

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was incorporated in the BVI under the Companies Act as a limited liability company on 17 September 2007. At the time of incorporation, the name of our Company was “China Bestway Resources Holdings Limited. 中國浩通能源股份有限公司”. The name of our Company was subsequently changed to “China Bestway Resources Holdings Limited 中國浩通能源股份有限公司” and “Winsway Coking Coal Holdings Limited 浩通焦煤股份有限公司” on 28 January 2008 and 29 July 2009, respectively. Our current name was adopted on 30 September 2009. Our Company has established a place of business in Hong Kong at Suite 4602A, Cheung Kong Centre, 2 Queen’s Road Central, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part XI of the Hong Kong Companies Ordinance on 6 September 2010, with Mr. Yasuhisa Yamamoto and Mr. Xie Wenzhao appointed as the Hong Kong authorised representatives of our Company on 19 August 2010 jointly and severally for the acceptance of the service of process and any notices on behalf of our Company required to be served on our Company in Hong Kong. As our Company was incorporated in the BVI, its operations are subject to the Companies Act and to its constitution which comprises our Memorandum and Articles of Association. A summary of relevant sections of our Memorandum and Articles of Association and relevant aspects of the Companies Act are set out in Appendix VI to this prospectus.

B. Changes in authorised and issued Shares of our Company

- (1) On 17 September 2007, our Company was incorporated with authorisation to issue a maximum of 50,000 Shares of a single class. On the same date, one Share was issued and allotted to Winsway International Petroleum & Chemicals at a consideration of US\$1.
- (2) On 12 November 2007, Winsway International Petroleum & Chemicals transferred the Share to Sincere Hill for a consideration of US\$1.
- (3) On 31 December 2007, our Company issued and allotted two additional Shares to Sincere Hill for an aggregate consideration of US\$38,182,611.
- (4) On 31 March 2008, our Company issued and allotted one additional Share to Sincere Hill for a consideration of US\$5,200,000.
- (5) On 30 April 2008, our Company issued and allotted one additional Share to Sincere Hill for a consideration of US\$5,800,000.
- (6) On 15 July 2008, our Company increased its maximum number of authorised Shares from 50,000 to 2,000,000,000 Shares.
- (7) On 15 July 2008, our Company issued and allotted 27,752,000 Shares to Ray Splendid for a consideration of US\$1; 300,000,000 Shares to Winsway International Petroleum & Chemicals for a consideration of US\$1; and 1,672,247,995 Shares to Sincere Hill for a consideration of US\$1 respectively.
- (8) On 31 May 2009, Sincere Hill transferred 1,672,248,000 Shares to Winsway Resources Holdings for a consideration of US\$49,182,613.

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- (9) On 26 March 2010, Winsway International Petroleum & Chemicals transferred 37,735,849 Shares to Sparkle Land for consideration of US\$10,000,000; 30,303,030 Shares to Top Dream for consideration of US\$5,000,000; 12,121,212 Shares to Gold Shine for consideration of US\$2,000,000; and 3,636,364 Shares to Unique Grace for consideration of US\$600,000, respectively.
- (10) On 14 April 2010, our Company increased its maximum number of authorised Shares from 2,000,000,000 to 4,000,000,000 Shares and 500,000,000 preference shares of our Company.
- (11) On 18 April 2010, our Company issued and allotted 363,636,364 Preference Shares to Winstar for consideration of US\$60,000,000.
- (12) On 30 April 2010, Winsway International Petroleum & Chemicals transferred 5,000,000 Shares to Champaign for consideration of US\$1,000,000.
- (13) On 30 April 2010, 60,606,060 Shares were issued to Samtop for consideration of US\$10,000,000.
- (14) Assuming that the Global Offering becomes unconditional, immediately upon completion of the Global Offering (but not taking into account of any Shares which may be allotted and issued pursuant to the exercise of any options granted under the Pre-IPO Option Scheme), 990,000,000 Shares will be issued fully paid or credited as fully paid.
- (15) Other than pursuant to the Global Offering and any Shares to be issued upon the conversion of the Preference Shares and the Convertible Bonds and the issuance of the Peabody Energy Consideration Shares, there is no present intention to issue any part of the authorised but unissued Shares of our Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.
- (16) Save as aforesaid and as disclosed in the paragraph headed “Written Resolutions passed by our Shareholders”, there has been no alteration in the authorised and issued Shares since the date of its incorporation.

C. Resolutions passed by our Shareholders at a meeting of our Shareholders

On 7 September 2010, resolutions of our Shareholders were passed at a meeting of our Shareholders pursuant to which, amongst other things:

- (1) our Company approved its new Memorandum and Articles of Association and authorised their filing with the Registrar of Companies in the BVI and thereby give effect to the same;
- (2) conditional on: (a) the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in the Prospectus (including the Shares to be issued pursuant to the Global Offering and the Shares which may fall to be issued upon the exercise of options granted under the Pre-IPO Option Scheme, the conversion of the Preference Shares and the Convertible Bonds, and the issue of the Peabody Energy Consideration Shares to Peabody Energy, subject only to allotment); (b) the Offer Price having been duly determined and the execution and delivery of the International Underwriting Agreement to be entered into on or

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around the Price Determination Date; and (c) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional (including the waiver of any conditions(s) by the Joint Global Coordinators or the Joint Bookrunners on behalf of the Underwriters) and not having been terminated in accordance with the terms of the respective agreements:

- (a) the Global Offering (including the grant of the Over-allotment Option) was approved, and our Directors were authorised to allot and issue up to an aggregate of 945,500,000 Shares (subject to the Over-allotment Option) by way of the Hong Kong Public Offering as to 94,550,000 Shares and the International Placing as to the remaining 850,950,000 Shares pursuant to the terms as set out in this prospectus, subject to adjustment; and
- (b) the allotment and issue of (a) 363,636,364 Shares pursuant to the conversion of the Preference Shares; (b) 353,030,554 Shares pursuant to the conversion of the Convertible Bonds; and (c) 19,429,000 Shares (or such number of new Shares at the final Offer Price as shall be equal to US\$10,000,000) to Peabody Energy as the Peabody Energy Consideration Shares, respectively, on or before the Listing, were approved,

and our Directors were authorised to agree to any changes in relation to the above and allot and issue the Shares accordingly;

- (3) the adoption of the rules of the Pre-IPO Option Scheme on 30 June 2010 and the grant of options thereunder were approved, confirmed and ratified, and our Directors were authorised to allot and issue Shares pursuant to the exercise of subscription rights under any such options granted;
- (4) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with any Shares, otherwise than pursuant to (i) a rights issue; (ii) the Pre-IPO Option Scheme or any option scheme or similar arrangement for the grant or issue to officers and/or employees of our Company and/or any of our subsidiaries or any other person of Shares or rights to acquire Shares; (iii) any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association; or (iv) a specific authority granted by our Shareholders in general meeting, such mandate is limited to such number of Shares not exceeding the sum of (i) 20% (or such other percentage as allowed by the Hong Kong Stock Exchange) of the total number of Shares in issue immediately following completion of the Global Offering (excluding Shares which may be issued upon exercise of the options granted under the Pre-IPO Option Scheme); and (ii) the total number of Shares repurchased by our Company under the authority referred to in (5) below provided that such extended amount shall not exceed 10% of the aggregate number of the Shares in issue immediately following completion of the Global Offering (excluding Shares which may be issued upon exercise of the options granted under the Pre-IPO Option Scheme), such mandate to remain in effect until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of our Company;

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- (b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held; or
 - (c) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate; and
- (5) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Hong Kong Stock Exchange or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Hong Kong Stock Exchange for this purpose (the “**Repurchase Mandate**”), such number of Shares as will represent up to 10% of the aggregate number of Shares in issue immediately following completion of the Global Offering and the options granted under the Pre-IPO Option Scheme, such mandate to remain in effect until whichever is the earliest of :
- (a) the conclusion of the next annual general meeting of our Company;
 - (b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held; or
 - (c) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate.

D. Resolutions passed by our Directors at a meeting of a duly authorised Committee of our Board

On 22 September 2010, resolutions of our Directors were passed at a meeting of a duly authorised committee of the Board, pursuant to which, among other things, the Global Offering should be adjusted so that a total of 990,000,000 Shares will be offered for subscription, by way of a Hong Kong Public Offering of 99,000,000 Shares, subject to adjustment and an International Placing of 891,000,000 Shares, subject to adjustment and the Over-allotment Option.

2. CORPORATE REORGANISATION

For information with regard to our corporate reorganisation, please refer to the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Group Structure” in this prospectus.

3. SUBSIDIARIES

The principal subsidiaries of our Company are listed in the Accountants’ Report set out in Appendix I to this prospectus.

A. Changes in the share capital of subsidiaries of our Company

The following alterations in the share capital of our Company’s subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

Reach Goal

On 2 January 2009, Reach Goal was incorporated in the BVI with limited liability as a wholly owned subsidiary of our Company. On 16 April 2009, one share of no par value was issued and allotted to our Company for a consideration of US\$1.

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On 8 September 2009, Reach Goal issued and allotted one additional share to our Company for a consideration of US\$21,770,000.

Color Future

On 16 April 2009, our Company transferred all its shareholding interests in Color Future to Reach Goal for a consideration of US\$21,770,001.

