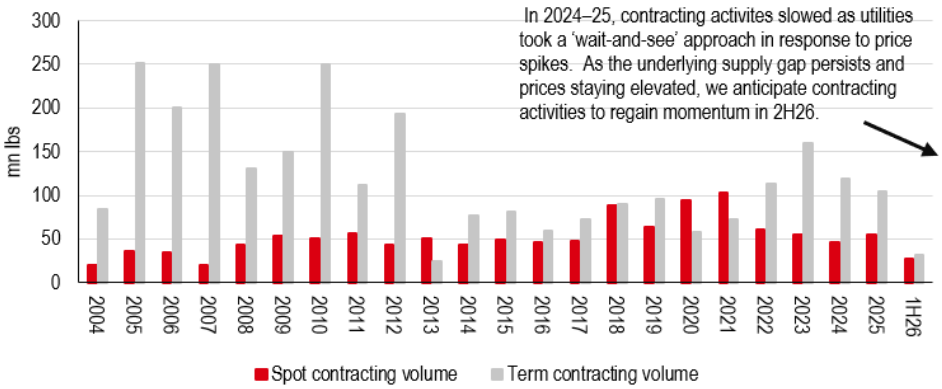
Global nuclear power plants' consumption of uranium (U_3O_8) currently amounts to about 80,000 tU_3O_8 annually, according to World Nuclear Association (WNA). In the meantime, actual annual uranium production and market transactions have consistently fallen short of this demand. The resulting gap has been bridged through secondary supplies and undisclosed transactions. Concerns about long-term supply deficits and geopolitical risks have led utilities to increase term contracting volumes since 2021. Combined with aggressive buying by market intermediaries and financial entities, this has driven a sharp rebound in uranium prices − by September 2026, spot and term contract prices have increased by over 300% and 200%, respectively, from the trough in 2018. With contracting volumes still below the rate needed to replace expiring fuel demand and new reactors coming online, we expect contracting activities to further rebound in 2H26-2027.

Global uranium spot and term contract price



Source: Cameco

Global uranium: Spot and term contracting volume



Source: UxC, Cameco

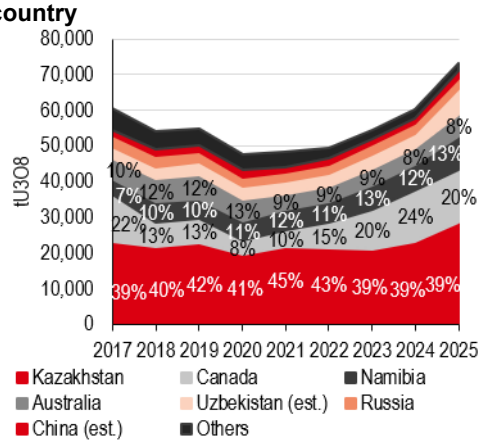
We expect the uranium market to further tighten over the 2030s

We remain constructive on price outlook, underpinned by robust demand

Based on scheduled nuclear power plant construction and retirement, we expect demand/supply in the global uranium market to remain in minor deficits over 2025-30, supporting a mild increase in spot and term contract prices. However, we see increasing uncertainties towards 2040s as yields at existing mines decline and global reactor-related demand ramps up.

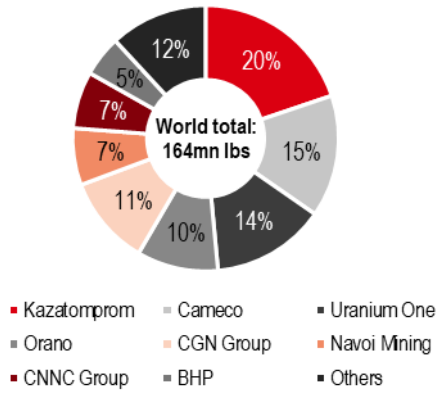
- **Global nuclear power capacity could reach over 500GW by 2035.** There are close to 80GW of nuclear power reactors under construction and another 110GW under planning globally (WNA data as of December 2025). Over half of this pipeline comes from China, followed by Russia, India, and Korea, which we view as high-probability deliveries markets with proven construction and operating track records. If 30% of the current planned fleet becomes operational by 2035, this could bring global operational nuclear power capacity to c500GW or +30% from its current level.
- **This will be translated into uranium demand of 90,000 tU (106,000 tU_3O_8) per year**, leaving the uranium market tightly balanced in the coming decade. In its bull-case scenario, WNA expects global reactor requirements for uranium to rise over 204,000tU (240,000 tU_3O_8) by 2040. The incremental demand will leave a large portion of utilities market requirements unfulfilled.

Breakdown of global uranium supply by country



Source: WNA (2017-2024), UxC (2025)

Breakdown of global U_3O_8 supply by producers (as of 2025)



Source: UxC, Cameco

- **In the meantime, emerging off takers such as AIDCs could provide further upside to nuclear power demand**. Corporate power purchase agreements (PPAs) from large tech companies and government subsidies have played a pivotal role in supporting the restart and development of new nuclear power projects in the US, derisking project financing helping long-term offtake. In China, regulators and industry participants are likewise exploring direct nuclear power supply to data centres, although multi-year nuclear PPAs are still under development; for example, BABA (BABA US, Buy, CMP USD108.57) has recently established a joint venture with China National Nuclear Power (CNNP, 601985, Not Rated, CMP RMB9.57) focused on power generation (Bloomberg, 21 January 2026).

Meanwhile, uranium supplies remain tight and concentrated…
Global production of uranium is highly concentrated to a few countries, making it more exposed to disruptions from extreme weather or geopolitics. Supplies mainly come from Kazakhstan, Canada, Namibia, and Australia, which together account for about 80% of the world's production.

New mine exploration and development have lagged the rise in global demand outlook. Over the last decade, total global known uranium resources increased 21%, but resources in the low-cost category decreased by 48% (source: OECD). Although mining companies have been actively resuming and increasing production at established mines, notably with supply in Canada coming back on stream and the ramp up of production in Uzbekistan, there is little progress in exploration activities among major mining companies in recent years.

…and lead time for new supply is long due to permitting and supply chain constraints
Notably, it takes at least 8-10 years of lead time from discovery to production, given challenges from permitting, financing, and technical complexities. Additionally, supply constraints of key raw materials (sulfuric acid) in mining process, extreme weather events, and geopolitical risks have led to delays in production schedules in key uranium-exporting countries over recent years. Given the supply constraints, we noticed that major producers have focused on a 'value over volume' strategy, prioritising selling price over expansion of production volume given the current market environment.

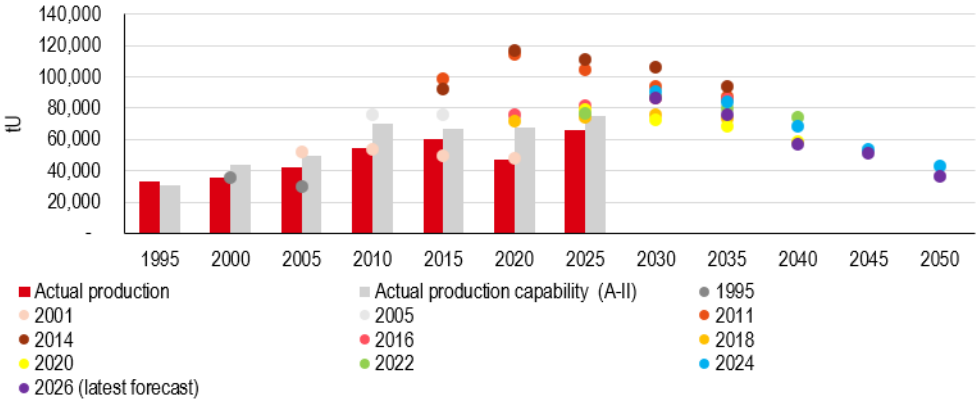
New supplies mainly came from restarts projects, while greenfield developments take much longer to bring online

Major mine restarts/ramp up since 2020

Mine	Country	Operator	Type	Mine discovery	Restart/new ground work launch/	First production target
McArthur River	Canada	Cameco	Restart	1980s	2022	2022
Pinyon Plain	US	Energy Fuels	Restart	1970s	2023	2024
Inkai 3	Kazakhstan	Kazatomprom	New build	1970s	2010s	2024
Langer Heinrich	Namibia	Paladin/	Restart	1970s	2022	2024
Christensen Ranch	US	Uranium Energy Corp (UEC)	Restart	1960s	2024	2024
Ordos mine	China	CNUC	New build	2000s	2024	2025
Kayelekera	Malawi	Lotus Resources	Restart	1980s	2024	2025-26
Burke Hollow	US	Uranium Energy Corp (UEC)	New build	2012	2025	2026e
Qizilkok (Kizilkak)	Uzbekistan	Navoiyuran	New build	20th century	2024	2026e
South Djengeldi I	Uzbekistan	Nurlikum Mining (Navoiyuran/Orano/ITOCHu)	New build	2010s	2026	2027-28e
Dasa	Niger	Global Atomic	New build	2010	2022	2028e
Etango	Nambia	Bannerman	New build	1980s	2026	2028e
Phoenix ISR	Canada	Denison	New build	2008	2026	2028e
Zuuvch Ovoo	Mongolia	Orano (Badrakh Energy)	New build	2010s	2026	2030e
Arrow	Canada	NexGen Energy	New build	2014	2026	2030e

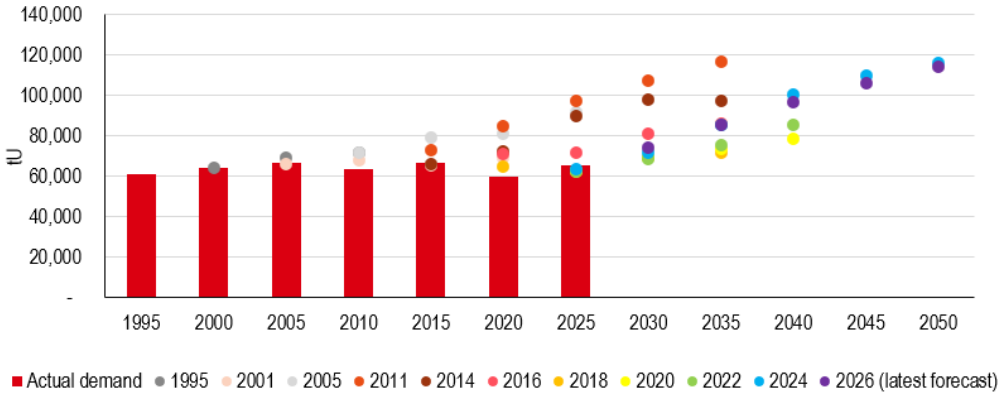
Source: Company data

OECD forecast of global uranium production capability vs actual production and production capability



Note: 1 tU = 1.17924 tU_3O_8 based on the weight of uranium in the U_3O_8 composite (84.9%).
Source: OECD NEA Red Book estimates, IAEA, WNA

Actual and projected reactor-related uranium requirement



Note: 1 tU = 1.17924 tU_3O_8 based on the weight of uranium in the U_3O_8 composite (84.9%).
Source: OECD NEA Red Book estimates, IAEA, WNA

Fuel is <15% of nuclear generation costs, so buyers are less price-sensitive and prioritise supply stability

Passing on the higher cost of uranium to the downstream

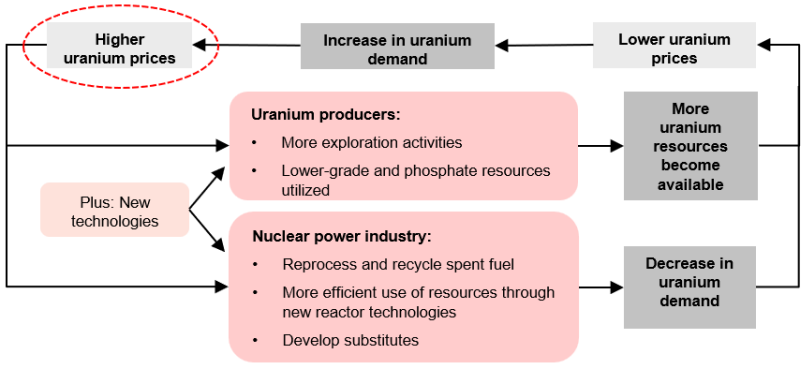
Processed nuclear fuel only accounts for less than 15% of the total generation cost for nuclear power operators, with natural uranium comprising less than 10%. Nuclear power utilities are therefore less exposed to uranium price fluctuations than thermal power utilities are to changes in coal prices. Our sensitivity analysis for China indicates that utilities can still absorb uranium costs of up to USD100 per pound at current power price.

