



**HD** Baosteel Group Embarks on Takeover of Aquila Resources; Aiming at **acquisition** of whole shares jointly with Aurizon Holdings

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**LP**

Baosteel Group Corporation, **China** has embarked on takeover of Aquila Resources Limited, a **mining company** in Australia.

Specifically, the **Company**'s subsidiary, Baosteel Resources International Co., Ltd. aims to acquire whole shares of Aquila Resources jointly with Aurizon Holdings Limited, the biggest cargo transportation railway **company** in Australia by way of a takeover bid. The **purchase** price of shares of Aquila Resources is A\$3.40 per share, and the takeover amount based on a 100% shareholding is about A\$1.42 **billion**.

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As reported earlier, on 19 December 2013, Baosteel Group purchased additional 4.6% of shares of Aquila Resources, and raised its shareholding ratio to 19.79% from 15.20%. So, in order to acquire whole shares of Aquila Resources, the **Company** will have to acquire remaining 80.21% of shares. In this regard, it will need about A\$1.136 **billion** to acquire 80.21% of shares.

When Baosteel Group and Aurizon Holdings acquire a 100% shareholding in Aquila Resources, this will be 85% owned by Baosteel Group and 15% by Aurizon Holdings respectively.

Furthermore, in case of **acquisition** of 50 - 90% of shares of Aquila Resources, the shares acquired will be 90% owned by Baosteel Group and 10% by Aurizon Holdings respectively.

Aquila Resources is a middle-ranking **mining company** in Australia, and as far as the **coal**-related business is concerned, the **Company** is proceeding with Eagle Downs hard coking **coal** project, Washpool hard coking **coal** project and Walton PCI **coal** project in the State of QLD.

Such being the case, by taking over Aquila Resources, Baosteel Group will be able to take possession of several excellent coking **coal** projects including Eagle Downs hard coking **coal** project and Washpool hard coking **coal** project. In that case, Baosteel Group will be able to import hard coking coals produced from both projects on a long-term and stable basis.

For a reference, among **Chinese** firms, in February 2014, Kingho **Energy** Group took over Carabella Resources Limited, a **mining company** in Australia through its subsidiary **company**.

**CO** aqres : Aquila Resources Ltd. | baois : Shanghai Baosteel Group Corp | qntrnl : Aurizon Holdings Limited | dorval : Aurizon Mines Ltd | hclamn : Hecla Mining Co

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