Winsway Coking Coal Holdings (HK)

On 23 October 2009, Winsway Coking Coal Holdings (HK) was incorporated in Hong Kong with limited liability as a wholly owned subsidiary of our Company. On 28 October 2009, 31,312,613 shares of par value of US\$1 each were issued and allotted to our Company for a consideration of US\$31,312,613.

Cheer Top

On 18 November 2009, our Company transferred all its shareholding interests in Cheer Top to Winsway Resources Holdings for a consideration of US\$27,412,612.

On 30 December 2009, Winsway Resources Holdings transferred all its shareholding interests in Cheer Top to Winsway Coking Coal Holdings (HK) for a consideration of US\$27,412,612.

Royce Petrochemicals

On 10 February 2009, Color Future transferred all its shareholding interests in Royce Petrochemicals to Winsway (China) Petrochemicals Logistics Company Limited for a consideration of US\$3,900,001.

On 13 February 2009, Winsway (China) Petrochemicals Logistics Company Limited transferred all its shareholding interests in Royce Petrochemicals to Color Future for a consideration of US\$3,900,001.

On 18 November 2009, Color Future transferred all its shareholding interests in Royce Petrochemicals to Cheer Top for a consideration of US\$3,900,001.

Winsway Logistics

On 22 December 2009, Winsway Logistics was incorporated in Hong Kong with limited liability as a wholly owned subsidiary of our Company. On 23 December 2009, 100,000 shares of par value of US\$1 each were issued and allotted to our Company for a consideration of US\$100,000.

Winsway Australia

On 9 November 2009, Winsway Australia was incorporated in Australia with limited liability and Scott Peter Hay-Bartlem was its sole shareholder. On the same date:

- (i) Scott Peter Hay-Bartlem was issued and allotted one redeemable preference share in consideration of AUD1;
- (ii) Winsway Australia redeemed the one redeemable preference share from Scott Peter Hay-Bartlem; and

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- (iii) Winsway Australia issued and allotted one share to our Company for a consideration of AUD1.

On 5 February 2010, Winsway Australia issued and allotted 223,000 shares to our Company for a consideration of AUD223,000.

On 3 March 2010, Winsway Australia issued and allotted 119,664 shares to our Company for a consideration of AUD119,664.

On 8 April 2010, Winsway Australia issued and allotted 88,000 shares to our Company for a consideration of AUD88,000.

On 21 May 2010, Winsway Australia issued and allotted to our Company additional 62,329 shares for a consideration of AUD62,329.

Winsway Singapore

On 31 December 2009, Winsway Singapore was incorporated in Singapore as a limited private company and is a wholly owned company of Winsway Resources Holdings. On the same date, Winsway Resources Holdings was issued and allotted one share for a consideration of one Singapore Dollar.

On 19 January 2010, Winsway Resources Holdings transferred one share to our Company for a consideration of one Singapore Dollar.

On 2 February 2010, Winsway Singapore issued and allotted 999,999 additional shares to our Company for a consideration of 999,999 Singapore Dollars.

Winsway Mongolian Transportation

On 10 May 2010, Winsway Mongolian Transportation was incorporated in Singapore as a limited liability company. 1 share was issued and allotted to Mr. Wang for a consideration of one Singapore Dollar and 9 shares were issued and allotted to our Company for a consideration of 9 Singapore Dollars.

Winsway Coking Coal Macao

On 2 August 2010, Winsway Coking Coal Macao was incorporated in Macao with limited liability as a wholly owned subsidiary of our Company, with a registered capital of MOP\$100,000 which was to be contributed by our Company.

Beijing Winsway

On 11 August 2009, the registered capital of Beijing Winsway was increased from US\$23,428,193 to US\$34,303,911 with the subscription of the additional equity interest by Chongqing Huize. As a result, the registered capital of Beijing Winsway was owned as to 32% by Chongqing Huize and 68% by Cheer Top.

On 22 October 2009, Chongqing Huize transferred 30% of its equity interest in Beijing Winsway to Cheer Top for a consideration of US\$10,313,922. As a result, Beijing Winsway was owned as to 2% by Chongqing Huize and 98% by Cheer Top.

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On 25 May 2010, Chongqing Huize transferred 2% of its equity interest in Beijing Winsway to Cheer Top for a consideration of US\$686,078. As a result, Beijing Winsway was wholly owned by Cheer Top.

On 20 August 2010, the registered capital of Beijing Winsway was increased from US\$34,303,911 to US\$63,500,000 with the subscription of additional equity interest by Cheer Top.

Inner Mongolia Haotong

On 13 August 2009, the registered capital of Inner Mongolia Haotong was increased from RMB174 million to RMB198.7 million with the subscription of the additional equity interest by Beijing Winsway. As a result, the registered capital of Inner Mongolia Haotong was owned as to 98.64% by Beijing Winsway and 1.36% by Mr. Jia.

On 25 August 2009, the registered capital of Inner Mongolia Haotong was further increased from RMB198.7 million to RMB218.7 million with the subscription of the additional equity interest by Beijing Winsway. As a result, the registered capital of Inner Mongolia Haotong was owned as to 98.77% by Beijing Winsway and 1.23% by Mr. Jia.

On 10 October 2009, the registered capital of Inner Mongolia Haotong was further increased from RMB218.7 million to RMB270 million with the subscription of the additional equity interest by Beijing Winsway. As a result, the registered capital of Inner Mongolia Haotong was owned as to 99% by Beijing Winsway and 1% by Mr. Jia.

On 10 December 2009, the registered capital of Inner Mongolia Haotong was further increased from RMB270 million to RMB350 million with the subscription of the additional equity interest by Beijing Winsway. As a result, the registered capital of Inner Mongolia Haotong was owned as to 99.23% by Beijing Winsway and 0.77% by Mr. Jia.

Yiteng

On 2 December 2009, the registered capital of Yiteng was increased from RMB80 million to RMB160 million with the subscription of the additional equity interest by its sole shareholder Inner Mongolia Haotong.

On 31 December 2009, the registered capital of Yiteng was further increased from RMB160 million to RMB210 million with the subscription of the additional equity interest by its sole shareholder Inner Mongolia Haotong.

Ejinaqi Haotong

On 31 December 2009, the registered capital of Ejinaqi Haotong was increased from RMB10 million to RMB80 million with the subscription of the additional equity interest by Inner Mongolia Haotong by way of (a) RMB37 million in cash; and (b) RMB33 million conversion from shareholder's loan to equity.

Nantong Haotong

On 24 February 2009, Nantong Haotong was established in the PRC jointly by Inner Mongolia Haotong and Mr. Zhu, with a registered capital of RMB50 million. Nantong Haotong was owned as to 90% by Inner Mongolia Haotong and 10% by Mr. Zhu.

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On 25 February 2010, the registered capital of Nantong Haotong was increased from RMB50 million to RMB120 million with the subscription of the additional equity interest by Inner Mongolia Haotong. As a result, Nantong Haotong was owned as to 95.8% by Inner Mongolia Haotong and 4.2% by Mr. Zhu.

On 30 June 2010, Mr. Zhu transferred the 4.2% equity interest in Nantong Haotong to Inner Mongolia Haotong. As a result, Nantong Haotong became a wholly owned subsidiary of Inner Mongolia Haotong.

Baotou Haotong

On 5 January 2009, the registered capital of Baotou Haotong was increased from RMB5 million to RMB10 million with the subscription of the additional equity interest by Inner Mongolia Haotong. As a result, Baotou Haotong was owned as to 99.5% by Inner Mongolia Haotong and 0.5% by Mr. Jia.

On 6 July 2010, Mr. Jia transferred the 0.5% equity interest in Baotou Haotong to Inner Mongolia Haotong. As a result, Baotou Haotong becomes a wholly owned subsidiary of Inner Mongolia Haotong.

Yingkou Haotong

On 16 November 2009, Yingkou Haotong was established in the PRC jointly by Inner Mongolia Haotong and Mr. Huo, with a registered capital of RMB30 million, of which 99% was contributed by Inner Mongolia Haotong and 1% by Mr. Huo.

On 9 June 2010, the registered capital of Yingkou Haotong was increased from RMB30 million to RMB70 million with the subscription of the additional equity interest by Inner Mongolia Haotong and Mr. Huo. The shareholding ratio remained unchanged.

On 12 July 2010, Mr. Huo transferred the 1% equity interest in Yingkou Haotong to Inner Mongolia Haotong. As a result, Yingkou Haotong became a wholly owned subsidiary of Inner Mongolia Haotong.

Baotou Mandula

On 21 January 2010, Baotou Mandula was established in the PRC with a registered capital of RMB1 million as a wholly owned subsidiary of Inner Mongolia Haotong.

On 6 July 2010, the registered capital of Baotou Mandula was increased to RMB10 million.

East Wuzhumuqin Qi Haotong

On 29 July 2008, East Wuzhumuqin Qi Haotong was established in the PRC jointly by Inner Mongolia Haotong and Mr. Jia, with a registered capital of RMB10 million, of which 99% was contributed by Inner Mongolia Haotong and 1% by Mr. Jia.

On 7 July 2010, Mr. Jia transferred the 1% equity interest in East Wuzhumuqin Qi Haotong to Inner Mongolia Haotong. As a result, East Wuzhumuqin Qi Haotong becomes a wholly owned subsidiary of Inner Mongolia Haotong.