China: Sensitivity analysis of uranium price against cost per unit of electricity generation

Uranium price USD/lb	Fuel cost (RMB/MWh)	All-in generation cost (RMB/MWh)	Fuel cost/ total costs (%)
75	42	347	12%
100	51	355	14%
125	59	364	16%
150	68	373	18%
175	77	381	20%
200	85	390	22%
		vs Power sales tariff for nuclear power operators in 2025: **RMB380-394/MWh**	

Source: HSBC estimates

We are still in the mid-cycle for uranium demand/supply adjustments



Source: WNA

China's uranium market remains tight and regulated

China's uranium supply gap: Costly domestic extraction and high import reliance
China's uranium reserves are relatively limited compared to its uranium fuel demand, and are more costly to extract compared to the global average. The country currently accounts for c20% of global power-related uranium requirement but the domestic output only contributes to low single-digits of global production in 2025. Furthermore, c50% of identifiable domestic reserves have extraction costs of over USD80/kg, significantly above the global average cost curve (source: OECD Nuclear Energy Agency, as of January 2025).

Even with doubled production, new supply is not able to catch up with demand growth
In the meantime, China has the fastest growing nuclear power capacity globally. At China's current pace of approving 10 new reactors per year, we expect the country's nuclear reactor-related uranium demand to double from the current level of 16,000 t U_3O_8 per year to over 32,000 t U_3O_8 by 2035, To meet the surge in demand, the domestic production target is set to more than double to 5,000 tonnes per year by 2030, supported by the discovery and development progress with new mines in Inner Mongolia, according to China National Uranium. However, this still implies an over 75% gap in supply to be filled by imports.

CGNM is among the only few licensed uranium importers
Imports of uranium trading and production remain highly regulated. While the government has not issued formal guidance regarding price ceilings or floors, both trading activities and import licensing are limited to a designated group of state-owned enterprises, including CGN, CNNC, and SPIC.

.

Business overview

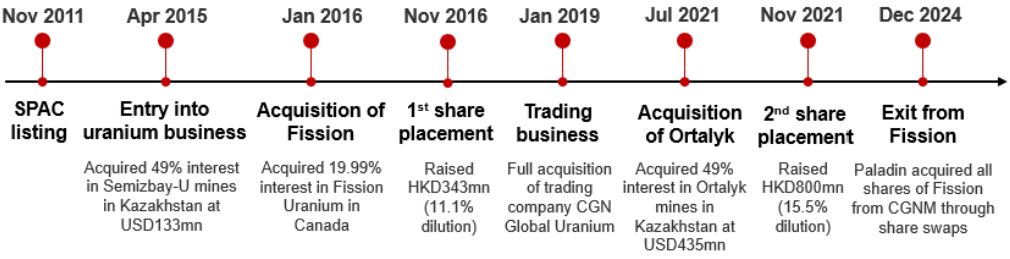
- CGNM sits on low-cost uranium assets to benefit from a pricing upcycle and China's expansion of nuclear power development
- Visible growth in production volume towards 2030 with potential of asset injection from its parent group
- Earnings recovery is in sight as trading losses are addressed under the new sales agreement; with upside from investment income

Company background and business model

China's leading uranium investment and trading company

CGN Mining (CGNM) is an overseas uranium investment and trading company under the China General Nuclear Power Group (CGNPC), one of the two major nuclear power developers and operators in China. As of 2025, uranium supplies from CGNM accounted for c8% of China's annual uranium demand and c15% of uranium consumption by CGNPC.

CGNM: Key development milestones



Source: Company data

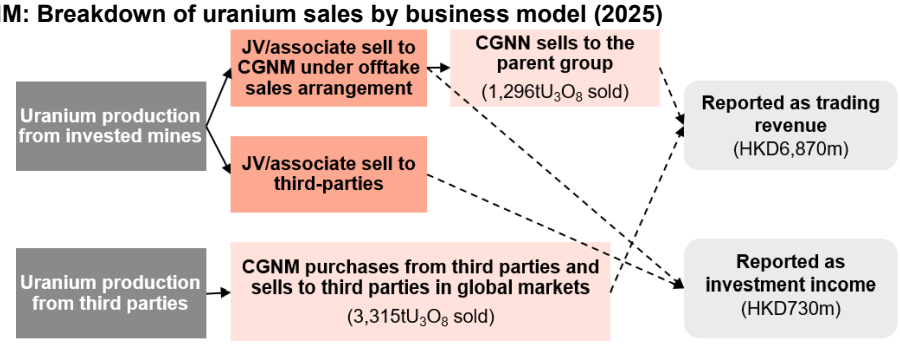
It has three primary business segments:

- **Uranium investment:** The company's primary uranium mines investments are in Kazakhstan, through collaboration with Kazakhstan's national atomic company, Kazatomprom (KAP IL, CMP USD61.60, Not Rated). It acquired a 49% equity interest in Semizbay-U LLP (JV with KAP) through an asset injection from its parent group for a consideration of USD133m back in 2015. Following the collaboration in Semizbay, it acquired a 49% interest in Ortalyk LLP from KAP in 2021 for a consideration of USD435m. The investments in Semizbay and Ortalyk allows CGNM to enjoy investment income, as well as rights to purchase uranium products proportional to its equity stakes throughout the operational life of these mines under off-take arrangements. The invested mines follow a stable dividend policy, distributing 75% of free cash flow as a baseline, provided that the net debt-to-EBITDA ratio is below 100%, which is currently the case for Semizbay and Ortalyk as mature-stage mines. These mines delivered dividend cash inflow of cHKD0.8bn in 2025.

Sales to its parent and external clients were 27% and 73% of revenue mix in 2025

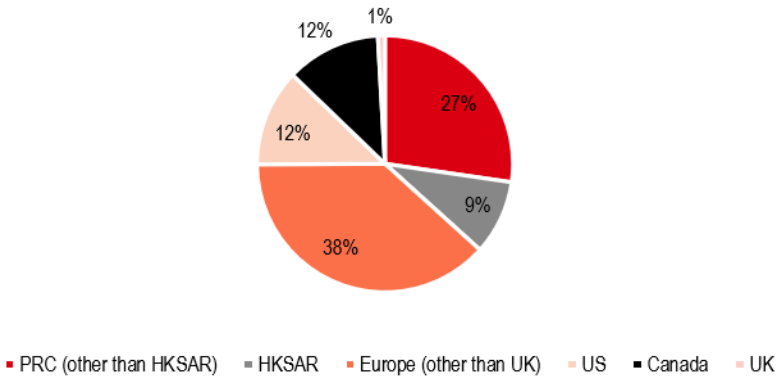
- **Offtake sales (connected transaction):** CGNM purchases uranium products from invested mines at a discount (currently 2%) of the prevailing spot price, and subsequently sells the products to its parent group under a sales framework agreement. The agreement is reset every three years to align with prevailing market conditions, and employs a mechanism that proportionally links both to a term reference price and the spot price index, providing a balanced approach to managing market price volatility. As of 2025, the offtake sales to its parent group accounted for c27% of CGNM's revenue mix (vs: 55-60% for its direct peer group in China). Notably, connected transactions with the parent company is common among Chinese uranium companies given high market concentration in nuclear power generation.
- **International uranium trading (CGNGU):** The uranium trading business is conducted through its full subsidiary CGN Global Uranium (CGNGU), a trading company in the UK. CGNGU sources uranium from the global market and sells it to third parties including utilities and trading companies. The transactions are structured using back-to-back trading contracts, which lock in the margins and control exposure to price volatility.

CGNM: Breakdown of uranium sales by business model (2025)



Source: Company data. HSBC

CGNM: Breakdown of uranium trading revenue by geographies (2025)



Note: PRC refers to mainland China.
Source: Company data, HSBC

Potential asset injection from parent provides a pathway for production growth

We anticipate CGNM to pursue further M&As to sustain growth, as current resources likely depleted by 2030s

Based on current mining rights and reserves, CGNM's principal invested mines are expected to reach depletion by the early 2030s. To sustain its supply to the CGN Group and fuel future growth, CGNM will need to secure additional mining assets − either injected by the parent or acquired externally.

Potential asset injection from parent provides pathway for production growth

A potential catalyst for growth could be the injection of assets from its parent group given CGNM's strategic positioning as its parent group's sole platform for the development of overseas uranium resources, track record in Kazakhstan, and established relationships with clients overseas. The parent group currently holds a 54% stake in Husab mine in Namibia, which is the world's third largest uranium mine with an annual production capacity of 6,000tU, c1.6x the combined capacity at Semizbay and Ortalyk. Additionally, CGN's recent acquisition of a 30% minority stake in the Kharassan 1 Mine (a joint venture with KAP) in 2024 presents another strategic opportunity for expansion. Given CGNM's history of M&A financing and the substantial scale of these mines – the Husab mine had a total investment of USD5bn (The Extractor, 4 August 2025) – future equity fundraising for asset injections remains a possibility.

