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**APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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*For illustrative purpose only, the unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules is set forth below to provide prospective investors with further information on (i) how the proposed listing might have affected the financial position of the Group after the completion of the Global Offering; and (ii) how the proposed listing might have affected the unaudited pro forma forecast earnings per Share for the year ending 31 December 2010.*

*The unaudited pro forma financial information is derived according to a number of adjustments. Although reasonable care has been exercised in preparing such information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the actual financial performance and condition of the Group during the Track Record Period or any further date or period.*

*The information sets out in this Appendix does not form part of the accountants' reports received from KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only.*

*The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the accountants' report set out in Appendix I to this prospectus.*

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS**

The following statement of unaudited pro forma adjusted net tangible assets of the Group has been prepared in accordance with Rule 4.29 of the Listing Rules the purpose of illustrating the effect of the Global Offering as if the Global Offering had taken place on 30 June 2010. The statement has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true position of our Group's financial condition following the Global Offering. It is based on the combined net assets of our Group as at 30 June 2010, as shown in the accountants' report, the text of which is set out in Appendix I to this prospectus and adjusted as follows:

	Combined net tangible assets attributable to the equity shareholders of the Company as at 30 June 2010	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company	Unaudited pro forma adjusted net tangible assets per Share	
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000	RMB (Note 3)	HK\$
Based on an Offer Price of					
HK\$3.25 per Share . . . . .	1,640,093	2,643,393	4,283,486	1.13	1.30
Based on an Offer Price of					
HK\$4.50 per Share . . . . .	1,640,093	3,677,559	5,317,652	1.41	1.63

Notes:

- (1) The combined net tangible assets attributable to the equity shareholders of the Company as at 30 June 2010 is based on the combined net tangible assets attributable to the equity shareholders of the Company of RMB1,640,093,000. The combined net tangible assets attributable to the equity shareholders of the Company were extracted from the accountants' report as set out in Appendix I to this Prospectus.

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- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Prices of HK\$3.25 and HK\$4.50 per Share, respectively, after deduction of the underwriting fees and other relevant expenses payable by the Company. The estimated net proceeds from the Global Offering are converted to Hong Kong dollars at an exchange rate of RMB0.8660 to HK\$1.00.
- (3) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to in the above paragraphs and on the assumption of a total of 3,791,167,440 Shares and 3,784,530,089 Shares based on the indicative Offer Prices of HK\$3.25 and HK\$4.50 per Share respectively, being the number of Shares in issue upon completion of the Global Offering (including Shares in issue as at the date of this prospectus and those Shares to be issued pursuant to the Global Offering, the full conversion of the Convertible Bonds (as converted on 24 September 2010), the automatic conversion of the Redeemable Convertible Preferred Shares and the Peabody Energy Consideration Shares for acquisition of jointly controlled entity), which takes no account of any Shares which may be issued upon the exercise of any options granted under the Pre-IPO Option Scheme, or which may be allotted and issued or repurchased by the Company. The unaudited pro forma adjusted net tangible assets per Share is converted to Hong Kong dollars at an exchange rate of RMB0.8660 to HK\$1.00.
- (4) Details of the valuation of the Group's properties as at 31 August 2010 are set out in the property valuation report as set out in Appendix IV to this prospectus. The revaluation surplus or deficit of these properties was not incorporated in our Group's combined financial information for the six months ended 30 June 2010 and will not be included in our Group's financial information for the year ending 31 December 2010. The above adjustments do not take into account the revaluation surplus or deficit.
- (5) On 16 September 2010, the Company declared and approved the payment of a dividend totalling RMB287.7 million, representing approximately 25% of retained earnings as at 30 June 2010, to the Company's existing equity shareholders as at 16 September 2010, holders of the Convertible Bonds and holders of the Redeemable Convertible Preferred Shares. The dividend will be paid upon Listing. Taken into account the dividend declared, the unaudited pro forma adjusted net tangible assets per Share should be reduced by RMB0.08 to RMB1.05 and RMB1.33 (equivalent to approximately HK\$1.21 and HK\$1.54) based on the indicative Offer Prices of HK\$3.25 and HK\$4.50 per Share respectively.

