Fast Take

Zijin Gold International

HEADLINE

Zijin Gold terminates Allied Gold takeover, acquires 9.2% equity interest instead

OUR TAKE

Zijin Gold and AAUC mutually terminated the all-share acquisition as closing conditions were unlikely to be met by the deadline. Zijin Gold will instead acquire a 9.2% stake for US$295mn at CAD32.55/sh, 26% below the original CAD44/sh offer.

Equities

Hong Kong
Precious Metals

12-month rating	Buy *
12m price target	HK$203.00
Price (29 Jul 2026)	HK$117.70

RIC: 2259.HK **BBG:** 2259 HK

Trading data and key metrics

52-wk range	HK$253.20-88.50
Market cap.	HK$309b/US$39.4b
Shares o/s	2,624m (ORD)
Free float	100%
Avg. daily volume ('000)	8,484
Avg. daily value (m)	HK$1,011.4
Common s/h equity (12/26E)	US$10.4b
P/BV (12/26E)	3.9x
Net debt to EBITDA (12/26E)	NM

EPS (UBS, diluted) (US$)

	UBS	Cons.
12/26E	1.13	1.31
12/27E	1.30	1.48
12/28E	1.32	1.56

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Highlights (US$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenues	2,262	2,990	5,383	8,402	9,583	10,836	10,570	10,192
EBIT (UBS)	471	993	2,623	4,894	5,590	5,723	5,108	4,376
Net earnings (UBS)	230	481	1,602	3,025	3,469	3,532	3,245	2,899
EPS (UBS, diluted) (US$)	0.10	0.21	0.60	1.13	1.30	1.32	1.21	1.08
DPS (net) (US$)	0.00	0.00	0.19	0.36	0.42	0.43	0.39	0.35
Net (debt) / cash	(494)	(370)	3,035	4,892	7,319	8,334	9,639	11,016
Profitability/valuation	**12/23**	**12/24**	**12/25**	**12/26E**	**12/27E**	**12/28E**	**12/29E**	**12/30E**
EBIT (UBS) margin %	20.8	33.2	48.7	58.3	58.3	52.8	48.3	42.9
ROIC (EBIT) %	15.9	31.4	58.7	81.1	84.1	72.6	53.2	40.3
EV/EBITDA (UBS core) x	-	-	13.5	6.0	5.1	4.8	4.9	5.1
P/E (UBS, diluted) x	-	-	30.0	13.3	11.6	11.4	12.4	13.9
Equity FCF (UBS) yield %	-	-	3.8	7.3	9.2	6.0	6.5	6.4
Dividend yield (net) %	-	-	1.1	2.4	2.8	2.8	2.6	2.3

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of HK$ 117.70 on 29-Jul-2026

Forecast returns

Forecast price appreciation	72.5%
Forecast dividend yield	2.4%
Forecast stock return	74.9%
Market return assumption	8.1%
Forecast excess return	66.7%

Company Description

Zijin Gold International is a subsidiary of Zijin Mining Group, the spin-off of its overseas gold business. Zijin Gold International's principal businesses are gold exploration, mining, processing and sales. Its major products are gold bullion, gold alloy and gold concentrate. Zijin Gold International focuses on the mining and development of quality global assets.

Valuation Method and Risk Statement

Our price target for Zijin Gold is based on PE methodology. We believe upside risks include better-than-expected gold prices and higher-than-expected production volumes. Downside risks include weaker-than-expected gold prices if the Fed continues to implement tighter-than-expected monetary policy, and worse-than-expected progress of expansion plans or potential.