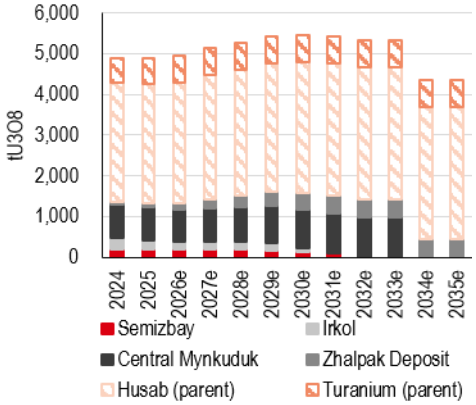
CGN: Uranium mine investments by CGNM and CGNPC

Mines	Reserves (tU)	Average grading (% U)	Annual production capacity (tU_3O_8)	Production start - depletion*	Ownership	Notes
Semizbay-U LLP (CGNM's JV)						
Semizbay Mine	4,600	0.058%	500	2009 - 2031	CGN: 49%	CGNM acquired a 49% equity interest for USD133m in 2015 at 5.5x PB (2013 NAV: USD49m) from its parent group CGNPC-URC
Irkol Mine	1,800	0.032%	700	2008 - 2030	Kazatomprom: 51%	
Ortalyk LLP (CGNM's associate)						
Central Mynkuduk	15,700	0.044%	2,000	2005 - 2033	CGNM 49%	CGNM UK acquired a 49% equity interest for USD435m in 2021 at 8.5x PB (2020 NAV: USD104m) from Kazatomprom
Zhalpak Deposit	13,800	0.038%	500 (expanding to 900)	2022 - 2041	Kazatomprom: 51%	
Swakop Uranium (investment by parent)						
Husab mine	9,500	0.050-0.060%	6,000	2016 - 2044	CGNPC-URC 54% (through Taurus Minerals), China-Africa Development Fund 36% (through Taurus Minerals), and Epangelo Mining (10%)	Taurus Minerals acquired a 90% equity stake for USD2.3bn in 2012. CGNPC-URC invested USD2bn in Husab mine development
Turanium LLP (investment by parent)						
Kharassan 1 Mine	28,400	0.106%	2,200	2009 - 2038	Kazatomprom: 50%, China Uranium Development (CGN): 30%; Energy Asia Holdings: 20%	Uranium One Group (Rosatom) divested a 30% interest in JV Khorasan-U LLP (mining company) and Kyzylkum LLP (processing company) to China Uranium Development in 2024. The company was renamed to Turanium.

Note: (1) Ore reserves and average grading as of end-2025, based on company data from CGNM for Semizbay-U LLP and Ortalyk LLP and data from KAP for Turanium LLP, For Husab mine, we use actual data from UxC for 2024 and make estimate for 2025 due to lack of company disclosure. (2) Expiry year is based on the earlier of exploration contract expiry or Life of Mine Plan (LoMP) depletion.
Source: Company data from CGNM, Swakop Uranium and Kazatomprom

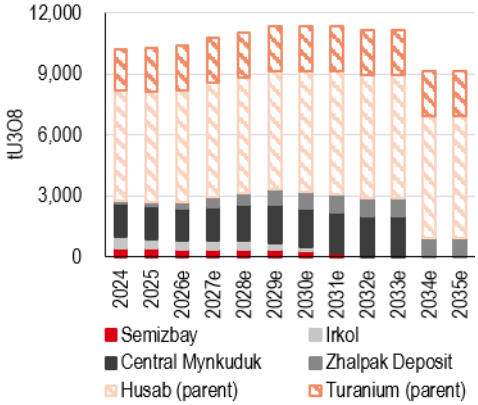
CGNM's 2030 annual output could jump threefold if it acquires its parent's mining stakes

Annual production at invested mines by CGNM and its parent group (based on equity interest %)



Note: We estimate equity production proportional to the percentage of ownership.
Source: Company data, HSBC estimates

Annual production at invested mines by CGNM and its parent group (100%)



Source: Company data, HSBC estimates.

Development of the PLS project remains a catalyst to watch

CGNM currently holds a 2.61% equity interest in Paladin Energy (PDN AX). Paladin owns the Patterson Lake South (PLS) project, which is a uranium mine at an advanced stage of development. According to the project feasibility study (17 January 2023), the PLS project contains over 90 million pounds of probable U_3O_8 reserves with a high concentration grade. Potential collaboration with Paladin on the PLS project could enable CGNM to secure additional uranium resources for future trading activities.

Operational outlook to turnaround in 2027

1H26 was weak because of higher production costs and weaker-than-expected trading business; which is expected to reset in 2H26

Recap of 1H26 results: Mining profit weaker on cost hikes; trading business recovering

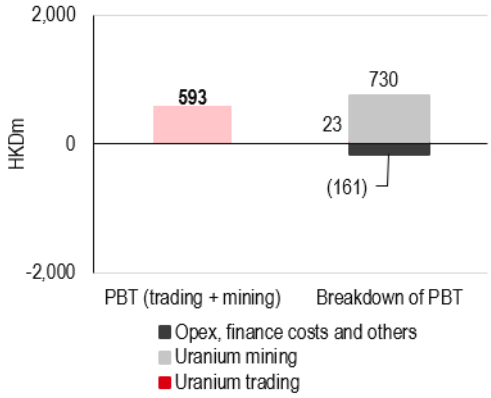
CGNM's reported net loss of HKD80m in 1H26 (1H25: net loss of HKD68m). This was mainly because of lower investment income (a 55% y-o-y drop) as higher uranium ASP (+16%) were offset by higher production costs at invested mines (+43% y-o-y) and lower sales volume (-37%). In the meantime, the trading business recorded a gross loss of HKD119m as CGNM wraps up delivery of legacy low-price contracts, while the offtake sales contracts with higher profitability were back-end loaded to 2H26.

CGNM operational results: 6M26 production on target; trading margin positive

	Natural uranium production			Natural uranium settlement			
	Planned production	Actual production	Completion rate	Receipt from suppliers		Delivery to customer	
	Volume (tU)	Volume (tU)	%l	Quantity (tU)	Price (USD/lb)	Quantity (tU)	Price (USD/lb)
1Q25	595.2	659.1	110.7%	502	72.45	735	56.44
2Q25	630.5	695.6	110.3%	910	67.62	603	71.81
3Q25	667.7	644.3	96.5%	1,042	76.69	1,158	75.18
4Q25	742.8	702.5	88.3%	1,592	76.26	2,117	79.90
1Q26	598.4	580.9	97.1%	942	84.16	904	64.27
2Q26	646.4	667.8	103.3%	442	82.38	442	95.70
6M26 y-o-y		*-8%*				*+1%*	

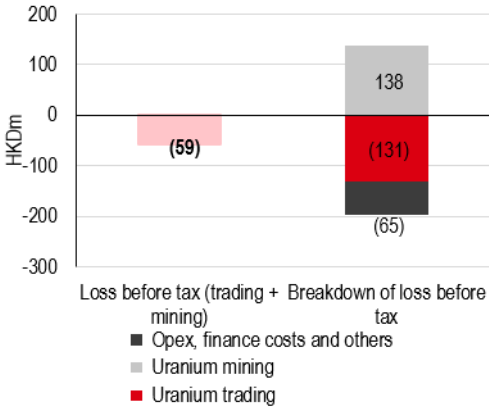
Source: Company data

CGNM: Breakdown of 2025 PBT



Source: Company data

CGNM: Breakdown of 1H26 loss before tax



Source: Company data

We expect the trading business to recover thanks to better terms for offtake sales and discipline in third-party trading

We expect the trading spread margin to recover

As a recap, the trading business was loss making in 2024 and 1H25 due to negative trading spread for both offtake sales and global trading business. It turned around in 2H25 driven by recovery in third-party uranium trading volume and expansion of trading margin, resulting in a positive trading margin of 1% in 2025. We view the losses in 1H26 as seasonal, reflecting global trading deliveries under legacy low-priced contracts. At the 1H26 analyst briefing, CGNM guided that the trading business will return to profitability for full-year 2026.

Looking ahead, we expect the trading spread margin to expand for all contract types in 2026:

- **For third-party trading:** CGNM has stopped signing new cross-year transactions in international trading to avoid mismatches between procurement costs and selling prices under the weighted average cost accounting.
- **More importantly, for offtakes sales:** Losses under the 2023-25 framework agreement stemmed from rising spot procurement costs that misaligned with term pricing negotiated years earlier. CGNM has entered a new term-supply contract with its parent company for 2026-28, under which the proportion of fixed pricing will decrease to 30%, from 40% in the agreement for 2023-25. This adjustment will allow CGNM to pass through additional procurement costs amid rising spot prices. The reference price for 2026 is set to increase by 42% y-o-y to USD94.2/lb, with an additional annual reference price increments of 4.1% p.a. for 2027-28, which is higher than the current market price for term contracts (USD89.6/lb in September 2026).

CGNM: Summary of connected transaction with parent (CGNPC − URC)

	Unit	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Pricing structure										
% exposure to spot price*	%	**0%**	**0%**	**0%**	**60%**	**60%**	**60%**	**70%**	**70%**	**70%**
% pegged to reference price	%	100%	100%	100%	40%	40%	40%	30%	30%	30%
Term reference price*	USD/lb	____Market price____			**61.78**	**63.94**	**66.17**	**94.22**	**98.08**	**102.10**
% annual escalation factor		NA	NA	NA	NA	3.5%	3.5%	42.4%	4.1%	4.1%
Sales volume										
Actual/estimated offtake volume	t U_3O_8	**588**	**762**	**1,321**	**1,299**	**1,294**	**1,296**	**1,309**	**1,432**	**1,522**
Gross profit										
Realised ASP	USD/lb	35.86	39.79	50.35	64.42	75.04	71.75			
Realised purchase cost		34.63	36.81	48.35	64.90	80.80	74.04			
Unit trading spread		1.23	2.98	2.00	(0.48)	(5.76)	(2.29)			
Realised transaction revenue	HKDm	**.425**	**611**	**1,341**	**1,688**	**1,957**	**1,875**			
% of CGNM's revenue mix	%	15%	16%	37%	23%	23%	27%			

Note: (1) Based on the latest weekly spot price on the date of delivery. (2) For 2020-22 the reference price was determined by the average long-term price index published by UxC and TradeTech in the second month prior to the delivery month.
Source: Company data (Sales Framework Agreement for 2020-22, 2023-25, and 2026-28)

A bullish price outlook for mine investment business

We expect the spot uranium price to reach USD100/lb in 2028…

CGNM's mine investment business is also well placed to benefit from a bullish uranium price outlook. We forecast CGNM's uranium sales price in the spot market to rise to USD95/lb in 2027 and USD100/lb in 2028. We see catalysts including: (1) recovery of spot/term uranium contracting sales activities off a low base in 2025, and (2) supply chain disruptions contributing to tightness in demand/supply, including shortages in sulphur acid for ISL mine productions.

Further upsides to our price estimates include increased fundraising and purchasing activity by physical funds acting as market intermediaries, the accumulation of strategic uranium reserves by various countries, heightened geopolitical risks, and prolonged supply chain disruptions.

Production curbed by sulfuric acid in 2026, expect recovery in 2027-28

…and CGNM's production volume to grow 16% between 2025 and 2028

We expect production at invested mines to decrease by 1% y-o-y in 2026 due to a shortage of sulfuric acid, despite new capacity, and increase by 9%/6% y-o-y in 2027/2028 as the utilisation rate recovers.