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Ulanqab Haotong

On 2 March 2010, Ulanqab Haotong was established in the PRC jointly by Inner Mongolia Haotong and Mr. Jia, with a registered capital of RMB58 million, of which 99% was subscribed by Inner Mongolia Haotong and 1% by Mr. Jia.

On 15 July 2010, Mr. Jia transferred the 1% equity interest in Ulanqab Haotong to Inner Mongolia Haotong. As a result, Ulanqab Haotong became a wholly owned subsidiary of Inner Mongolia Haotong.

Longkou Winsway

On 27 April 2010, Longkou Winsway was established in the PRC jointly by Inner Mongolia Haotong and Mr. Zhu with a registered capital of RMB15 million, of which 99% was contributed by Inner Mongolia Haotong and 1% by Mr. Zhu.

On 12 July 2010, Mr. Zhu transferred the 1% equity interest in Longkou Winsway to Inner Mongolia Haotong. As a result, Longkou Winsway became a wholly owned subsidiary of Inner Mongolia Haotong.

Ejinaqi Winsway

On 30 June 2010, Ejinaqi Winsway was established in the PRC jointly by Inner Mongolia Haotong and Mongolia Hutie with a registered capital of RMB20 million as of which 51% was to be contributed by Inner Mongolia Haotong and 49% was to be contributed by Mongolia Hutie.

Manzhouli Haotong

On 23 December 2009, Manzhouli Haotong was established in the PRC jointly by 浙江誠暉化工有限公司 (Zhejiang Chenghui Chemical Co., Ltd.*) (“**Chenghui Chemical**”) and Mr. Li with a registered capital of RMB10 million, of which 99% was contributed by Chenghui Chemical and 1% by Mr. Li.

On 31 May 2010, Chenghui Chemical transferred its equity interest in Manzhouli Haotong to Inner Mongolia Haotong at a consideration of RMB9.9 million. On the same date, Mr. Li transferred his equity interest in Manzhouli Haotong to Inner Mongolia Haotong at a consideration of RMB0.1 million. As a result, Manzhouli Haotong became wholly owned by Inner Mongolia Haotong.

King Resources

On 2 January 2009, King Resources was incorporated in the BVI as a limited liability company.

On 24 April 2009, 1 share was issued and allotted to Cheer Top at a consideration of US\$1.

Suifenhe Winsway

On 24 December 2009, Suifenhe Winsway was established in the PRC jointly by Chenghui Chemical and Mr. Li with a registered capital of RMB10 million of which 99% was contributed by Chenghui Chemical and 1% by Mr. Li.

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On 31 May 2010, Chenghui Chemical transferred its equity interest in Suifenhe Winsway to Inner Mongolia Haotong at a consideration of RMB9.9 million. On the same date, Mr. Li transferred his equity interest in Suifenhe Winsway to Inner Mongolia Haotong for a consideration of RMB0.1 million. As a result, Suifenhe Winsway became wholly-owned by Inner Mongolia Haotong.

Erlianhaote Haotong

On 25 June 2010, the registered capital of Erlianhaote Haotong was increased from RMB61.5 million to RMB80 million with subscription of the additional equity interest by Royce Petrochemicals. As a result, Erlianhaote Haotong was owned as to 39.2% by Inner Mongolia Haotong and 60.8% by Royce Petrochemicals.

On 30 July 2010, the registered capital of Erlianhaote Haotong was increased from RMB80 million to RMB95.37 million with subscription of the additional equity interest by Inner Mongolia Haotong. After capital increase, Inner Mongolia Haotong transferred its equity interest in Erlianhaote Haotong to Mongolia Hutie at a consideration of RMB46,735,000. As a result, Erlianhaote Haotong was owned as to 49% by Mongolia Hutie and 51% by Royce Petrochemicals.

Erlianhaote Winsway Logistics

On 14 May 2010, Erlianhaote Winsway Logistics was established in the PRC jointly by Inner Mongolia Haotong and Mongolia Hutie with a registered capital of RMB20 million, of which 51% was subscribed by Inner Mongolia Haotong and 49% by Mongolia Hutie. Erlianhaote Winsway Logistics is in the process of dissolution.

Bayannao'er Winsway

On 14 July 2010, Bayannao'er Winsway was established in the PRC jointly by Inner Mongolia Haotong and Mongolia Hutie with a registered capital of RMB20 million, of which 51% was to be contributed by Inner Mongolia Haotong and 49% by Mongolia Hutie.

Urad Zhongqi Haotong

On 14 July 2010, Urad Zhongqi Haotong was established in the PRC jointly by Inner Mongolia Haotong and Mongolia Hutie with a registered capital of RMB20 million, of which 51% was to be contributed by Inner Mongolia Haotong and 49% by Mongolia Hutie.

Inner Mongolia Hutie Winsway Logistics

On 22 July 2010, Inner Mongolia Hutie Winsway Logistics was established in the PRC jointly by Inner Mongolia Haotong, Mongolia Hutie Investment and Ulanqab Huatong Logistics with a registered capital of RMB30 million, of which 51% was to be contributed by Inner Mongolia Haotong, 35% by Mongolia Hutie Investment and 14% by Ulanqab Huatong Logistics.

Xinjiang Winsway

On 9 August 2010, Xinjiang Winsway was established in the PRC with a registered capital of RMB10 million, as a wholly owned subsidiary of Inner Mongolia Haotong.

Save as aforesaid, there has been no alteration in the share capital of the subsidiaries of the Company within the two years preceding the date of this prospectus.

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4. Particulars of the PRC subsidiaries of the Group

The Group has interests in a number of the PRC subsidiaries. Set out below is a summary of the corporate information of these PRC subsidiaries:

- (a) Beijing Winsway
- | | | |
|-----------------------|---|---|
| Date of Establishment | : | 6 November 1995 |
| Nature | : | Limited liability company (wholly foreign owned enterprise) |
| Registered Capital | : | US\$63,500,000 |
| Shareholder | : | Cheer Top |
- (b) Inner Mongolia Haotong
- | | | |
|-----------------------|---|---|
| Date of Establishment | : | 18 November 2005 |
| Nature | : | Joint stock company |
| Registered Capital | : | RMB350,000,000 |
| Shareholders | : | Beijing Winsway (99.23%)
Mr. Jia (0.77%) |
- (c) Yiteng
- | | | |
|-----------------------|---|---------------------------|
| Date of Establishment | : | 7 September 2005 |
| Nature | : | Limited liability company |
| Registered Capital | : | RMB210,000,000 |
| Shareholder | : | Inner Mongolia Haotong |
- (d) Ejinaqi Haotong
- | | | |
|-----------------------|---|---------------------------|
| Date of Establishment | : | 19 May 2008 |
| Nature | : | Limited liability company |
| Registered Capital | : | RMB80,000,000 |
| Shareholder | : | Inner Mongolia Haotong |
- (e) Erlianhaote Haotong
- | | | |
|-----------------------|---|--|
| Date of Establishment | : | 18 January 2007 |
| Nature | : | Limited liability company (Sino-foreign joint venture) |
| Registered Capital | : | RMB95,370,000 |
| Shareholders | : | Mongolia Hutie (49%)
Royce Petrochemicals (51%) |

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- (f) Nantong Haotong
- Date of Establishment : 24 February 2009
- Nature : Limited liability company
- Registered Capital : RMB120,000,000
- Shareholder : Inner Mongolia Haotong
- (g) Baotou Haotong
- Date of Establishment : 18 September 2008
- Nature : Limited liability company
- Registered Capital : RMB10,000,000
- Shareholder : Inner Mongolia Haotong
- (h) Yingkou Haotong
- Date of Establishment : 16 November 2009
- Nature : Limited liability company
- Registered Capital : RMB70,000,000
- Shareholder : Inner Mongolia Haotong
- (i) Baotou Mandula
- Date of Establishment : 21 January 2010
- Nature : Limited liability company
- Registered Capital : RMB10,000,000
- Shareholder : Inner Mongolia Haotong
- (j) East Wuzhumuqin Qi Haotong
- Date of Establishment : 29 July 2008
- Nature : Limited liability company
- Registered Capital : RMB10,000,000
- Shareholder : Inner Mongolia Haotong
- (k) Ulanqab Haotong
- Date of Establishment : 2 March 2010
- Nature : Limited liability company
- Registered Capital : RMB58,000,000
- Shareholder : Inner Mongolia Haotong (100%)

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- (l) Longkou Winsway
- Date of Establishment : 27 April 2010
- Nature : Limited liability company
- Registered Capital : RMB15,000,000
- Shareholder : Inner Mongolia Haotong
- (m) Manzhouli Haotong
- Date of Establishment : 23 December 2009
- Nature : Limited liability company
- Registered Capital : RMB10,000,000
- Shareholder : Inner Mongolia Haotong
- (n) Suifenhe Winsway
- Date of Establishment : 24 December 2009
- Nature : Limited liability company
- Registered Capital : RMB10,000,000
- Shareholder : Inner Mongolia Haotong
- (o) Ejinaqi Winsway
- Date of Establishment : 30 June 2010
- Nature : Limited liability company
- Registered Capital : RMB20,000,000
- Shareholders : Inner Mongolia Haotong (51%)
Mongolia Hutie (49%)
- (p) Bayannao'er Winsway
- Date of Establishment : 14 July 2010
- Nature : Limited Liability Company
- Registered Capital : RMB20,000,000
- Shareholders : Inner Mongolia Haotong (51%)
Mongolia Hutie (49%)
- (q) Urad Zhongqi Haotong
- Date of Establishment : 14 July 2010
- Nature : Limited Liability Company
- Registered Capital : RMB20,000,000
- Shareholders : Inner Mongolia Haotong (51%)
Mongolia Hutie (49%)

