

HD **China's** Yanzhou to shore up Australian arm, backing \$2.3 bln note **sale**

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MELBOURNE, Nov 10 (Reuters) - Yancoal Australia Ltd is looking to raise up to \$2.3 **billion** through a **sale** of notes to shareholders, with its parent, **China's** Yanzhou **Coal Mining** Co Ltd, kicking in its full 78 percent share.

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Most of the funds will be used to repay existing senior debt to Yanzhou, Yancoal said on Monday.

Yanzhou will also provide a further A\$1.4 **billion** (\$1.21 **billion**) to help fund the **company's** loss-making **coal operations** and pay distributions on the notes, shoring up its Australian arm amid a slump in **coal** prices to 5-1/2 year lows.

"In a depressed commodities marketplace facing continued uncertainty for the near-term, Yancoal's existing level of debt is a significant constraint on our future expansion and operational improvement strategies," Yancoal Chief Executive Reinhold Schmidt said in a statement.

The annual distribution rate on the notes will be set at 7 percent for the first five years.

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CO yaptyl : Yancoal Australia Limited | ynzmn : Yanzhou Coal Mining Co Ltd | yankua : Yankuang (Group) Corp

IN i111 : Coal Mining | imet : Mining/Quarrying | i1 : Energy | ibasicm : Basic Materials/Resources | i112 : Coal Mining Support Activities

NS ccat : Corporate/Industrial News

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