- **Production utilisation:** KAP has kept production utilisation of its mines around 80% of the designed production capacity (per the Subsoil Use Agreements) since 2018. The main constraint on increasing utilisation in recent years is a shortage of sulfuric acid, an essential input for the ISL mining process (refer to KAP's announcement on 13 January 2024). Limited domestic supply in Kazakhstan and geopolitical disruptions have continued to constrain the supply of sulfuric acid and drive up production costs. We expect the supply-chain tightness to gradually ease in 2H27-2028 as Kazakhstan's domestic sulfuric acid supplies ramp up, supported by new capacity including EuroChem's 0.8m tonnes per year (TASS, 26 May 2026), which is a supplier to KAP. KAP also expects to increase its consolidated in-house supplies to c1.5m tonnes by 3Q27-1Q28. We see upside to CGNM's investment income in 2027-28, should KAP lift production utilisation, subject to resolving the supply chain bottleneck and outlook for uranium pricing.
- **Capacity growth:** Capacity expansion at Zhalpak mine will contribute to production growth over 2026-30. Zhalpak started commercial operation in 2022. It is currently ramping up output in two phases. Phase I expansion (500 tU_3O_8/year) came onstream in July 2026 and is targeted to reach full capacity by 2027. According to the JV Ortalyk mine plan (2022-42), Zhalpak's annual production capacity could reach up to 900 tonnes following the completion of phase 2 construction, which is currently in progress.

Cost drivers: Acid prices, MET reset, and Tenge appreciation

Cost pressure will persist in 2026 due to the shortage of sulfuric acid and Tenge appreciation

For 2026, KAP has guided up overall C1 cost, covering the cost for mining, processing, and administration, to USD25.5-27.0/lb (up 45% y-o-y at mid-point) post 1H26 results. This reflects cost inflation, tightness in sulfuric acid supply, and the latest local mineral extraction tax (MET) policy. Our view for CGNM is slightly different – we expect similar double-digit increase in production costs at its invested mines, but estimate MET to be lower y-o-y based on current ASP and production volume at Semizbay and Ortalyk, resulting in a blended production cost at +29% y-o-y.

- **Raw material costs to rise with sulfuric acid**: Sulfuric acid remains the biggest moving part in 2026, especially with the spot price more than doubling since the Middle East crisis began. Raw material costs are likely to moderate from 2027 as domestic supply ramps up.
- **Mineral extraction tax to moderate in 2026:** Kazakhstan currently has a price-based mineral extraction tax (MET) rate on uranium mining. The MET tax is determined proportional to the average market price of U_3O_8, set at 6.0% for 2024 and **9.0% for 2025**, and multiplied by the quantity of uranium extracted. Based on the latest *taxation plan*, the MET rate will change to a levelized range of 4.0% to 18.0% in 2026, depending on the production volume. In addition, if the U_3O_8 price exceeds certain levels, an incremental tax

rate will be applied, up to 2.5%. For CGNM's invested mines, Semizbay and Zhalpak will be applicable to a MET base rate of 4% and Central Mynkuduk will be applicable to a base rate of 9%. Assuming an average uranium price of USD85-95/lb, we estimate the volume-blended MET rate for CGNM's invested mines will decrease y-o-y to **8.0-8.5% in 2026**.

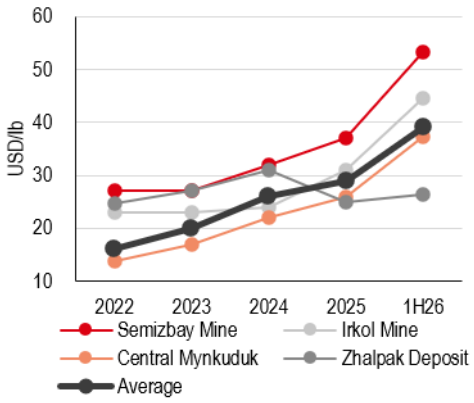
- **FX:** Uranium is commonly settled in US dollars while operational cost at CGNM's invested mines occurred in Kazakhstan tenge, meaning a stronger local functional currency can raise operating expenses and squeeze profitability of mine investments as seen in 1H26.

Kazakhstan: Mineral extraction tax policy for 2026e

Annual production volume	MET base rate	Implied MET base rate for CGNM's invested mines*	Weighted average U_3O_8 price	Additional price-based increases in MET
Up to and including 500 tonnes	**4.0%**	Semizbay, Zhalpak and Irkol	Above USD70/lb	**+0.5%**
Up to and including 1,000 tonnes	**6.0%**		Above USD80/lb	**+1.0%**
Up to and including 2,000 tonnes	**9.0%**	Central Mynkuduks	Above USD90/lb	**+1.5%**
Up to and including 3,000 tonnes	**12.0%**		Above USD100/lb	**+2.0%**
Up to and including 4,000 tonnes	**15.0%**		Above USD110/lb	**+2.5%**
Above 4,000 tonnes	**18.0%**			

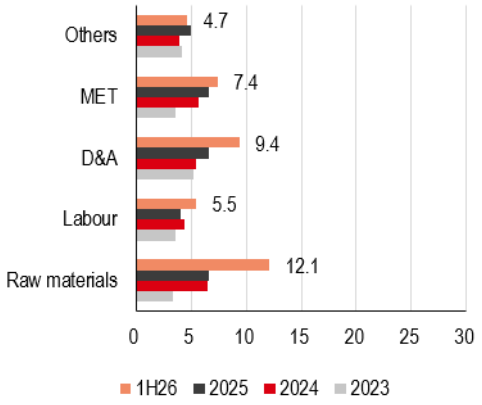
Note: *According to CGNM's guidance, based on current production capacity at invested mines
Source: Kazatomprom, CGNM

CGNM: Historical production costs (USD/lb)



Source: Company data

CGNM: Breakdown of production costs at invested mines (USD/lb)



Source: Company cost

Peers comparison

CGNM is traded at a discount to global and China onshore peers

Valuation comparison

Company	Ticker	CCY	Rating	CMP	TP	Market cap (USDm)	PE 26e	PE 27e	PE 28e	PB 26e	PB 27e	PB 28e	Yield 26e	Yield 27e	Yield 28e
Uranium mining and trading															
CGNM	1164 HK	HKD	Buy	2.02	3.00	1,956	20.9	15.4	12.9	3.0	2.6	2.2	1.1%	1.5%	1.8%
CNNC Intl.	2302 HK	HKD	NR	2.86	NR	178	NA	NA	NA	NA	NA	NA	NA	NA	NA
CNUC	001280 CH	RMB	NR	56.97	NR	17,630	45.3	31.4	26.0	6.4	5.5	4.7	NA	NA	NA
Cameco	CCJ US	USD	NR	80.70	NR	35,148	82.5	47.6	36.6	6.8	6.0	5.2	0.2%	0.2%	0.2%
Paladin	PDN AX	AUD	NR	7.11	NR	2,226	823.9	50.4	20.3	1.9	2.0	1.8	0.0%	0.0%	0.0%
KAP	KAPLI	USD	NR	61.60	NR	15,976	13.1	9.7	8.6	2.6	2.2	1.9	4.7%	7.4%	9.3%
Nuclear power utilities															
CGNP	1816 HK	HKD	Buy	3.32	4.20	4,722	13.6	11.8	11.2	1.1	1.0	0.9	3.3%	3.8%	4.0%
CNNP	601985 CH	RMB	NR	9.57	NR	30,328	22.7	19.9	17.6	1.6	1.5	1.4	1.7%	2.0%	2.3%
Nuclear power equipment															
DFE-H	1072 HK	HKD	Hold	16.69	23.50	11,050	9.6	9.0	9.3	1.0	0.9	0.9	4.7%	5.1%	4.9%
DFE-A	600875 CH	RMB	Hold	22.30	27.50	11,050	15.1	14.1	14.5	1.6	1.5	1.4	3.0%	3.2%	3.1%
HEC	1133 HK	RMB	Buy	12.36	32.00	3,340	6.9	4.9	5.2	1.2	1.0	0.9	4.4%	6.1%	5.8%
OKLO	OKLO US	USD	Buy	27.24	70.00	5,067	0.0	0.0	0.0	1.5	1.7	1.8	0.0%	0.0%	0.0%
NuScale	SMR US	USD	Hold	5.69	11.00	2,335	0.0	0.0	0.0	0.9	0.5	0.6	0.0%	0.0%	0.0%

Note: Priced as of 19 October 2026. NR stands for non-rated.
Source: HSBC estimates, Bloomberg consensus for non-rated stocks

Business segments

We compare CGNM's business segments with regional and global listed peers in uranium mining and trading:

- **CGNM** is focused on uranium trading (100% of revenue in 2025) and mining. Although mining assets are not consolidated, investment income from these mines contributed 90-125% of profit before tax in 2021-25.
- **CNNC International** is a pureplay in uranium trading (98% of revenue in 2025). It actively seeks overseas uranium resources projects for future development, but it has no operating uranium mine investments at the moment. Sales of uranium to its parent group amounted to 60% of its revenue in 2025.
- **CNUC** is the only player with mining rights both within mainland China and overseas. Natural uranium and sale of by products contributed 92% and 8% of its revenue, respectively in 2025. Under the uranium trading business, sales of self-produced products were 23% of segment turnover, while the rest was sourced externally. CNUC's key mining assets include the Rossing mine in Namibia and mines under development in mainland China. It also recently acquired a 42.75% stake in the Etango mine in Namibia (source: Company announcement on 28 September 2026). Connected transactions with its parent group amounted to 58% of its revenue in 2025.
- **Global peers:** KAP and Cameco are among the largest uranium producers globally. KAP is mainly engaged in uranium mining (91% of revenue mix in 2025) and by products (9%). Cameco is involved in uranium mining (84%), fuel refining and conversion (16%), as well as equipment manufacturing and maintenance (through its JV Westinghouse). Paladin re-entered uranium mining and sales (100%) as it resumed operations at the Langer Heinrich uranium mine (LHM) in Namibia in early 2024, and ramp up is guided to be completed by 2026.

CGNM: Comparison with global uranium trading and mining companies (as of calendar year 2025)

	CGNM	CNUC	CNNC International	Cameco	Kazatomprom	Paladin
Stock code	1164 HK	001280 CH	2302 HK	CCJ US	KAP IL	PDN AX
Primary business segments	Natural uranium trading (100%)	Natural uranium (92%) and Comprehensive utilisation of radioactive associated minerals (8%)	Trading of uranium (98%) and Commission income (2%)	Uranium (84%) and Fuel services (16%). Cameco also holds 49% interest in Westinghouse	Uranium (91%), Uranium products and enriched uranium (0%), Beryllium products (2%), Tantalum products (1%) and others (6%)	Sale of uranium (100%)
Key mining assets/entities	Semizbay (49%) and Ortalyk (49%) mines	Rossing mine (68.6%); Etango mine (42.75%); CNUC is also the sole operator of uranium mines in China*	No operating mine; The Somina project (37.2%) is under exploration	Cigar Lake (54.55%)*, McArthur River (69.8%), Key Lake (83.3%) and Inkai (40%); and several mines under tier-two operation (production suspension) or exploration.	KAP has 14 mining assets operating in 27 deposits/blocks.	LHM Mine (75%) and the PLS project (100%); PDN has several mines under preliminary economic assessment or exploration.
Location of key mining assets/ entities	Kazakhstan	China and Namibia	Inner Mongolia and Niger	Canada and Kazakhstan	Kazakhstan	Australia, Canada, and Namibia
Equity production volume (U_3O_8) (based on actual share of annual production at invested mines)	2.9mn lb	Rossing mine: 4.8mn lb; Etango mine: still under exploration	NA	24.7mn lb (incl. JV Inkai)	35.1mn lb	3.0mn lb
Consolidated production volume (annual consolidated production excl. minority stakes)	NA	Rossing mine: 7.0mn lb; Etango mine: still under exploration	NA	34.2mn lb (excl. Inkai)	67.2mn lb	4.0mn lb
Production cost (USD/lb)	USD29.0/lb	Not disclosed	NA	USD17.0/lb	USD29.53/lb	USD40.2/lb
Financial year end for reporting	Dec-25	Dec-25	Dec-25	Dec-25	Dec-25	Jun-25

Note: (1) CNUC did not disclose production in China. According to OECD NEA, China's domestic uranium production was c1,600tU in 2023. (2) **Cameco** and Orano have reached agreement with TEPCO Resources to acquire TEPCO's 5% participating interest in the Cigar Lake Joint Venture. Upon closing, Cameco's ownership stake in the Cigar Lake uranium mine will increase to 57.4%.
Source: Company data

CGNM's mining business is cost competitive

CGNM's mining investments are cost competitive…

In terms of the profitability of its mining business, CGNM's invested mines are at the lower end of the global cost curve with full production costs around USD40/lb. Production costs at China's domestic uranium mines are generally not disclosed; however, international benchmarks suggest China's low-grade ores likely place its costs towards the higher end of the global cost curve – UxC estimates that China's operating mines have a full cost range of USD43-74/lb (as of 2025). This positions CGNM's invested mines as structurally more cost competitive.

