



HD **China's** Baosteel gets nod for \$1.3 bln Aquila takeover

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Chinese iron and steel giant Baosteel moved a step closer to securing its Aus\$1.4 **billion** (US\$1.3 **billion**) takeover of Aquila Resources after the Australian government approved the deal on Thursday.

Baosteel Resources Australia, a subsidiary of the **Chinese** parent's overseas development arm, and Australian rail freight operator Aurizon have made a conditional offer of Aus\$3.40 per share in cash for the **iron ore** and **coal firm**.

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Aurizon said it and Baosteel had been informed by Australia's Foreign Investment Review Board (FIRB) that "there is no objection to the **acquisition** of Aquila" by them under the offer.

While there are no **Chinese** regulatory approvals required, the deal must now be approved by Aquila shareholders before it can go ahead.

"We are extremely pleased that the FIRB conditions for this transaction have been fulfilled," Baosteel Resources International chairman Zhihao Dai said in a statement.

"Baosteel believes the transaction, if successful, provides a genuine opportunity for the development of greenfield resources for the benefit of both Australia and **China**."

Baosteel already has a near 20 percent **stake** in Perth-based Aquila and has said the takeover is designed to push progress on projects the Australian **firm** was reportedly unable to secure funding for on its own.

Aquila shares closed one cent higher at Aus\$3.52 while Aurizon was flat at Aus\$4.94.

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CO aques : Aquila Resources Ltd. | baois : Shanghai Baosteel Group Corp

IN imet : Mining/Quarrying | ibasicm : Basic Materials/Resources | i211 : Metal Ore Mining | i2111 : Iron Ore Mining | i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | isteel : Steel Production

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