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兗州煤業股份有限公司

**YANZHOU COAL MINING COMPANY LIMITED**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 1171)

## **VOLUNTARY ANNOUNCEMENT**

### **ACQUISITION OF 100% EQUITY INTERESTS IN SYNTECH HOLDINGS PTY LTD AND SYNTECH HOLDINGS II PTY LTD**

This is a voluntary announcement made by Yanzhou Coal Mining Company Limited (the “**Company**” or “**Yanzhou Coal**”).

Reference is made to the announcement dated 1 August 2011 in relation to acquisition of 100% equity interests in Syntech Holdings Pty Ltd and Syntech Holdings II Pty Ltd by Yanzhou Coal Mining Company Limited, which was published on the websites of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the Company ([www.yanzhoucoal.com.cn](http://www.yanzhoucoal.com.cn)).

#### **I. Summary of the transaction**

With a view of enhancing the Company's backup resources reserve and sustainable development capability as well as continuously improving the return of the shareholders, Yancoal Australia Pty Limited (“**Yancoal Australia**”), a wholly-owned subsidiary of the Company, signed an equity sale agreement through its wholly-owned subsidiary Austar Coal Mine Pty Limited (“**Austar**”) to acquire 100% equity interests in Syntech Resources Pty Ltd and Syntech Holdings II Pty Ltd for a consideration of AUD202.5 million (equivalent to approximately RMB1,429 million) payable in cash, upon the review and approval by the general manager working meeting of the Company on 6 April 2011.

Upon the approvals by the relevant administrative authorities, including the State-owned Asset Supervision and Administration Commission of Shandong Province and the National Development and Reform Commission, the equity transfer was completed by Austar on 1 August 2011.

The transaction did not constitute a connected transaction.

#### **II. Basic Information of the subject of the transaction**

(1) The shareholding structure of the subject of the transaction

The Syntech Project comprised of two companies registered in the City of Brisbane, Queensland, namely the Syntech Holdings Pty Ltd and Syntech Holdings II Pty Ltd (hereinafter referred to as “**Syntech**” and “**Syntech Holdings II**” respectively), which are owned entirely by GS Power Holdings LLC (hereinafter referred to as “**GS Holdings**”). The principal business of Syntech and Syntech Holdings II include exploration, production, sorting and processing of coal, the major product of which is thermal coal.

1. Syntech: a company owned by three shareholders, namely GS Holdings, AMH Syntech Holdings Pty Ltd and Australian Mining Finance 1 GmbH & Co. as to 87.5%, 2.5% and 10% equity interests respectively.
2. Syntech Holdings II : a company owned by two shareholders, namely GS Holdings and AMH Syntech Holdings II Pty Ltd as to 87.5% and 12.5% equity interests respectively.

## (2) Resources of the Project

The Syntech Project is situated in the Surat Basin in Queensland, Australia, approximately 360 km north-west of Brisbane. It is approximately 380 km from the coal port terminal of Brisbane and about 460 km from the Wiggins Island Coal Port Terminal at Gladstone.

The type of coal of the Syntech Project is thermal coal with HHV of 6,300 kilocalorie/kg, all of which is open cut mine resources with a total resources of 1,732 million tonnes. The coal resources conforming to the JORC Standard amounts to 723 million tonnes while the non-JORC Standard reserve subject to further inspection amounts to 1,009 million tonnes. Currently, the coal reserve proved to be conforming to the JORC Standard under the Syntech Project is 440 million tonnes.

## (3) The condition of Cameby Downs coal mine

Currently, the operating coal mine of Syntech is the first stage of the Cameby Downs coal mine project, with a production capacity of raw coal and commercial coal of 2 million tonnes per annum and 1.4 million tonnes per annum respectively. The second stage of the project plans to raise the production capacity to 16 million tonnes of raw coal per annum and 11.4 million tonnes of commercial coal per annum.

## (4) The financial conditions of the project

As of 30 April 2011, the carrying value of the total assets of the Syntech Project amounted to AUD383 million, with the total liabilities of AUD229 million and net asset of AUD155 million. The gearing ratio was 59.79%.

# III. The subject matter of the transaction

## (1) The subject of the transaction

100% equity interests in Syntech Holdings Pty Ltd and Syntech Holdings II Pty Ltd.

## (2) Acquisition consideration

The total acquisition consideration is AUD202.5 million (equivalent to approximately RMB1,429 million).

(3) The acquiring entity

The acquisition will be implemented through Austar Coal Mine Pty Limited, a wholly-owned subsidiary of Yancoal Australia Pty Limited, which will act as the acquiring entity.

(4) The way of acquisition

Austar will acquire 100% equity interests in Syntech and Syntech Holdings II for a consideration comprise of a cash consideration of AUD1 each and the repayment of their indebtedness of not exceeding AUD202.5 million in cash.

#### **IV. The purpose of the equity acquisition and its impact on the Company**

The Syntech Project possesses rich reserve and resources and has a huge potential for production enhancement. It will be an important supplement for the business development of Yancoal Australia. After the acquisition of the Syntech Project, the coal resources and reserve of the Company will be further increased, and the asset portfolio of Yancoal Australia will also be optimised. This will secure the sustaining growth and increase the profitability of the Company in the future, and facilitate the development of international coal market by the Company and the effective implementation of the Company's "Going Out" strategy for resource development.

#### **V. Document for inspection**

The minutes of the general manager working meeting of Yanzhou Coal Mining Company Limited.

By order of the board of Directors  
**Yanzhou Coal Mining Company Limited**  
**Li Weimin**  
*Chairman of the Board*

Zoucheng, Shandong Province, the PRC  
1 August 2011

*As at the date of this announcement, the directors of the Company are Mr. Li Weimin, Mr. Wang Xin, Mr. Zhang Yingmin, Mr. Shi Xuerang, Mr. Wu Yuxiang, Mr. Zhang Baocai and Mr. Dong Yunqing, and the independent non-executive directors of the Company are Mr. Wang Xianzheng, Mr. Cheng Faguang, Mr. Wang Xiaojun and Mr. Xue Youzhi.*