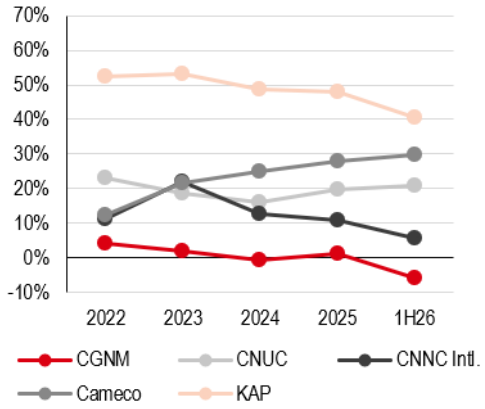
CGNM's weaker profitability was explained by the trading losses, which is set to improve

…but its trading business underperformed peers in 2023-25

CGNM's profitability laggard behind its peer group in 2023-1H26 due to the poor performance of its trading business. However, we expect trading losses to diminish, as the legacy loss-making contracts under the global trading business are guided to be wrapped up by 2027. Meanwhile, CGNM's new framework trading arrangement with parent from 2026 is notably more responsive to spot price movements compared to its previous trade arrangements and similar arrangements at peer groups − 70% of the settlement price is linked to the spot price − providing an advantage in a rising market.

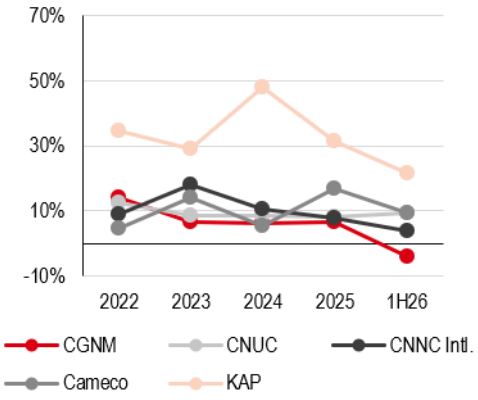
By comparison, CNNC International's 2026-27 framework for uranium supply with its parent company bases pricing on the average of the historical monthly spot and term contract prices over the preceding 18 months, excluding outlier months (source: Company announcement on 31 December 2025). For CNUC, the sales agreement (as of 2025) with its parent group also combines a fixed price and the market price. The latter was determined by the market price index from the year preceding product delivery, according to its prospectus (7 August 2025).

Consolidated gross profit margin comparison



Source: Company data, LSEG Workspace, Wind

Attributable net profit margin comparison



Note: NPM can be higher than GPM for uranium miners due to JV/associate contribution.
Source: Company data, LSEG Workspace, Wind

We see opportunities for CGNM to rerate driven by improvements in its business fundamentals and fund flows

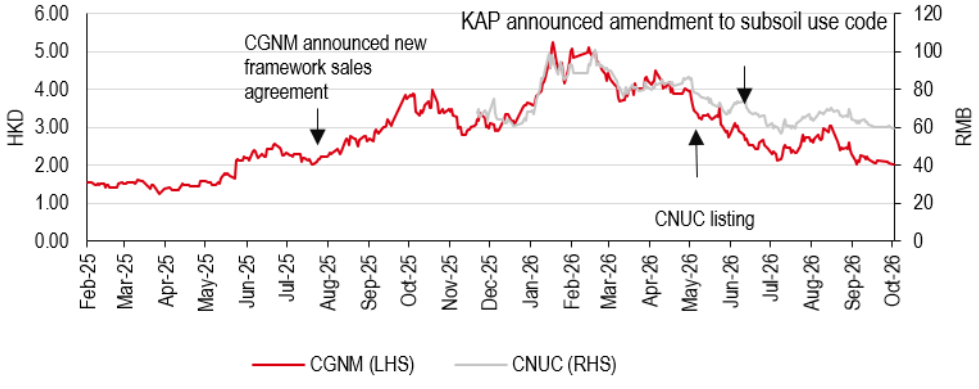
CGNM's re-rating opportunity relative to CNUC

The global peer group in uranium mining and trading trades at a PE range of 10-55x for 2027e. Among the Chinese uranium names, CNNC International trades at a discount to CGNM given the low profitability of its pure trading business, while CNUC trades at a premium to CGNM despite both companies engaging in uranium trading and overseas mine investments. We believe this valuation gap is attributed to: (1) CGNM's trading losses in prior years, (2) CNUC's more diversified asset base and controlling interest in its invested mines (whereas CGNM holds only minority stakes), (3) CNUC's status as the sole uranium mining company in China (CGNM invests exclusively overseas), and (4) the overall valuation premium of China A-shares compared to H-shares. That being said, CGNM's disclosure on trading business and production volumes is more transparent than CNUC's, in our view, which we view as a relative advantage.

CNUC was listed on the Shenzhen Stock Exchange on 3 December 2025. Prior to that, CGNM was the only company with uranium mining exposure in Hong Kong/mainland China stock markets. With broadly comparable business footprints, we think CGNM has potential to re-rate and narrow the valuation gap vs CNUC.

Additionally, Southbound investors currently hold c20% of CGNM's total issued shares through Stock Connect, compared with up to 70% for energy, metals, mining, and materials companies, indicating further room for increased Southbound investor participation.

CGNM: Share price performance relative to CNUC since February 2025



Source: LSEG Datastream, HSBC

Key downside risks

- **Production disruptions at invested mines:** Production delays or suspensions may arise from supply constraints of key raw materials, delays in obtaining approvals, or adverse weather conditions.
- **Connected party transactions and high customer concentration risk:** The single largest customer and its parent group, CGNPC-URC, accounted for c28% of CGNM's sales in 2025. Any unfavourable change in the connected transaction terms with its parent group could weigh on CGNM's earnings outlook.
- **Lower-than-expected global uranium requirement and market price:** Nuclear power plants take a long lead time for approval and development. Any postponement or reversal of nuclear power development strategies in key nations could significantly reduce the long-term demand for uranium and pose downside risks to pricing and earnings given CGNM's exposure to a single commodity.
- **Rising uranium mining costs** could weigh on the company's gross margin.
- **FX volatilities:** Uranium from the invested mines is sold in USD, while operating costs are largely denominated in Kazakh tenge. A stronger tenge would lift costs in USD terms and reduce CGNM's investment returns.
- **Policy risks:** CGNM's investments in uranium mines are concentrated in Kazakhstan and any unfavourable change in local policies may affect CGNM's investments and earnings outlook. For example, the local government changed the mineral extraction tax policy in 2024, which adversely affected CGNM's financial results. In addition, contract renewal for its JVs is subject to review by local regulators and amendments to the Subsoil and Subsoil Use Code. Currently, mining licenses at most of CGNM's invested mines cover the entire estimated mine life, making renewal less of a concern.
- **Failure to acquire new uranium mine resources through overseas M&A:** As uranium remains a strategic energy resource, regulators may impose stricter requirements on overseas companies seeking to invest in new mining assets, or potentially require foreign companies to exit the existing mines.
- **New technologies** such as thorium-based reactors and fusion reactors may not require uranium as a fuel.

Financials and valuation

- Key growth drivers: higher uranium price, increase in production volume, and reset of trading contract for 2026-28
- We forecast a 2025-28 earnings CAGR of 38%, supported by reversal of trading losses and increase in investment income
- We initiate coverage with a Buy rating and a TP of HKD3.00

Income statement analysis

CGNM: Summary of key assumptions

	Unit	2024	2025	2026e	2027e	2028e
Uranium price						
Average spot price	USD/lb	85.4	74.0	88.0	95.0	100.0
Realised ASP from uranium trading		72.7	73.9	88.5	95.3	100.2
Realised ASP for CGNGU		72.0	74.7	88.0	95.0	100.0
Realised ASP for offtake sales		75.0	71.8	89.9	95.9	100.6
Uranium trading cost						
Realised unit cost from trading	USD/lb	73.2	73.1	86.9	93.1	98.0
Realised unit cost for CGNGU		71.1	72.8	87.1	93.1	98.0
Realised unit cost for offtake sales		80.8	74.0	86.2	93.1	98.0
Realised trading spread		(0.6)	0.7	1.7	2.2	2.2
Trading volume						
Uranium trading volume	tU_3O_8	5,887	4,613	4,624	5,079	5,533
CGNGU trading volume		4,593	3,315	3,315	3,647	4,011
Offtake sales volume		1,294	1,296	1,309	1,432	1,522
Mine investment						
Equity production at invested mines	tU_3O_8	1,324	1,317	1,309	1,432	1,522
Total production: Semizbay-U		976	862	779	801	782
Total production: Ortalyk LLP		1,783	1,835	1,900	2,130	2,332
Average cost of production	USD/lb	26.0	29.0	37.5	38.2	36.2

Source: Company data, HSBC estimates

38% earnings CAGR for 2025-28e, driven by 18% CAGR in trading revenue and 21% CAGR in investment income

Earnings growth outlook

We forecast CGNM's revenue to grow at a CAGR of 18% in 2025-28 as its trading volume and ASP increase, while we expect its trading spread to expand under the new trading framework agreement. We expect investment income to grow at a CAGR of 21% in 2025-28, driven by production growth from invested mines, and strong uranium prices. In the meantime, we expect SG&A expenses to remain relatively stable. As a result, we forecast an earnings CAGR of 38% in 2025-28.

