



AUSTRALIA NEW AGRIBUSINESS & CHEMICAL GROUP LTD

Add: Suite 21, Level 1, 7 Clunies Ross Court BTP Eight Mile Plains QLD 4113

Tel: +61 7 3147 8030 Fax: +61 7 3147 8013 ACN : 142 976 065 ASX Code: ANB

ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

22rd July 2013

Disposal of 49% Shares of U&D Mining Industry (Australia) Pty Ltd

As foreshadowed in previous announcements and releases of Australia New Agribusiness & Chemical Group Ltd (the “Company” or “NewAgri”), the Company is pleased to announce that the Company has entered into two Share Sale Agreements (collectively the “Agreements”) with China Kunlun International Holding Limited (“Kunlun”) and Golden Globe Energy Limited (“Golden Globe”), to dispose the total of 49% equity the Company holds in U&D Mining Industry (Australia) Pty Ltd (“U&D”) to Kunlun (25%) and Golden Globe (24%) respectively subject to the following terms and conditions:

(a) Agreement with Kunlun:

1. The consideration for the sale of the 25% shares the Company holds in U&D (the "Sale Shares") shall be \$14,800,000 (the "Sale Price") which is based on the agreed valuation method and on arms' length-basis.
2. The sale and purchase of the Sale Shares pursuant to the Agreement are not subject to finance, due diligence and other conditions precedent.
3. Pursuant to the Agreement, the Company shall be paid the payment of \$4 million as deposit by Kunlun within 20 business days of the signing date of the Agreement. The completion of the sale and the payment of the balance purchase price shall take place within 6 months from the date of the Agreement or such other reasonable earlier date or extension as the parties shall mutually agree.



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(b) Agreement with Golden Globe:

1. The consideration for the sale of the 24% shares the Company holds in U&D (the "Sale Shares") shall be \$14,652,000 (the "Sale Price") which is based on the parties agreed valuation method and on arms' length basis.
2. The sale and purchase of the Sale Shares pursuant to the Agreement are not subject to finance, due diligence and other conditions precedent.
3. Pursuant to the Agreement, the Company shall be paid the payment of \$4 million deposit by Golden Globe within 20 business days of the signing date of the Agreement. The completion of the sale and the payment of the balance purchase price shall take place within 6 months from the date of the Agreement or such other reasonable earlier date or extension as the parties shall mutually agree.

The reasons of the disposal of U&D by the Company

As previously announced on 29 October 2012, the Company's long term business intention is to focus on its principal business in fertiliser in the agribusiness sector and, subject to ongoing discussion with Kunqian/Yima and the completion of the Scheme acquisition of Endocoal Limited, the Company expected that its shareholding in U&D will be reduced. The Company previously reduced its equity interest in U&D from 60% to 49% through a disposal of 11% of its shareholding to Kunqian/Yima, following the acquisition by U&D of EPC 818 in February 2012. The Company believes that the disposal of its remaining shareholdings in U&D will enable to use the profit generated from the sale to develop its core business and focus on its fertiliser business, including to begin the production of compound fertiliser manufacturing business later this year. The Company will keep the market informed of any relevant development.



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About China Kunlun International Holding Limited (“Kunlun”)

Kunlun is a British Virgin Islands registered investment company with its main business carried out in the Hong Kong, the U.S. and European markets. Kunlun’s main investment areas are mineral rights, equity and venture capital. Kunlun has a professional team with extensive experience in the securities investment market.

About Golden Globe Energy Limited (“Golden Globe”)

Golden Globe is a British Virgin Islands registered investment company with its main business carried out in the Hong Kong, the U.S. and European markets. Its main investment areas are mineral rights, equity and venture capital. Golden Globe has a professional team with extensive experience in the securities investment market.

About U&D Mining

U&D has been incorporated as an investment company of the Company in coal and sourcing of coal products and related products in Australia. The Company holds 49% of U&D and the other 51% interest in U&D is owned by Kunqian International Energy Co., Pty Ltd (Kunqian), a wholly-owned subsidiary of the Chinese coal business, Yima Coal Group (Yima).

About Kunqian/Yima

Kunqian Energy, an Australian incorporated company, is a wholly-owned subsidiary company of Yima Coal Industry Group Limited (“Yima Coal Group”). Kunqian Energy is founded by Yima Coal Group to undertake the development of the mining industry in Australia by participating in coal trading and the development, production, operation of Australian coal mines.

Yima Coal Group is ranked as one of the top 500 enterprises in China. It is ranked as the 22nd in the top 100 coal enterprises in China. Yima Coal Group was founded in 1958 with its head office in Yima City, Henan Province, PRC. It has about 50,000 employees. Its major



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coal mines are located in the coal producing provinces of Henan, Qinghai, Xinjiang and Shanxi provinces. Yima Coal Group operates 16 coal mines with an annual raw coal output of 30 million tons. It is currently constructing another six coal mines. Yima Coal Group is also involved in other businesses including power generation, cement, aluminium, and coal chemical manufacturing.

Yima Coal Group's current assets are valued to be approximately RMB40 billion with annual revenue of RMB30 billion and NPAT of RMB 2 billion.

For further information, please contact:

Yi Yang

Company Secretary

Tel: +61 7 3147 8010

Email: yi.yang@datongroup.com.au