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### B. UNAUDITED PRO FORMA FORECAST EARNINGS PER SHARE

The following unaudited pro forma forecast earnings per Share of the Group for the year ending 31 December 2010 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on 1 January 2010. The unaudited pro forma forecast earnings per Share has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial results of the Group for the year ending 31 December 2010 or any future period following the completion of the Global Offering.

Unaudited forecast combined profit attributable to the equity shareholders of our Company for the year ending 31 December 2010 <sup>(1)(2)</sup> .....	<b>not less than RMB764 million (equivalent to approximately HK\$882 million)</b>
Unaudited pro forma forecast earnings per Share	
Basic and diluted <sup>(3)</sup> .....	<b>RMB0.202 (equivalent to approximately HK\$0.233)</b>

Notes:

- (1) The bases and assumptions on which the above profit forecast for the year ending 31 December 2010 have been prepared and summarised in Appendix III to this prospectus.
- (2) The forecast combined profit attributable to the equity shareholders of the Company for the year ending 31 December 2010 prepared by the Directors is based on, in the absence of unforeseen circumstances, the combined financial information of the Group for the six months ended 30 June 2010 as set out in the accountants' report in Appendix I to this prospectus and a forecast of the combined results of the Group for the remaining six months ending 31 December 2010. The forecast has been prepared on a basis consistent in all material respects with the accounting policies presently adopted by the Group as set out in Note 1 of section C of the accountants' report, the text of which is set out in Appendix I to the prospectus.
- (3) The calculation of the unaudited pro forma forecast basic and diluted earnings per Share is based on the unaudited forecast combined profit attributable to the equity shareholders of the Company for the year ending 31 December 2010, assuming the Global Offering had been completed on 1 January 2010 and a total of 3,791,167,440 Shares were in issue during the entire year. The total number of Shares consists of Shares issued, to be issued pursuant to the Global Offering, the full conversion of the Convertible Bonds (as converted on 24 September 2010), the automatic conversion of the Redeemable Convertible Preferred Shares and the Peabody Energy Consideration Shares for acquisition of jointly controlled entity, which takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option, or any options that have been granted under the Pre-IPO Option Scheme, or which may be allotted and issued or repurchased by the Company.
- (4) For the purpose of this unaudited pro forma forecast earnings per Share, the translation of Renminbi into HK dollars was made at the rate of RMB0.8660 to HK\$1.00.

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### C. REPORT FROM THE REPORTING ACCOUNTANTS ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

*The following is the text of a report received from the reporting accountants of the Company, KPMG, Certified Public Accountants, Hong Kong, prepared for the sole purpose of incorporation in this prospectus, in respect of the unaudited pro forma financial information of the Group.*



8th Floor  
Prince's Building  
10 Chater Road  
Central  
Hong Kong

27 September 2010

The Directors  
Winsway Coking Coal Holdings Limited

Deutsche Bank AG, Hong Kong Branch  
Goldman Sachs (Asia) L.L.C.

Dear Sirs,

We report on the unaudited pro forma financial information (“the Pro Forma Financial Information”) of Winsway Coking Coal Holdings Limited (the “Company”) and its subsidiaries (“the Group”) set out on pages II-1 to II-3 in Parts A and B in Appendix II (the “Unaudited Pro Forma Financial Information”) of the prospectus dated 27 September 2010 (“the Prospectus”), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the Global Offering of the Company’s Shares might have affected the financial information presented. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Parts A and B on pages II-1 to II-3 in Appendix II of the Prospectus.

#### **Responsibilities**

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

#### **Basis of opinion**

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (“HKSIR”) 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

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Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Our procedures on the Unaudited Pro Forma Financial Information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 30 June 2010 or any future date; or
- the earnings per share of the Group for the year ending 31 December 2010 or any future periods.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's Shares, the application of those net proceeds, or whether such use will actually take place as described under "Use of Proceeds" set out in the Prospectus.

### Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group, and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Paragraph 4.29(1) of the Listing Rules.

Yours faithfully,  
**KPMG**  
*Certified Public Accountants*  
Hong Kong