CGNM: Income statement

	2024	2025	2026e	2027e	2028e
Revenue	**8,624**	**6,870**	**8,345**	**9,849**	**11,284**
Cost of sales	(8,690)	(6,801)	(8,189)	(9,626)	(11,039)
Gross (loss)/profit	**(66)**	**69**	**156**	**223**	**245**
Other operating income	57	15	6	16	34
Selling and distribution expenses	(15)	(21)	(21)	(23)	(24)
Administrative expenses	(57)	(36)	(44)	(52)	(59)
Changes in FV of investment properties	-	-	-	-	-
Share of result of a joint venture	399	259	281	321	340
Share of results of associates	617	471	597	761	945
Finance costs	(122)	(164)	(137)	(123)	(134)
Profit before taxation	**814**	**593**	**838**	**1,124**	**1,346**
Income tax expenses	(287)	(140)	(104)	(129)	(153)
Profit after tax	**527**	**453**	**734**	**996**	**1,193**
Minority interests	-	-	-	-	-
Attributable profit from continuing operations	**527**	**453**	**734**	**996**	**1,193**
Discontinued operations	(185)	-	-	-	-
Attributable profit	**342**	**453**	**734**	**996**	**1,193**
Basic EPS (HKD)	0.05	0.06	0.10	0.13	0.16

Source: Company data, HSBC estimate

Our FY26-27 net profit forecasts are 2-13% below consensus. In our view, consensus may be lagging, given limited broker coverage, and may not yet capture the latest cost environment (higher production costs) or the increased risk to production volumes after the Middle East conflict.

HSBC estimates vs consensus

(HKDm)	2026e	2027e	2028e
Net profit			
HSBC	**734**	**996**	**1,193**
Consensus – BBG	848	1,139	1,216
% difference	-13%	-13%	-2%

Source: Blomberg, HSBC estimates

Balance sheet analysis

CGNM's trading business operates on an asset-light model, while its mining assets are not consolidated and are reported as interests in joint ventures or associates. Changes in current assets are mainly driven by fluctuations in natural uranium inventories and volatility in the spot price. Net gearing (net debt/equity) was 46% as of end-2025, supporting a healthy balance sheet for potential M&A opportunities in the future.

CGNM: Balance sheet

	2024	2025	2026e	2027e	2028e
Current assets					
Bank balances and cash	1,154	944	1,233	1,853	2,440
Inventories	2,158	1,383	2,131	2,505	2,873
Trade and other receivables	80	1,765	1,143	1,349	1,546
Others	48	125	125	125	125
Total current assets	**3,440**	**4,218**	**4,633**	**5,833**	**6,984**
Non-current assets					
Property, plant and equipment	1	0	0	0	0
Right-of-use assets	5	3	2	1	0
Interest in a joint venture	641	631	683	743	807
Interest in associates	3,399	3,361	3,474	3,619	3,799
Others	356	502	502	502	502
Total non-current assets	**4,402**	**4,497**	**4,661**	**4,865**	**5,108**
Total assets	**7,842**	**8,715**	**9,294**	**10,698**	**12,092**
Current liabilities					
Trade and other payables	797	848	1,122	1,319	1,512
Loans from a fellow subsidiary	1,396	1,790	1,790	1,790	1,790
Bank borrowings	1,520	1,202	880	1,264	1,506
Others	19	58	58	58	58
Total current liabilities	**3,732**	**3,898**	**3,850**	**4,431**	**4,866**
Non-current liabilities					
Loans from a fellow subsidiary	-	-	-	-	-
Deferred tax liabilities	185	252	252	252	252
Others	3	2	2	2	2
Total non-current liabilities	**188**	**254**	**254**	**254**	**254**
Total liabilities	**3,921**	**4,152**	**4,103**	**4,684**	**5,120**
Share capital	76	76	76	76	76
Reserves	3,846	4,487	5,115	5,938	6,897
Minority interests	-	-	-	-	-
Total equity	**3,922**	**4,563**	**5,191**	**6,014**	**6,973**

Source: Company data, HSBC estimate

Cash flow analysis

CGNM has positive FCF as of 2025. Consolidated capex was minimal at less than HKD1m per annum from 2023-25 as CGNM has an asset-light business model. Meanwhile, the invested mines reported maintenance capex of USD53-95m per annum over the same period, which was not consolidated. We have not assumed any mine M&A activity or related capex. We forecast a meaningful increase in investment cash inflows over 2025-28e, driven by rising dividends from the invested mines.

CGNM: Cash flow statement

	2024	2025	2026e	2027e	2028e
Cash flows from operating activities					
Profit before taxation	629	629	838	1,124	1,346
Adjustments for:					
Depreciation & amortisation	2	2	2	1	1
Interest income	(40)	(41)	(32)	(42)	(59)
Interest expenses	122	164	137	123	134
Share of results from a joint venture	(399)	(259)	(281)	(321)	(340)
Share of results from associates	(586)	(471)	(597)	(761)	(945)
Changes in working capital	(743)	(744)	148	(383)	(371)
Others	157	(190)	-	-	-
Cash (used in)/generated from operations	**(859)**	**(909)**	**215**	**(259)**	**(234)**
Income tax paid incl. deferred tax	(45)	(76)	(104)	(129)	(153)
Net cash (used in)/generated from operating activities	**(903)**	**(985)**	**111**	**(388)**	**(387)**
Cash flows from investing activities					
Purchase of property, plant and equipment	(0)	(0)	(0)	(0)	(0)
Interest income received	33	41	32	42	59
Proceeds from disposal	25	-	-	-	-
Dividend received from a joint venture, net of tax	209	258	228	261	276
Dividend received from an associate, net of tax	309	507	484	616	764
Others	-	-	-	-	-
Net cash generated from investing activities	**577**	**805**	**744**	**919**	**1,100**
Cash flows from financing activities					
Dividend paid	(23)	(53)	(106)	(172)	(234)
Interest paid	(123)	(133)	(137)	(123)	(134)
Advance/(repayment) of loans	(18)	444	-	-	-
Advance/(repayment) of bank borrowings	1,171	(318)	(322)	384	242
Advance/(repayment) of lease liabilities	(2)	(1)	-	-	-
Others	(534)	0	-	-	0
Net cash generated from/(used in) financing activities	**471**	**(62)**	**(566)**	**89**	**(126)**
Net increase in cash and cash equivalents	**145**	**(241)**	**289**	**620**	**587**
Cash and cash equivalents at beginning of the year	1,017	1,154	944	1,233	1,853
Effect of foreign exchange rate changes	(9)	32	-	-	-
Cash and cash equivalents at end of the year	**1,154**	**944**	**1,233**	**1,853**	**2,440**
FCF	**1,350**	**1,324**	**708**	**1,489**	**1,683**

Source: Company data, HSBC estimate

Valuation and risks

DCF-based TP of HKD3.00

We use DCF model to value CGNM, as it better reflects the lifecycle of CGNM's mine investments by factoring production schedules and mine reserves depletion, and reducing distortion from short-term price volatilities. It also incorporates dividend income from CGNM's minority stakes in invested mines and reflects future capital expenditure requirements for potential mine investments in the coming years.

Initiate at Buy due to attractive risk/reward

We use a base year of 2026 for valuation. Our key assumptions include a WACC of 5.1%, based on a risk-free rate of 4.25%, equity risk premium of 4.75%, equity beta of 1.1 (based on 2-year historical beta), and a cost of debt of 4.5%. We assume a terminal growth rate of 0%. We derive at a DCF-based target price of HKD3.00, which implies 48.5% upside from current levels. We initiate coverage on CGNM with Buy rating.

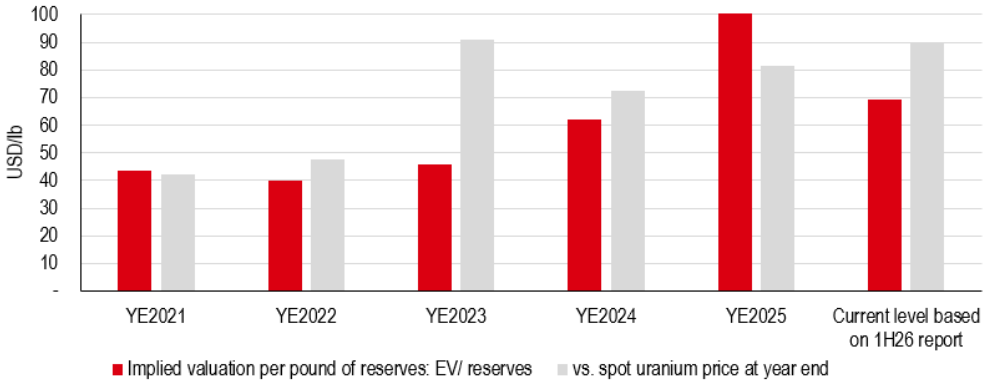
Our DCF-based target price implies 31.1/22.9x 2026e/2027e PE multiples and a 0.6x forward PEG for 2025-28e. Our target PE multiple is broadly in line with the mid-point of CGNM's historical forward PE range of 10-60x since 2021, and the current PE valuation range of 10-55x for uranium trading and/or mining companies globally.

Valuation justified by current uranium price and reserves

Cross checking market valuation against spot uranium price

As an alternative valuation check, we assess the implied value per pound of reported reserves across CGNM's invested mines, based on the current share price. We add back net debt to CGNM's market cap to derive the implied enterprise value, and divide this by uranium reserves attributable to CGNM (based on 49% equity interest). We arrive at a value per pound of reserve of cUSD70/lb, which is 23% below the current spot uranium price. We view this discount as attractive, given (1) the embedded value of mining assets (spot price net of production costs) and upside to uranium price driven by bullish demand outlook, (2) contribution from the trading business, and (3) optionality from future M&A-driven growth.

CGNM: Implied market valuation per pound of reserves vs spot uranium price



Source: LSEG IBES, Company data, HSBC estimates

Share price halved from the y-t-d peak due to macro risks, but we expect earnings to jump three-fold in 2025-28.

Share price volatilities y-t-d explained by macro uncertainties; positive catalysts ahead

CGNM's share price has been on a roller coaster ride over the past 12 months. From June 2025 to January 2026, share price was up over 200%, driven by favourable terms for the new framework agreement (2026-28) announcement in June 2025 and IPO of its peer CNUC in December 2025. Since the y-t-d peak in January 2026, the share price has fallen 62% (vs HSCEI down 15% over the same period).

We think the recent share price weakness mainly reflects (1) valuation squeeze to metals and mining stocks overall due to USD liquidity tightening, (2) cooling down of sentiment on the AI power theme, and (3) upside risk to production costs and downside risks to production volume in 2026 due to disruptions from the Middle East conflict and supply shortages of sulfuric acid. We expect the latter to ease as Kazakhstan's domestic sulfuric acid supply ramps up. Over the medium term, the situation could widen uranium deficits by delaying new mine ramp-ups, which benefits CGNM as an established producer. We forecast net profit to nearly triple over FY25-28, making the current stock price's implied 15.4x 2027e PE undemanding.

We see further upside to valuation, as we believe the market is yet to price in:

- **Asset injection opportunities from the parent group:** We believe the valuation gap between CGNM and CNUC could narrow further if CGNM can: (1) demonstrate the sustainability of its uranium resources and production outlook over the next decade, (2) strengthen operational control over its invested mines, and/or (3) diversify its asset base. Asset injections from the parent group would be a key enabler across all three catalysts.
- **Further upside to uranium pricing:** We believe pricing risks in uranium remain unsymmetrical as operations of nuclear power utilities remain stable, supporting a base case for uranium demand, while any major supply disruption or upgrade of global nuclear power development targets are upside risks.