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- (r) Inner Mongolia Hutie Winsway Logistics
- Date of Establishment : 22 July 2010
- Nature : Limited Liability Company
- Registered Capital : RMB30,000,000
- Shareholders : Inner Mongolia Haotong (51%)
Mongolia Hutie Investment (35%)
Ulanqab Huatong Logistics (14%)
- (s) Xinjiang Winsway
- Date of Establishment : 9 August 2010
- Nature : Limited Liability Company
- Registered Capital : RMB10,000,000
- Shareholder : Inner Mongolia Haotong
- (t) Erlianhaote Winsway Logistics
- Date of Establishment : 14 May 2010
- Nature : Limited liability company
- Registered Capital : RMB20,000,000
- Shareholders : Inner Mongolia Haotong (51%)
Mongolia Hutie (49%)

5. REPURCHASE BY OUR COMPANY OF ITS OWN SECURITIES

This section includes the information required by the Hong Kong Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(A) *Regulations of the Listing Rules*

The Listing Rules permit companies whose primary listing is on the Hong Kong Stock Exchange to repurchase their securities on the Hong Kong Stock Exchange subject to certain restrictions, the most important of which are summarised below :

(1) *Shareholders' approval*

All repurchases of securities (which must be fully paid up in the case of shares) on the Hong Kong Stock Exchange by a company with its primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

Pursuant to a resolution passed by our Shareholders on 7 September 2010, the Repurchase Mandate was given to our Directors authorising any repurchase by our Company of Shares on the Hong Kong Stock Exchange or on any other stock exchange on which our Company's securities may be listed and which is recognised by the SFC and the Hong Kong Stock Exchange for this purpose, of not more than 10% of the aggregate number of our Shares in issue immediately following completion of the Global Offering.

(2) *Source of funds*

Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of the BVI.

(3) *Trading restrictions*

Our Company is authorised to repurchase on the Hong Kong Stock Exchange or on any other stock exchange recognised by the SFC and the Hong Kong Stock Exchange the total number of shares which represent up to a maximum of 10% of the aggregate number of all Shares in issue immediately following completion of the Global Offering (excluding Shares which may be issued upon exercise of options granted under the Pre-IPO Option Scheme). Our Company may not issue or announce an issue of new securities of the type that have been repurchased for a period of 30 days immediately following a repurchase of securities (except pursuant to the exercise of share options or similar instruments requiring our Company to issue securities which were outstanding prior to the repurchase) without the prior approval of the Hong Kong Stock Exchange. In addition, our Company is prohibited from making securities repurchases on the Hong Kong Stock Exchange if the result of the repurchases would be that the number of the listed securities in public hands would fall below the relevant prescribed minimum percentage as required by the Hong Kong Stock Exchange, which is currently 25% in the case of our Company. Our Company also shall not purchase its Shares on the Hong Kong Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which the Shares were traded on the Hong Kong Stock Exchange.

(4) *Status of repurchased securities*

The listing of all repurchased securities (whether on the Hong Kong Stock Exchange or otherwise) is automatically cancelled and the relevant certificates must be cancelled and destroyed. Under the BVI law and our Articles of Association, our Company's repurchased shares shall be treated as cancelled and the number of our Shares shall be reduced by the aggregate number of the repurchased shares accordingly although the authorised Shares of our Company will not be reduced.

(5) *Suspension of repurchase*

Any securities repurchase programme is required to be suspended after a price-sensitive development has occurred or has been the subject of our Directors' decision until the price-sensitive information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and in each case ending on the date of the results announcement, our Company may not repurchase Shares on the Hong Kong Stock Exchange unless the circumstances are exceptional. In addition, the Hong Kong Stock Exchange may prohibit repurchases of securities on the Hong Kong Stock Exchange if our Company has breached the Listing Rules.

(6) *Reporting requirements*

Repurchases of securities on the Hong Kong Stock Exchange or otherwise must be reported to the Hong Kong Stock Exchange in the prescribed form not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a repurchase of shares. In addition, our Company's annual report and accounts are required to disclose details regarding securities repurchases made during the financial year under review, including the number of securities repurchased each month (whether on the Hong Kong Stock Exchange or otherwise), the purchase price per share or the highest and lowest prices paid for all such repurchases and the aggregate prices paid. The Directors' report is also required to include reference to the purchases made during the year and the Directors' reasons for making such purchases. Our Company shall make arrangements with its broker who effects the purchase to provide to our Company in a timely fashion the necessary information in relation to the purchase made on behalf of our Company to enable our Company to report to the Hong Kong Stock Exchange.

(7) *Connected parties*

Our Company is prohibited from knowingly purchasing shares on the Hong Kong Stock Exchange from a connected person (as defined under the Listing Rules), and a connected person shall not knowingly sell his shares to our Company on the Hong Kong Stock Exchange.

As at the Latest Practicable Date and to the best of the knowledge of our Directors having made all reasonable enquiries, none of our Directors or their respective associates has a present intention to sell Shares to our Company or our subsidiaries.

(B) *Exercise of the Repurchase Mandate*

Exercise in full of the Repurchase Mandate, on the basis of a total of 3,787,313,494 Shares in issue immediately after completion of the Global Offering, assuming that the Convertible Bonds and the Preference Shares have been fully converted and all the Peabody Energy Consideration Shares have been issued based on the Offer Price of HK\$3.875 per Share (being the mid-point of the indicative range of the Offer Price between HK\$3.25 and HK\$4.50 per Share, would result in up to 378,731,349 Shares being repurchased by our Company during the period prior to the earliest of

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association and the applicable laws and regulations of the BVI to be held; or
- (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of our Shareholders in general meeting.

(C) *Reasons for repurchases*

Repurchases of Shares will only be made when our Directors believe that such a repurchase will benefit our Company and our Shareholders. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value of our Company and/or its earnings per Share.

(D) Funding of repurchases

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of the BVI. Our Company may not repurchase securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

(E) General

There might be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the Repurchase Mandate is exercised in full. However, our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or on our gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

Our Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate only in accordance with the Listing Rules, the Memorandum and Articles of Association and the applicable laws and regulations of the BVI.

No connected person (as defined in the Listing Rules) of our Company has notified our Company that he has a present intention to sell any Shares to our Company or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

6. FURTHER INFORMATION ABOUT OUR BUSINESS

(A) Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (1) an equity transfer agreement dated 12 October 2009 entered into between Chongqing Huize and Cheer Top pursuant to which Cheer Top acquired 30% equity interest in Beijing Winsway from Chongqing Huize at a consideration of US\$10,313,922;
- (2) a subscription agreement dated 30 March 2010 entered into among Winstar, Winsway Resources Holdings, Winsway International Petroleum & Chemicals, our Company, and Mr. Wang pursuant to which our Company issued 363,636,364 Preference Shares to Winstar at a consideration of US\$60,000,000;
- (3) a subscription agreement dated 30 March 2010 entered into among Coppermine, Silver Grant, Winsway Resources Holdings, Winsway International Petroleum & Chemicals,

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our Company, and Mr. Wang pursuant to which each of Coppermine and Silver Grant subscribed for Convertible Bonds in the principal amount of US\$25,000,000 respectively and in aggregate US\$50,000,000;

- (4) a share charge over our Shares dated 20 April 2010 executed by Winsway Resources Holdings (as chargor), Winstar (as chargee) and our Company;
- (5) a share charge over our Shares dated 20 April 2010 executed by Winsway Resources Holdings (as chargor), Silver Grant (as chargee) and our Company;
- (6) a share charge over our Shares dated 20 April 2010 executed by Winsway Resources Holdings (as chargor), Coppermine (as chargee) and our Company;
- (7) a subscription agreement dated 22 April 2010 entered into among ITOCHU, Winsway Resources Holdings, Winsway International Petroleum & Chemicals, our Company, and Mr. Wang pursuant to which ITOCHU subscribed for Convertible Bonds in the principal amount of US\$10,000,000;
- (8) an equity transfer agreement dated 18 May 2010 entered into between Chongqing Huize and Cheer Top pursuant to which Cheer Top acquired 2% equity interest in Beijing Winsway from Chongqing Huize at a consideration of US\$686,078;
- (9) an equity transfer agreement dated 20 May 2010 entered into between Chenghui Chemical and Inner Mongolia Haotong pursuant to which Inner Mongolia Haotong acquired 99% equity interest in Suifenhe Winsway from Chenghui Chemical at a consideration of RMB9.9 million;
- (10) an equity transfer agreement dated 20 May 2010 entered into between Mr. Li and Inner Mongolia Haotong pursuant to which Inner Mongolia Haotong acquired 1% equity interest in Suifenhe Winsway from Mr. Li at a consideration of RMB0.1 million;
- (11) an equity transfer agreement dated 12 May 2010 entered into between Chenghui Chemical and Inner Mongolia Haotong pursuant to which Chenghui Chemical transferred 99% equity interest in Manzhouli Haotong to Inner Mongolia Haotong at a consideration of RMB9.9 million;
- (12) an equity transfer agreement dated 12 May 2010 entered into between Mr. Li and Inner Mongolia Haotong pursuant to which Inner Mongolia Haotong acquired 1% equity interest in Manzhouli Haotong from Mr. Li at a consideration of RMB0.1 million;
- (13) an agreement relating to the sale and purchase of 50% of the issued share capital of Peabody-Winsway JV dated 29 June 2010 entered into between Polo Resources Coöperatief and Lucky Colour pursuant to which Lucky Colour acquired 50% interest in Peabody-Winsway JV at a consideration of US\$35 million;
- (14) a cooperation and facilitation fee agreement dated 29 June 2010 entered into among our Company, Lucky Colour, Peabody Holland and Peabody Energy pursuant to which Peabody Holland agreed to execute the deed of release and termination entered into among Polo Resources Coöperatief, Peabody-Winsway JV, Peabody Holland, Peabody Energy and Polo Resources dated 29 June 2010 and consented to, and waived any and all rights of pre-emption and other restrictions on transfer and rights of veto in

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respect of the transfer by Polo Resources Coöperatief to Lucky Colour of its 50% interest in Peabody-Winsway JV. Our Company agreed to pay to Peabody Energy a facilitation fee of US\$10 million which is to be satisfied by the issue to Peabody Energy of the Peabody Energy Consideration Shares if the Listing takes place within 12 months from 29 June 2010 or by cash if the Listing does not take place within such 12-month period;

- (15) a share pledge over all the shares held by Lucky Colour in Peabody-Winsway JV dated 16 July 2010 executed by Lucky Colour (as pledgor), Peabody Holland (as pledgee), and Peabody-Winsway JV;
- (16) a joint venture and shareholders agreement dated 29 June 2010 entered into among Peabody Holland, Lucky Colour and Peabody-Winsway JV in relation to Peabody-Winsway JV;
- (17) a deed of guarantee dated 29 June 2010 entered into among our Company (as guarantor), Peabody Holland and Peabody Energy pursuant to which our Company guaranteed full, prompt and complete performance by Lucky Colour and/or its affiliates of all of their respective obligations under or arising out of or in connection with the cooperation and facilitation fee agreement (per (14) above), the share pledge (per (15) above) and the joint venture agreement (per (16) above);
- (18) a deed of guarantee dated 29 June 2010 entered into among Peabody Energy (as guarantor), Lucky Colour and our Company pursuant to which Peabody Energy guaranteed full, prompt and complete performance by Peabody Holland and/or its affiliates of all of their respective obligations under or arising out of or in connection with the cooperation and facilitation fee agreement (per (14) above) and the joint venture agreement (per (16) above);
- (19) an amended and restated strategic alliance agreement dated 1 September 2010 entered into between Color Future and Moveday pursuant to which Color Future or its designated company shall provide Moveday with a loan for the use by Moveday to purchase vehicles for providing coal transportation service in Mongolia exclusively to Color Future or its designated company during a term of 10 years commencing from 21 December 2009;
- (20) a loan agreement dated 10 April 2010 entered into between our Company and Moveday (“**Loan Agreement**”) pursuant to which our Company agreed to lend to Moveday up to US\$40 million which shall be used exclusively by Moveday for vehicle purchase or lease purposes only. The interest rate for such loan shall be LIBOR+3%. Moveday is obliged to pay off the loan in five years starting from 18 months after the receiving of the loan, with US\$8 million per annum and interest payable semi-annually in arrears;
- (21) an equity transfer agreement dated 22 July 2010 entered into between Inner Mongolia Haotong and Mongolia Hutie pursuant to which Inner Mongolia Haotong transferred its equity interest in Erlianhaote Haotong to Mongolia Hutie at a consideration of RMB46,735,000;
- (22) a supplementary deed dated 15 September 2010 between Moveday and Color Future pursuant to which Moveday will pay default interest on any overdue principal and/or interest under the Loan Agreement dated 10 April 2010 between Moveday and Color Future. If Moveday is unable to pay the principal or interest when due, Color Future

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has the right to set off the transportation service fee which Color Future should pay Moveday for the transportation services provided to Color Future against such overdue amounts;

- (23) a supplementary agreement to the agreement related to the sale and purchase of 50% of the issued share capital of Peabody-Polo Resources B.V. (“**JVA**”) dated 16 September 2010 entered into between Polo Resources Coöperatief, Lucky Colour and Polo Australasia Limited pursuant to which Polo Resources Coöperatief, Lucky Colour and Polo Australasia Limited agree to amend the JVA so that our Company shall pay Polo Resources Coöperatief US\$20 million in cash on or before the third business day after the IPO of our Company as settlement of the balance of the consideration payable to Polo Resources Coöperatief;
- (24) the Hong Kong Underwriting Agreement;
- (25) the Non-competition Deed; and
- (26) a deed of indemnity dated 22 September 2010 entered into between our Company and Mr. Wang under which Mr. Wang undertakes to indemnify our Company in respect of certain tax and property-related liabilities for the benefit of our Group as more particularly set out in the paragraph headed “(9) Other information — (A) Indemnities”.

(B) Intellectual Property

Please refer to the section headed “Relationship with Controlling Shareholders and Connected Transactions — Relationship with controlling shareholders — Intellectual property rights” in this prospectus for a discussion of the licensing arrangement of trademarks between our connected persons and our Company and our subsidiaries.

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7. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND STAFF

(A) *Disclosure of our Directors' interests and short positions in the issued Shares of our Company and its associated corporations*

Immediately following completion of the Global Offering, the beneficial interests or short positions of our Directors and the chief executives in any shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which once the Shares are listed, will be required (a) to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register required to be kept therein once the Shares are listed; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules to be notified to our Company and the Hong Kong Stock Exchange, are as follows:

Long position and short position in the shares, underlying shares and debentures of our Company or its associated corporations

<u>Name of Director</u>	<u>Name of corporation</u>	<u>Nature of interest</u>	<u>Aggregate number of Shares or underlying Shares</u>	<u>Approximate percentage of interest in the corporation</u>
Mr. Wang ^{(1), (2)}	Our Company	Personal interest and interest of controlled corporation	1,900,785,545	50.19%
	Winsway Mongolian Transportation	Beneficial owner	1	10%
Zhu Hongchan ^{(1), (4)}	Our Company	Personal interest	10,345,000	0.27%
Cui Yong ^{(1), (3)}	Our Company	Personal interest and interest of controlled corporation	35,982,000	0.95%
Yasuhisa Yamamoto ^{(1), (4)}	Our Company	Personal interest	8,069,000	0.21%
Apolonius Struijk ^{(1), (4)}	Our Company	Personal interest	8,115,000	0.21%

Notes:

- (1) The shareholding percentages are based on a total of 3,787,313,494 Shares in issue immediately following completion of the Global Offering, assuming that the Convertible Bonds and the Preference Shares have been fully converted and all the Peabody Energy Consideration Shares have been issued based on the Offer Price of HK\$3.875 per Share (being the mid-point of the indicative range of the Offer Price between HK\$3.25 and HK\$4.50 per Share).
- (2) Mr. Wang indirectly holds the entire issued share capital of Winsway International Petroleum & Chemicals and Winsway Resources Holdings and is deemed to be interested in the 211,203,545 Shares and 1,672,248,000 Shares held by each of Winsway International Petroleum & Chemicals and Winsway Resources Holdings, respectively. In addition, an option representing 17,334,000 Shares was granted to Mr. Wang pursuant to the Pre-IPO Option Scheme.
- (3) Mr. Cui Yong holds the entire issued share capital of Ray Splendid and is deemed to be interested in the 27,752,000 Shares held by Ray Splendid. In addition, an option representing 8,230,000 Shares was granted to Mr. Cui Yong pursuant to the Pre-IPO Option Scheme.
- (4) Options representing 10,345,000 Shares, 8,069,000 Shares and 8,115,000 Shares were granted to Ms. Zhu Hongchan, Mr. Yasuhisa Yamamoto and Mr. Apolonius Struijk respectively pursuant to the Pre-IPO Option Scheme.