ESG disclosure

Environmental

- **Climate targets:** While CGNM has taken steps to reduce its carbon footprint and monitor carbon emissions at the invested mines, it does not have a numerical target. CGNM's attributable GHG emissions at Scope 1 and Scope 2 level is minimal, as the majority of its emissions occur with the invested mines where it does not have a controlling stake. CGNM also started to report Scope 3 GHG emissions in 2025.
- **In-situ leaching is a more environmentally friendly way to mine uranium:** All CGNM's invested mines use in-situ leaching (ISL) method for uranium extraction. ISL is considered as a relatively environmentally friendly way to recover uranium from ores compared to the traditional underground mining and milling method. During the mining process, the leaching solution is injected into the deposit to dissolve the uranium content in the ore and pumped backed to the ground for processing, leaving the ore underground. This method enables extraction of underground uranium resources without crushing and grinding, which minimises air pollutant emissions and surface disturbance. Uranium mines in Kazakhstan use sulfuric acid as the leaching solution and approximately 40 kg of acid is required for each kg of uranium produced, according to WNA. Wastewater from operations can be treated and reused for ongoing leaching process. To prevent contamination to underground water, the invested mines also apply measures to ensure the safety of pipelines and monitor hydraulically pressure in the mining area to avoid leakage during the leaching process.
- **Proper exhaust gas and waste management:** CGNM complies with the environmental laws and regulations of the People's Republic of China and the Republic of Kazakhstan. Waste at mining site is strictly managed by category – non-hazardous, hazardous, and radioactive. Radioactive waste from the mining process includes the low-level radioactive drilling cuttings and contaminated materials and equipment from production processes, which are disposed at designated sites. Note that U_3O_8, the direct product from uranium mining operation, is only considered mildly radioactive by WNA, which do not constitute an external radiation exposure hazard.

Key environmental indicators at CGNM and invested mines

		CGNM (consolidated)				Invested mines			
Metrics	Unit	2023	2024	2025	y-o-y	2023	2024	2025	y-o-y
Total GHG emissions (scope 1+2+3)	tCO2e	354	430	28,025*	nm	63,624	75,282	75,783	1%
Total water consumption	tonne	1,294	1,871	2,205	18%	400,876	391,907	372,207	-5%
Total energy consumption	MWh	621	707	780	10%	120,206	136,167	135,934	0%
Total hazardous waste	tonne	NA	NA	NA	nm	6,664*	79	40	-49%
Drilling cuttings waste	tonne	NA	NA	NA	nm	NA	13,880	10,876	-22%
Low-level radioactive waste	tonne	NA	NA	NA	nm	NA	201	116	-42%
Nitrogen oxides (NOx) emission	kg	NA	NA	NA	nm	7,622	7,248	8,750	21%
Sulphur dioxide (SOx) emission	kg	NA	NA	NA	nm	5,967	4,697	6,808	45%
Natural uranium production	tonne	NA	NA	NA	nm	2,605	2,703	2,690	0%

Note: (1) In 2025, total emission of CGNM includes scope 3 emission of 27,611t CO2e which makes it not comparable with 2024 y-o-y. (2) In 2023, drilling cuttings and low-level radioactive waste were included in the hazardous waste category. These two types of waste have been disclosed separately in 2024.
Source: Company data

Social

CGN Mining is dedicated to maintaining workplace safety through a comprehensive and rigorous safety management system, ensuring the health and well-being of its employees. Additionally, CGNM is committed to contributing to society by fostering positive, respectful, and mutually beneficial relationships with local communities, utilising its professional expertise and corporate resources. CGNPC, the parent group of CGNM, has partnered with local enterprises to develop downstream processing industry for uranium, for example, through the establishment of the Ulba-FA fuel fabrication facility for commercial use.

Key social indicators at CGNM and invested mines

		CGNM (consolidated)				Invested mines			
Metrics	**Unit**	**2023**	**2024**	**2025**	**y-o-y**	**2023**	**2024**	**2025**	**y-o-y**
Work-related fatalities	person	0	0	0	nm	0	0	0	nm
Employee turnover rate	%	7.0%	6.7%	6.3%	-0.4 ppts	7.0%	11.6%	9.7%	-1.9 ppts
Number of male employees	person	170	167	180	8%	1104	1122	1156	3%
Number of female employees	person	84	83	88	6%	170	169	179	6%
Percentage of female employees	%	33.1%	33.2%	32.8%	-0.4 ppts	13.3%	13.1%	13.4%	0.3 ppts
Total hours of employee training	hour	34,261	27,574	42,130	53%	77,184	51,646	87,346	69%

Source: Company data

Governance

CGNM complies with the Listing Rules of the HKEX, laws and regulations of the Cayman Islands, and other relevant regulatory requirements. The Board of Directors is responsible for overseeing business operations, strategic planning, and corporate governance. CGNM has established four board committees: the Audit Committee, the Nomination Committee, the Remuneration Committee, and the ESG Committee. Regarding board independence, four out of the six Board members are Non-Executive Directors (NEDs), making up 66.7% of the Board. Of these, three are Independent Non-Executive Directors (INEDs), representing 75% (source: company announcement on 13 February 2026).

Key management personnel

Name	Age	Current Position	Profile
Wang Xianfeng	51	Non-Executive Chairman of the Board	Mr. Wang is currently a NED and the Chairman of the Board and serving as the Chairman of CGNPC-URC and the Chairman of Swakop Uranium. He joined Guangdong Nuclear Power Joint Venture Company under CGNPC in 1996 and subsequently held management positions in CGNPC and its subsidiaries. He has been with CGNPC-URC since May 2024. He joined CGNM in July 2024 as the Chairman of the Board and the Chief Executive Officer of the company and was later re-designated from the Chief Executive Officer to NED in April 2025. Mr. Wang graduated from Shanghai Jiao Tong University with a master's degree in engineering.
Qiu Bin	53	Chief Executive Officer, Executive Director	Mr. Qiu is currently the Chief Executive Director of CGNM while serving as the General Manager and a Director of CGNPC-URC and a Director of Swakop Uranium. He joined Guangdong Nuclear Power Joint Venture Company under CGNPC in 1994 and subsequently held management positions in CGNPC and its subsidiaries, including Daya Bay Nuclear, Xianning Nuclear, Lufeng Nuclear, and CGNPC-URC. He joined CGNM in April 2024 as the Vice President of the company, and he was promoted to the Chief Executive Director in April 2025. Mr. Qiu graduated from Shanghai Jiao Tong University with a master's degree in engineering
Li Jie	42	Chief Financial Officer, Executive Director	Mr. Li has served as an Executive Director and the Chief Financial Officer of CGNM since February 2026 while serving as the Chief Accountant of CGNPC-URC and a Director of CIECC Engineering Company. Mr. Li has around 20 years of experience in financial management and the nuclear power industry. He successively worked in companies under the CGN Group including China Nuclear Power Engineering (from July 2006 to July 2020), CGNPC (from July 2020 to July 2024), and China Nuclear Power Operations (from July 2024 to December 2025) where he held various positions in financial management. Mr. Li graduated from Huazhong University of Science and Technology with a bachelor's degree in engineering management. He holds the qualifications of senior accountant, senior economist and senior engineer.

Source: Company data as of 2025 annual report.

Disclosure appendix

Analyst Certification

The following analyst(s), economist(s), or strategist(s) who is(are) primarily responsible for this report, including any analyst(s) whose name(s) appear(s) as author of an individual section or sections of the report and any analyst(s) named as the covering analyst(s) of a subsidiary company in a sum-of-the-parts valuation certifies(y) that the opinion(s) on the subject security(ies) or issuer(s), any views or forecasts expressed in the section(s) of which such individual(s) is(are) named as author(s), and any other views or forecasts expressed herein, including any views expressed on the back page of the research report, accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report: Evan Li and Shayla Xu

Important disclosures

Equities: Stock ratings and basis for financial analysis

HSBC and its affiliates, including the issuer of this report ("HSBC") believes an investor's decision to buy or sell a stock should depend on individual circumstances such as the investor's existing holdings, risk tolerance and other considerations and that investors utilise various disciplines and investment horizons when making investment decisions. Ratings should not be used or relied on in isolation as investment advice. Different securities firms use a variety of ratings terms as well as different rating systems to describe their recommendations and therefore investors should carefully read the definitions of the ratings used in each research report. Further, investors should carefully read the entire research report and not infer its contents from the rating because research reports contain more complete information concerning the analysts' views and the basis for the rating.

HSBC assigns ratings on the following basis:

The target price is based on the analyst's assessment of the stock's actual current value, although we expect it to take six to 12 months for the market price to reflect this. When the target price is more than 20% above the current share price, the stock will be classified as a Buy; when it is between 5% and 20% above the current share price, the stock may be classified as a Buy or a Hold; when it is between 5% below and 5% above the current share price, the stock will be classified as a Hold; when it is between 5% and 20% below the current share price, the stock may be classified as a Hold or a Reduce; and when it is more than 20% below the current share price, the stock will be classified as a Reduce.

Our ratings are re-calibrated against these bands at the time of any 'material change' (initiation or resumption of coverage, change in target price or estimates).

Upside/Downside is the percentage difference between the target price and the share price.

Rating distribution for long-term investment opportunities

As of 30 September 2026, the distribution of all independent ratings published by HSBC is as follows:

Buy	60%	(12% of these provided with Investment Banking Services in the past 12 months)
Hold	35%	(12% of these provided with Investment Banking Services in the past 12 months)
Sell	4%	(10% of these provided with Investment Banking Services in the past 12 months)

For the purposes of the distribution above the following mapping structure is used under our current model Buy = Buy, Hold = Hold and Reduce = Sell. For rating definitions please see "Stock ratings and basis for financial analysis" above.

For the distribution of non-independent ratings published by HSBC, please see the disclosure page available at *http://www.hsbcnet.com/gbm/financial-regulation/investment-recommendations-disclosures*.

To view a list of all the independent fundamental ratings/recommendations disseminated by HSBC during the preceding 12-month period, and the location where we publish our quarterly distribution of non-fundamental recommendations (applicable to Fixed Income and Currencies research only), please use the following links to access the disclosure page:

Clients of HSBC Private Bank: *www.research.privatebank.hsbc.com/Disclosures*

All other clients: *www.research.hsbc.com/A/Disclosures*

HSBC & Analyst disclosures

Disclosure checklist

Company	Ticker	Recent price	Price date	Disclosure
CGN MINING	1164.HK	2.02	16 Oct 2026	–

Source: HSBC

1 HSBC has managed or co-managed a public offering of securities for this company within the past 12 months.

2 HSBC expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.

3 At the time of publication of this report, HSBC Securities (USA) Inc. is a Market Maker in securities issued by this company.

4 As of 30 September 2026, HSBC beneficially owned 1% or more of a class of common equity securities of this company.

5 This company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of investment banking services.

6 This company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of non-investment banking securities-related services.

7 This company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of non-securities services.

8 A covering analyst/s has received compensation from this company in the past 12 months.

9 A covering analyst/s or a member of his/her household has a financial interest in the securities of this company, as detailed below.

10 A covering analyst/s or a member of his/her household is an officer, director or supervisory board member of this company, as detailed below.

11 At the time of publication of this report, HSBC is a non-US Market Maker in securities issued by this company and/or in securities in respect of this company.

12 As of 14 October 2026, HSBC beneficially held a net long position of more than 0.5% of this company's total issued share capital, calculated according to the SSR methodology.

13 As of 14 October 2026, HSBC beneficially held a net short position of more than 0.5% of this company's total issued share capital, calculated according to the SSR methodology.

14 HSBC Qianhai Securities Limited holds 1% or more of a class of common equity securities of this company.

HSBC and its affiliates will from time to time sell to and buy from customers the securities/instruments, both equity and debt (including derivatives) of companies covered in HSBC Research on a principal or agency basis or act as a market maker or liquidity provider in the securities/instruments mentioned in this report.

Analysts, economists, and strategists are paid in part by reference to the profitability of HSBC which includes investment banking, sales & trading, and principal trading revenues.

Whether, or in what time frame, an update of this analysis will be published is not determined in advance.

Non-U.S. analysts may not be associated persons of HSBC Securities (USA) Inc, and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with the subject company, public appearances and trading securities held by the analysts.

Economic sanctions laws imposed by certain jurisdictions such as the US, the EU, the UK, and others, may prohibit persons subject to those laws from making certain types of investments, including by transacting or dealing in securities of particular issuers, sectors, or regions. This report does not constitute advice in relation to any such laws and should not be construed as an inducement to transact in securities in breach of such laws.

For disclosures in respect of any company mentioned in this report, please see the most recently published report on that company available at *www.hsbcnet.com/research*. HSBC Private Bank clients should contact their Relationship Manager for queries regarding other research reports. In order to find out more about the proprietary models used to produce this report, please contact the authoring analyst.

HSBC may use Artificial Intelligence (AI) tools approved for adoption within HSBC in the development of its research reports, utilizing these technologies to analyse large volumes of data, enhance efficiency and improve the overall user experience. This includes but is not limited to paraphrasing, developing suitable captions and supporting data visualisation. It is important to note that while AI tools assist in various aspects of report creation, all investment recommendations and opinions presented herein are formulated and approved exclusively by our research analysts. The final content of the report reflects the professional judgement and expertise of our research analysts, ensuring compliance with regulatory standards and maintaining the integrity of our research process.

Additional disclosures

1 This report is dated as at 21 October 2026.

2 All market data included in this report are dated as at close 19 October 2026, unless a different date and/or a specific time of day is indicated in the report.

3 HSBC has procedures in place to identify and manage any potential conflicts of interest that arise in connection with its Research business. HSBC's analysts and its other staff who are involved in the preparation and dissemination of Research operate and have a management reporting line independent of HSBC's Investment Banking business. Information Barrier procedures are in place between the Investment Banking, Principal Trading, and Research businesses to ensure that any confidential and/or price sensitive information is handled in an appropriate manner.

4 You are not permitted to use, for reference, any data in this document for the purpose of (i) determining the interest payable, or other sums due, under loan agreements or under other financial contracts or instruments, (ii) determining the price at which a financial instrument may be bought or sold or traded or redeemed, or the value of a financial instrument, and/or (iii) measuring the performance of a financial instrument or of an investment fund.

Production & distribution disclosures

1. This report was produced and signed off by the author on 20 Oct 2026 07:28 GMT.

2. In order to see when this report was first disseminated please see the disclosure page available at https://www.research.hsbc.com/R/34/Rmn6Vfg

Disclaimer

Legal entities as at 13 May 2026:
HSBC Bank plc; HSBC Continental Europe; HSBC Continental Europe SA, Germany; HSBC Bank Middle East Limited, DIFC; HSBC Bank Middle East Limited, Dubai branch; HSBC Yatirim Menkul Degerler AS, Istanbul; The Hongkong and Shanghai Banking Corporation Limited, Hong Kong; The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch; HSBC Qianhai Securities Limited; HSBC Securities (Taiwan) Corporation Limited; HSBC Securities and Capital Markets (India) Private Limited, Mumbai; HSBC Bank Australia Limited; HSBC Securities (USA) Inc., New York; HSBC México, SA, Institución de Banca Múltiple, Grupo Financiero HSBC; Banco HSBC SA

Issuer of report
The Hongkong and Shanghai Banking Corporation Limited
Level 16, 1 Queen's Road Central
Hong Kong SAR
Telephone: +852 2843 9111
Fax: +852 2596 0200
Website: www.research.hsbc.com

This document has been issued by The Hongkong and Shanghai Banking Corporation Limited ("HSBC") in the conduct of its Hong Kong regulated business for the information of its institutional and professional investor (as defined by Securities and Future Ordinance (Chapter 571)) customers; it is not intended for and should not be distributed to retail customers in Hong Kong, unless permitted otherwise. The Hongkong and Shanghai Banking Corporation Limited is regulated by the Hong Kong Monetary Authority. All enquires by recipients in Hong Kong must be directed to your HSBC contact in Hong Kong. If it is received by a customer of an affiliate of HSBC, its provision to the recipient is subject to the terms of business in place between the recipient and such affiliate. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. HSBC has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; HSBC makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. Expressions of opinion are those of the Research Division of HSBC only and are subject to change without notice. From time to time research analysts conduct site visits of covered issuers. HSBC policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits. HSBC and its affiliates and/or their officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). HSBC and its affiliates may act as market maker or have assumed an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies. The document is intended to be distributed in its entirety. Unless governing law permits otherwise, you must contact a HSBC Group member in your home jurisdiction if you wish to use HSBC Group services in effecting a transaction in any investment mentioned in this document.

In the UK, this publication is distributed by HSBC Bank plc for the information of its Clients (as defined in the Rules of FCA) and those of its affiliates only. Nothing herein excludes or restricts any duty or liability to a customer which HSBC Bank plc has under the Financial Services and Markets Act 2000 or under the Rules of FCA and PRA. A recipient who chooses to deal with any person who is not a representative of HSBC Bank plc in the UK will not enjoy the protections afforded by the UK regulatory regime. HSBC Bank plc is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

In the European Economic Area, this publication has been distributed by HSBC Continental Europe or by such other HSBC affiliate from which the recipient receives relevant services.

In Japan, this publication has been distributed by HSBC Securities (Japan) Co., Ltd.. It may not be further distributed in whole or in part for any purpose. In Korea, this publication is distributed by either The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch ("HBAP SLS") or The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch ("HBAP SEL") for the general information of professional investors specified in Article 9 of the Financial Investment Services and Capital Markets Act ("FSCMA"). This publication is not a prospectus as defined in the FSCMA. It may not be further distributed in whole or in part for any purpose. Both HBAP SLS and HBAP SEL are regulated by the Financial Services Commission and the Financial Supervisory Service of Korea. In Singapore, this publication is distributed by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch for the general information of institutional investors or other persons specified in Sections 274 and 304 of the Securities and Futures Act 2001 of Singapore ("SFA") and accredited investors and other persons in accordance with the conditions specified in Sections 275 and 305 of the SFA. Only Economics or Currencies reports are intended for distribution to a person who is not an Accredited Investor, Expert Investor or Institutional Investor as defined in SFA. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch accepts legal responsibility for the contents of reports. This publication is not a prospectus as defined in the SFA. It may not be further distributed in whole or in part for any purpose. The Hongkong and Shanghai Banking Corporation Limited Singapore Branch is regulated by the Monetary Authority of Singapore. Recipients in Singapore should contact a "Hongkong and Shanghai Banking Corporation Limited, Singapore Branch" representative in respect of any matters arising from, or in connection with this report. Please refer to The Hongkong and Shanghai Banking Corporation Limited Singapore Branch's website at www.business.hsbc.com.sg for contact details. In Australia, this publication has been distributed by The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970, AFSL 301737) for the general information of its "wholesale" customers (as defined in the Corporations Act 2001). Where distributed to retail customers, this research is distributed by HSBC Bank Australia Limited (ABN 48 006 434 162, AFSL No. 232595). These respective entities make no representations that the products or services mentioned in this document are available to persons in Australia or are necessarily suitable for any particular person or appropriate in accordance with local law. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient.

HSBC Securities (USA) Inc. accepts responsibility for the content of this research report prepared by its non-US foreign affiliate. The information contained herein is under no circumstances to be construed as investment advice and is not tailored to the needs of the recipient. All US persons receiving and/or accessing this report and wishing to effect transactions in any security discussed herein should do so with HSBC Securities (USA) Inc. in the United States and not with its non-US foreign affiliate, the issuer of this report. HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC is authorized and regulated by Secretaría de Hacienda y Crédito Público and Comisión Nacional Bancaria y de Valores (CNBV). In Brazil, this document has been distributed by Banco HSBC SA ("HSBC Brazil"), and/or its affiliates. As required by Resolution No. 20/2021 of the Securities and Exchange Commission of Brazil (Comissão de Valores Mobiliários), potential conflicts of interest concerning (i) HSBC Brazil and/or its affiliates; and (ii) the analyst(s) responsible for authoring this report are stated on the chart above labelled "HSBC & Analyst Disclosures".

If you are a customer of HSBC International Wealth & Premier Banking ("IWPB"), including HSBC Private Bank, you are eligible to receive this publication only if: (i) you have been approved to receive relevant research publications by an applicable HSBC legal entity; (ii) you have agreed to the applicable HSBC entity's terms and conditions and/or customer declaration for accessing research; and (iii) you have agreed to the terms and conditions of any other internet banking, online banking, mobile banking and/or investment services offered by that HSBC entity, through which you will access research publications (collectively with (ii), the "Terms"). If you do not meet the above eligibility requirements, please disregard this publication and, if you are a IWPB customer, please notify your Relationship Manager or call the relevant customer hotline. Distribution of this publication is the sole responsibility of the HSBC entity with whom you have agreed the Terms. Receipt of research publications is strictly subject to the Terms and any other conditions or disclaimers applicable to the provision of the publications that may be advised by IWPB.

Should you wish to use AI technology (computational, statistical, machine-learning or other artificial intelligence techniques to infer or learn from data to find patterns, take actions, make decisions, or generate output) to help you analyse, summarise or evaluate this publication and/or any other research materials provided to you by HSBC, you shall seek HSBC consent in advance of any such use and not upload this publication and/or any other research materials produced by HSBC to an AI system or otherwise use AI technology in connection with the research services HSBC provides to you without our consent.

© Copyright 2026, The Hongkong and Shanghai Banking Corporation Limited, ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of The Hongkong and Shanghai Banking Corporation Limited.

[1291590]

HSBC

Stay connected to our topical and timely thought leadership



Download the HSBC Global Investment Research app
From Apple's **App Store** or **Google Play** The app features topical and timely curated reports, multimedia, and upcoming events



Log on to the Global Investment Research website
To access all reports and videos, visit **research.hsbc.com**



Connect with Global Investment Research on LinkedIn
Search **#HSBCResearch** for free to view insights that can easily be shared with clients and prospects



Subscribe and listen
Under the Banyan Tree by HSBC Global Investment Research on **Apple**, **Spotify** or **YouTube**
The Macro Brief by HSBC Global Investment Research on **Apple**, **Spotify** or **YouTube**



Newsletters
Subscribe to our monthly collection of free to view reports and interviews in **Open Pass** or read our bite-sized round up of research covering our nine key themes, **Talking Points**