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(B) *Persons who have an interest or short position discloseable under Division 2 and 3 of Part XV of the SFO and Substantial Shareholders*

So far as our Directors are aware, the following Shareholders will immediately following the completion of the Global Offering, have an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly, interested in 10% or more of the value of any class of Shares carrying rights to vote in all circumstances at general meetings of any member of our Group:

Long position and short position in the shares and underlying shares of our Company or other members of our Group companies

<u>Name of Shareholder</u>	<u>Name of corporation</u>	<u>Nature of interest</u>	<u>Aggregate number of ordinary shares</u>	<u>Approximate percentage of interest in the corporation</u>
Mr. Wang ^{(1),(2)}	Our Company	Personal interest and interest of controlled corporation	1,900,785,545	50.19%
Winsway Group Holdings ^{(1),(3)}	Our Company	Interest of controlled corporation	1,883,451,545	49.73%
Winsway Petroleum Holdings ^{(1),(4)}	Our Company	Interest of controlled corporation	211,203,545	5.58%
Winsway International Petroleum & Chemicals ⁽¹⁾	Our Company	Beneficial owner	211,203,545	5.58%
Winsway Resources Holdings ⁽¹⁾	Our Company	Beneficial owner	1,672,248,000	44.15%
HOPU USD Master Fund I L.P. ^{(1),(5)}	Our Company	Interest of controlled corporation	363,636,364	9.6%
Winstar Capital Group Limited	Our Company	Beneficial owner	363,636,364	9.6%

Notes:

- (1) The shareholding percentages are based on a total of 3,787,313,494 Shares in issue immediately following completion of the Global Offering, assuming that the Convertible Bonds and the Preference Shares have been fully converted and all the Peabody Energy Consideration Shares have been issued based on the Offer Price of HK\$3.875 per Share (being the mid-point of the indicative range of the Offer Price between HK\$3.25 and HK\$4.50 per Share) and the Over-allotment Options and the Options granted under the Pre-IPO Option Scheme are not exercised.
- (2) Mr. Wang indirectly holds 100% of the entire issued share capital of each of Winsway International Petroleum & Chemicals and Winsway Resources Holdings and is deemed to be interested in the 211,203,545 Shares and 1,672,248,000 Shares held by each of Winsway International Petroleum & Chemicals and Winsway Resources Holdings, respectively. In addition, an option representing 17,334,000 Shares was granted to Mr. Wang pursuant to the Pre-IPO Option Scheme.
- (3) Winsway Group Holdings indirectly holds the entire issued share capital of Winsway International Petroleum & Chemicals and directly holds the entire issued share capital of Winsway Resources Holdings and is deemed to be interested in the 211,203,545 Shares and 1,672,248,000 Shares held by each of Winsway International Petroleum & Chemicals and Winsway Resources Holdings, respectively.
- (4) Winsway Petroleum Holdings holds the entire issued share capital of Winsway International Petroleum & Chemicals and is deemed to be interested in the 211,203,545 Shares held by Winsway International Petroleum & Chemicals.

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- (5) HOPU USD Master Fund I L.P. holds the entire issued share capital of Winstar Capital Group Limited and is deemed to be interested in the 363,636,364 Shares held by Winstar Capital Group Limited.

Save as disclosed herein but taking no account of any Shares which may be taken up under the Global Offering, our Directors are not aware of any person who will immediately following completion of the Global Offering be directly or indirectly interested in any interest or any long position in the shares or underlying shares of our Company who would fall to be disclosed to our Company under the provision of Division 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the shares then in issue or equity interest in any member of the Group representing 10% or more of the equity interest in such company.

(C) *Particulars of service agreements*

- (i) Each of our executive Directors has entered into a service agreement with our Company. Principal particulars of these agreements, except as indicated, are in all material respects identical and are summarised below:
- (a) each service agreement is of a term of three years commencing on 7 September 2010. Under the agreement, either party may terminate the agreement at any time by giving to the other not less than six months' prior written notice; and
- (b) each of our executive Directors shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board regarding the amount of annual salary payable to himself.
- (ii) Each of our non-executive Directors and our independent non-executive Directors has signed a letter of appointment dated 7 September 2010 with our Company under which each of Cui Guiyong, Liu Qingchun and Lu Chuan agreed to act as non-executive Directors and each of James Downing, Ng Yuk Keung, Wang Wenfu and George Jay Hambro agreed to act as independent non-executive Directors for a period of three years unless terminated in accordance with the terms of the appointment letters.
- (iii) Save as disclosed above, none of our Directors has entered or has proposed to enter into any service agreements with our Company or any other member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

(D) *Directors' remuneration*

- (i) RMB2,744,378 was paid to our Directors by the Group as remuneration in respect of the financial year ended 31 December 2009.
- (ii) Approximately RMB13.9 million as remuneration is estimated to be paid to our Directors by the Group in respect of the financial year ending 31 December 2010 pursuant to the present arrangement.
- (iii) Save as disclosed in Appendix I, no Director received any remuneration or benefits in kind from the Group for the financial year ended 31 December 2009.

(E) Disclaimers

Save as disclosed herein:

- (1) none of our Directors has any interest and short position in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will be required (a) to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers set out in Appendix 10 to the Listing Rules to be notified to our Company and the Hong Kong Stock Exchange once such securities are listed on the Hong Kong Stock Exchange;
- (2) none of our Directors nor any of the persons whose names are listed in the paragraph headed “Consents of experts” under the section headed “Other Information” in this Appendix is interested in the promotion of our Company, or in any assets which have within the two years immediately preceding the issue of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (3) none of our Directors nor any of the persons whose names are listed in the paragraph headed “Consents of experts” under the section headed “Other Information” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;
- (4) none of the persons whose names are listed in the paragraph headed “Consents of experts” under the section headed “Other Information” in this Appendix has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (5) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group; and
- (6) so far as is known to our Directors, none of our Directors, their respective associates (as defined in the Listing Rules) or Shareholders who are interested in 5% or more of the issued shares of our Company have any interests in the five largest customers or the five largest suppliers of the Group.

8. PRE-IPO OPTION SCHEME

We adopted the Pre-IPO Option Scheme on 30 June 2010, the principal terms of which are summarised below:

Definitions:

“Adoption Date”	30 June 2010, being the date of adoption of the Pre-IPO Option Scheme
“Grantee”	any Participant (as defined below) who accepts an Offer in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Grant Period”	From 9:00 a.m. to 6:00 p.m. of the Adoption Date
“Offer”	the offer of the grant of an Option made in accordance with the Pre-IPO Option Scheme
“Option”	a right granted for the subscription of Shares pursuant to the Pre-IPO Option Scheme
“Option Period”	a period of five years commencing from the Adoption Date

(i) Purpose of the Pre-IPO Option Scheme

We adopted the Pre-IPO Option Scheme to recognise the contribution of certain of our Directors and employees of our Company and of our parent company group whom the Board considers to have contributed to the growth of our Group and/or to the Listing of our Shares on the Hong Kong Stock Exchange.

(ii) Eligible Participants

The Board may, at its discretion, invite our Directors or any full-time employees of any member of our Group or our parent company group (“**Participants**”) from time to time to take up the Options.

(iii) Grant of Options

(a) On and subject to the terms of the Pre-IPO Option Scheme, the Board shall be entitled at any time during the Grant Period to make an Offer to any Participant, as the Board may in its absolute discretion select, to take up an Option pursuant to which such Participant may, during the Option Period (but not before the relevant Vesting Date (as defined below)), subscribe for such number of Shares as the Board may determine at the Subscription Price (as defined below). The Offer shall specify the terms on which the Option is to be granted. Such terms may include any minimum period(s) for which an Option must be held and/or any minimum performance target(s) that must be reached, before the Option can be exercised in whole or in part, and may include at the discretion of the Board other terms imposed (or not imposed) either on a case by case basis or generally provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the Pre-IPO Option Scheme.

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- (b) An Offer shall be made to a Participant by letter in duplicate in such form as the Board may from time to time determine requiring, among others, the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Pre-IPO Option Scheme and shall remain open for acceptance by the Participant after the expiry of the Grant Period or after the Pre-IPO Option Scheme has been terminated or after the person to whom the Offer is made has ceased to be a Participant, whichever is the earlier.
 - (c) An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate or a copy of the offer letter comprising acceptance of the Offer duly signed by the Participants with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favour of our Company of HK\$1 by way of consideration for the grant thereof, is received by our Company within the period as stipulated in paragraph (b) above. Such remittance shall not be refundable in any circumstances.
 - (d) Notwithstanding the provisions of paragraph (c), an Offer may be communicated verbally on behalf of our Company to a Participant and such Participant may accept the Offer verbally provided the following conditions of this paragraph (d) are satisfied. A letter confirming the terms of the Offer must be sent to the Participant in duplicate in such form as the Board may from time to time determine within 3 business days after such verbal acceptance and a duplicate or copy of the offer letter duly signed by the Participant with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favour of our Company of HK\$1 by way of consideration for the grant thereof, is received by our Company within 3 business days after such despatch. An Offer made pursuant to this paragraph (d) shall be deemed to have been made and accepted on the date of the verbal acceptance by the Participant.
 - (e) Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Hong Kong Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within the period and in the manner indicated in paragraphs (b) and (c), it shall be deemed to have been irrevocably declined.
- (iv) **Subscription Price**
- The subscription price for our Shares (“**Subscription Price**”) under the Pre-IPO Option Scheme is HK\$1.677 per Share.
- (v) **Maximum number of Shares**
- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the Pre-IPO Option Scheme and other share option schemes of our Company shall not exceed 5% of our Shares in issue on a fully diluted basis as at the Adoption Date, assuming conversion of existing

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convertible bonds issued by our Company and convertible preferred shares in the capital of our Company.

- (b) The maximum number of Shares referred to in paragraph(a) shall be adjusted, in such manner as the auditors or the financial advisor of our Company retained for such purpose shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company by way of, as may be or become applicable, capitalisation of profits or reserves, rights issue, subdivision or consolidation of our Shares or reduction of our Share capital.

(vi) Alteration of Pre-IPO Option Scheme

The Board may amend any of the provisions of the Pre-IPO Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements) at any time save that no changes to the authority of our Directors or administrator of the Pre-IPO Option Scheme in relation to any alteration of the terms of the Pre-IPO Option Scheme shall be made, without the prior approval of our Shareholders in general meeting. Any alteration to the terms and conditions of the Pre-IPO Option Scheme which are of a material nature, or any change to the terms of Options granted, must also, to be effective, be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Pre-IPO Option Scheme, and provided that if the proposed alteration shall adversely affect any Option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the Grantees' approval in accordance with the terms of the Pre-IPO Option Scheme.

(vii) Exercise of Options

- (a) An Option may, subject to the terms and conditions upon which such Option is granted, be exercised in whole or in part on or after (but not before) the relevant Vesting Date (as defined below) in the manner as set out in paragraph (vii)(b) by the Grantee giving notice in writing to our Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Unless otherwise agreed by our Company, each such notice must be accompanied by a remittance for the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 10 business days after receipt of the notice and, where appropriate, receipt of our Auditors' or relevant financial advisor's (retained for such purpose) certificate as referred to in paragraph (x) below, our Company shall allot and issue, and shall instruct our share registrar to issue, the relevant Shares to the Grantee or if the Grantee elects to have our Shares deposited into a CCASS participant's stock account as confirmed in the notice, to HKSCC Nominees Limited credited as fully paid, and in the case such Shares are not to be deposited into a CCASS participant's stock account, issue to the Grantee a share certificate in respect of our Shares so allotted.

- (b) Options granted to a Participant under this scheme will vest every three months over a period of five years commencing from 1 April 2010 (“**Initial Vesting Date**”) in equal portions (5% each) on the first day of each three-month period (a “**Vesting Date**”) after the Initial Vesting Date. Options vested

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may not be exercised until the date falling 12 months after the Initial Vesting Date, but may otherwise be exercised at any time during the Option Period provided that:

- (aa) in the event the Grantee dies before exercising the Option in full and none of the events for termination of employment or engagement under paragraph (ix)(a)(ff) then exists with respect to such Grantee, the personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death in accordance with the provisions of paragraph (vii)(a) above;
- (bb) if a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (vii)(b)(dd) below) is made to all our Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, our Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option, whether vested or unvested, to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company at any time within such period as shall be notified by our Company;
- (cc) if a general offer for Shares by way of scheme of arrangement is made to all our Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option, whether vested or unvested, to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company;
- (dd) in the event a notice is given by our Company to our Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to the Grantee and the Grantee (or in the case of the death of the Grantee, his personal representatives(s)) may at any time thereafter (but before such time as shall be notified by our Company), subject to the provisions of all applicable laws, exercise the Option, whether vested or unvested, to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed general meeting, allot, issue and register in the name of the Grantee or HKSCC Nominees Limited (if the Grantee elects to have our Shares deposited into a CCASS participant's stock account) such number of fully paid Shares which fall to be issued on exercise of such Option; and

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- (ee) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph (vii)(c)(dd) above, between our Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which our Company was incorporated, our Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors summoning the meeting to consider such a scheme or arrangement and the Grantee may, at any time thereafter but before such time as shall be notified by our Company, exercise the Option, whether vested or unvested, to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee or HKSCC Nominees Limited (if the Grantee elects to have our Shares deposited into a CCASS participant's stock account) such number of fully paid Shares which fall to be issued on exercise of such Option.

(viii) Transfer of Options

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option, except for (1) the transmission of an Option on the death of the Grantee to his personal representative(s) on terms of the Pre-IPO Option Scheme or (2) to any permitted transferee which comprises:

- (a) any trustee, acting in its capacity as such trustee, of any trust of which the Grantee or his spouse, any child or step-child, natural or adopted, under the age of 18 years of such Grantee or of his spouse (together, the “**family interests**”), is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“**trustee-controlled company**”) in the equity capital of which the trustee, acting in its capacity as such trustee, is directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “**trustee interests**”);
- (b) a holding company of a trustee-controlled company or a subsidiary of any such holding company; and
- (c) any company in the equity capital of which he, his family interests, any trustee referred to in (a) above, acting in its capacity as such trustee, and/or any trustee interests taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general

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meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company.

(ix) Lapse of Option

- (a) An Option shall lapse automatically (to the extent not already exercised) on the earliest of:
- (aa) the expiry of the Option Period;
 - (bb) the date or the expiry of the period for exercising the Option as referred to in paragraph (vii)(b)(aa), (bb), (dd) or (ee);
 - (cc) subject to the scheme of arrangement (referred to in paragraph (vi)(b)(cc)) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph (vii)(b)(cc);
 - (dd) subject to paragraph (vii)(b)(dd), the date of the commencement of the winding-up of our Company;
 - (ee) the date on which the Grantee commits a breach of paragraph (viii); and
 - (ff) the date on which the Grantee ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, or on any other ground on which an employer would be entitled to terminate his or her employment summarily.
- (b) The Board shall have the power to decide whether an Option shall lapse and its decision shall be binding and conclusive on all parties.

(x) Effects of alterations to capital structure

In the event of any alteration in the capital structure of our Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, sub-division or consolidation of our Shares or reduction of share capital of otherwise, excluding any alteration in the capital structure of our Company as a result of an issue of Share as consideration in respect of a transaction to which our Company is a party, such corresponding alterations (if any) certified in writing by the financial adviser engaged by our Company to be in their opinion fair and reasonable will be made to the number or normal amount of Shares subject to the Options so far as unexercised and/or the Subscription Price and/or the method of exercise of the Option or any combination thereof, provided that such alterations shall give each Grantee the same proportion of the issued share capital of our Company as that to which he is previously entitled, but so that no such alteration shall be made the effect of which would enable a Share to be issued at less than its nominal value.

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(xi) Cancellation of Options granted

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted but not exercised.

(xii) Termination of the Pre-IPO Option Scheme

Our Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the Pre-IPO Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the Pre-IPO Option Scheme shall remain in full force and effect.

(xiii) Ranking of Share allotted upon exercise of Options

Our Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the memorandum and articles of association of our Company for the time being in force and will rank *pari passu* with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of our Company or if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividend or distribution (including those arising on a liquidation of our Company) declared or recommended or resolved to be paid to our Shareholders on the register on a date prior to such registration.

(xiv) Alteration of the provisions of the Pre-IPO Option Scheme

The provisions of the Pre-IPO Option Scheme may be altered in any respect by resolution of the Board except that provisions relating to the class of persons eligible for the grant of Options and all such other matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Participants without the prior approval of our Shareholders in general meeting provided that no such alternation shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the affected Participant as would be required of our Shareholders under the articles of association of our Company for the time being of our Company for a variation of the rights attached to our Shares. Any alterations to the terms and conditions of the Pre-IPO Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Pre-IPO Option Scheme.

(xv) Others

Pursuant to the Pre-IPO Option Scheme, out of our Shares to be issued upon the exercise of all the Options granted under the Pre-IPO Option Scheme, Options representing 52,093,000 Shares were granted to five Directors of our Company, Options representing 42,380,000 Shares were granted to seven senior managers and officers of our Company and Options representing 13,472,000 Shares were granted to other employees and officers of our Group and our parent company group.

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The Pre-IPO Options were granted to the following executive Directors.

<u>Name of grantee</u>	<u>Address</u>	<u>Position</u>	<u>Years with our Group</u>	<u>No. of Shares subject to the Option</u>
Wang Xingchun	67A Tras Street Singapore 079006	Chairman of the Board, CEO	21	17,334,000
Zhu Hongchan	Room 601, Unit 1, No. 10 Yayunxinxinjiayuan Chaoyang District Beijing, PRC	Executive Director, Vice President	15	10,345,000
Cui Yong	No. 10 Hongdazhonglu Business Development Area, Beijing 100176 PRC	Executive Director	10	8,230,000
Yasuhisa Yamamoto	Flat B, 75/F, Block 2, The Arch 1 Austin Road West, Kowloon, Hong Kong	Executive Director, Vice President	3	8,069,000
Apolonius Struijk	Shangri-La Apartments & Residences Apartment number 215 1 Anderson Road Singapore 259983	Executive Director, Vice President	5	8,115,000
			Sub-total:	<u><u>52,093,000</u></u>

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The Pre-IPO Options were granted to the following senior managers and officers of our Company:

<u>Name of Grantee</u>	<u>Address</u>	<u>Position</u>	<u>Year of Joining our Group/Winsway Group</u>	<u>No. of Shares subject to the Option</u>
Zhu Qingrang	Room 14, BLDG 10, No. 12 Wenhua Gongjie Huimin District Hohhot Inner Mongolia PRC	Executive Vice President	2007	8,069,000
Ma Li	Unit 2, Block 2, No 18 Linbeilu Haidian District Beijing PRC	Vice President	1998	8,276,000
Di Jingmin	Lize 8-3-101, No. 19 Xinwaidajie Haidian District Beijing PRC	Vice President	1995	8,299,000
Wang Yaxu	14-6-903, Chongwenmendongdajie Chongwen District Beijing PRC	Chief Accountant	1995	8,345,000
Xu Changmao	218-202 Wangjingxiqiu 2# Chaoyang District Beijing PRC	Vice President	1994	3,368,000
Cao Xinyi	Room 701 Unit 5 Block 6 Fangcaodixijie Chaoyang District Beijing PRC	Secretary to the Board	2009	3,023,000
Xie Wenzhao	Room G, 20/F., Block 6, Tierra Verde, Tsing Yi, New Territories, Hong Kong	Chief Financial Officer	2010	3,000,000
			Sub-total:	<u><u>42,380,000</u></u>

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The Pre-IPO Options were granted to the following other employees and officers of our Group and our parent company group:

<u>Name of Grantee</u>	<u>Address</u>	<u>Position</u>	<u>No. of Shares subject to the Option</u>
Li Jianlou (李建樓)	1-4-1102 Zuoanyiyuan Chongwen District Beijing	Deputy General Manager of Inner Mongolia Haotong	914,000
Jia Lijun (賈利俊)	277-102 Zhonghai Andrews Society 118 Gaobeidianlu Chaoyang District Beijing	Deputy General Manager of Inner Mongolia Haotong	707,000
Li Ming (李明)	15-1-501 Zhujiangdijing 28 Guangqulu Chaoyang District Beijing	Deputy General Manager of Inner Mongolia Haotong	336,250
Zhu Jinzhu (朱金珠)	10-2-201 Yipinyizhuang Tianhuabeijie Business Development Area, Beijing	Deputy General Manager of Inner Mongolia Haotong	284,500
Yang Enhe (楊恩和)	Room 19A Block 2 Site 3, Shijicheng Yuandalu Haidian District Beijing	Deputy General Manager of Inner Mongolia Haotong	273,000
Shi Pei Jing (史佩婧)	Room A Block 16, Yichengge, Siena Two, Discovery Bay, Lantau Island, Hong Kong	Financial Officer of Winsway Coking Goal Holdings (HK)	250,000
Ma Jianxun (馬建勳)	3-3-302 Sanxingzhuangyuan Fengtai District Beijing	Deputy General Manager of Inner Mongolia Haotong	273,000
Cheong Im Chan (張艷珍)	Avenida do Coronel Mesquita, Ka We Kok, no. 11, 23-And-D, Macau	Financial Officer of Winsway Macao	278,750
Cai Dong (蔡冬)	281-3-2 Fuwaibeijie Xicheng District Beijing	Investor relations personnel of the Company	296,000
Ma Liang (馬亮)	8-1-918 No. 178 Beiyuanlu Chaoyang District Beijing	Senior employee	313,250
Shao Xudong (邵旭東)	Room 801 Block 64 Balizhuang Xi Li Chaoyang District Beijing	Senior employee	313,250

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<u>Name of Grantee</u>	<u>Address</u>	<u>Position</u>	<u>No. of Shares subject to the Option</u>
Liu Wei (劉偉)	6-2-1203 Bailingjiayuan, Jia 6 Gaobeidianbeilu Chaoyang District Beijing	Senior employee	301,750
Sun Wei (孫威)	Room 22F Block 7 Diecuihuating No 305, Guang'anmenwaidajie Xicheng District Beijing	Senior employee	284,500
Wu Kuai Cheong (胡季祥)	No. 63 Rua de S. Joao Bosco, Edf. "Hoi Fu" Garden, 14/F, 'D', Macau	Senior employee	370,750
Chen Zhi (陳智)	5-5-1202 Xinghewan, Chaoyangbeilu Chaoyang District Beijing	Senior employee	8,276,000
			Sub-total: <u>13,472,000</u>
			Total: <u><u>107,945,000</u></u>

Assuming that all Pre-IPO Options had been exercised in full on 1 January 2010 and 107,945,000 Shares to be in issue immediately after the Global Offering had been in issue throughout the year ended 31 December 2010, the pro forma earnings per Share for the year ended 31 December 2010 would be further diluted from approximately RMB0.202 to approximately RMB0.196. The calculation has been prepared on the assumption that we will not receive any proceeds from the exercise of any Pre-IPO Option, and without taking into account the impact of fair value of our Shares on computation of the number of potentially dilutive Shares and the impact of the fair value of the Pre-IPO Options on the profit for the year ended 31 December 2010.

9. OTHER INFORMATION

(A) Indemnities

Mr. Wang (the "**Indemnifier**") has entered into a deed of indemnity in favour of our Company (being a material contract referred to in the paragraph headed "Summary of material contracts of this Appendix) to provide the following indemnities in favour of our Company (for itself and as trustee for its subsidiaries and certain associated companies).

Under the deed of indemnity, the Indemnifier agrees and undertakes with our Company that he will indemnify our Company against any loss arising from any fines, penalties or other administrative liabilities which may be imposed or levied by the PRC government authorities on our Group resulting from its failure to comply with the applicable law and regulations of the PRC in relation to the land planning, construction, completion of construction and title of certain real properties.

The Indemnifier will not be liable in respect of any loss mentioned above: (i) to the extent that specific provision or reserve has been made in our audited combined financial statements as set out in the Accountants' Report in Appendix I to this prospectus; (ii) to the extent such loss would not have arisen but for any act or omission of, or delay by, our Company or any member of our Group after the Listing Date; and (iii) to the extent such loss arises or is incurred only as a result of a retrospective

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change in law or regulations or the interpretation or practice thereof by any relevant authority coming into force after the Listing Date.

In addition, the Indemnifier agrees and undertakes with our Company that he will indemnify our Company against any loss or liability or diminution in value of asset suffered by our Company or any member of our Group as a result of or in connection with any tax liability in any jurisdiction arising: (i) in respect of or in consequence of any act, omission or event which occurred or is deemed to occur on or before the Listing Date; (ii) from any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the Listing Date; or (iii) as a result of our Company or any member of our Group receiving or being entitled to receive any payment under the deed of indemnity, whether alone or in conjunction with other circumstances and whether or not such taxation is chargeable against or attributable to any other person.

The Indemnifier will not be liable in respect of any taxation liability: (i) to the extent that specific provision or reserve has been made for such taxation liability in our audited combined financial statements as set out in the Accountants' Report in Appendix I to this prospectus; (ii) to the extent such taxation liability would not have arisen but for any act or omission by our Company after the Listing Date; or (iii) to the extent such taxation liability arises or is incurred only as a result of a retrospective change in law or regulations, a retrospective increase in tax rates or a retrospective change in administrative interpretation of law or regulations, coming into force after the Listing Date.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries under the laws of the BVI or the PRC, being jurisdictions in which one or more of the companies comprising the Group are incorporated.

(B) Litigation

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against any member of the Group.

(C) Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for listing of, and permission to deal in, the Shares in issue, Shares issued upon conversion of the Preference Shares and Convertible Bonds, the Peabody Energy Consideration Shares, Shares to be issued pursuant to the Global Offering and Shares to be issued as mentioned herein (including any Shares to be issued pursuant to the exercise of any options granted under the Pre-IPO Option Scheme.)

(D) Compliance Adviser

We have appointed Guotai Junan Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any estimate, or other information in this prospectus; and

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- (d) where the Hong Kong Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

(E) Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$13,000 and have been paid by us.

(F) Promoter

Our Company has no promoter.

(G) Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus :-

<u>Name</u>	<u>Qualification</u>
Deutsche Bank AG, Hong Kong Branch	Registered for Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities under the SFO, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
Goldman Sachs (Asia) L.L.C.	Deemed licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities under the SFO
KPMG	Certified public accountants
Jones Lang LaSalle Sallmanns Limited	Professional surveyors and valuer
King & Wood PRC Lawyers	PRC legal advisers
Maples and Calder	BVI legal advisers
AME Mineral Economics (Hong Kong) Limited	Industry Consultant

(H) Consents of experts

Each of Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., KPMG, Jones Lang LaSalle Sallmanns Limited, King & Wood PRC Lawyers, Maples and Calder and AME Mineral Economics (Hong Kong) Limited has given and has not withdrawn its respective written consent to the issue of this prospectus with the inclusion of its reports and/or letters and/or valuation certificate and/or the references to its name included herein in the form and context in which they are respectively included.

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(I) Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies Ordinance insofar as applicable.

(J) Related party transactions

Our Group entered into the connected transactions and related party transactions within the two years immediately preceding the date of this prospectus as mentioned in the section headed “Relationship with Controlling Shareholders and Connected Transactions” in this prospectus and in note 28 of the Accountant’s Report set out in Appendix I in this prospectus.

(K) No material adverse change

Our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since 30 June 2010.

(L) Particulars of the Selling Shareholders

The particulars of the Selling Shareholders are as follows:

- | | | |
|-----------------------------|---|--|
| (1) Name | : | Winsway Resources Holdings Limited |
| Description | : | a company incorporated under the laws of the British Virgin Islands with limited liability |
| Registered Address | : | Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, the British Virgin Islands |
| Number of Shares to be sold | : | 97,567,327 Sale Shares |
| (2) Name | : | Winsway International Petroleum & Chemicals Limited |
| Description | : | a company incorporated under the laws of the BVI with limited liability |
| Registered Address | : | Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, the British Virgin Islands |
| Number of Shares to be sold | : | 12,322,673 Sale Shares |
| (3) Name | : | Winstar Capital Group Limited |
| Description | : | a company incorporated under the laws of the British Virgin Islands with limited liability |
| Registered Address | : | Horizon Chambers, P.O. Box 4622, Road Town, Tortola, the British Virgin Islands |
| Number of Shares to be sold | : | 20,790,000 Sale Shares |

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- (4) Name : Coppermine Resources Limited
- Description : a company incorporated under the laws of the British Virgin Islands with limited liability
- Registered Address : P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, the British Virgin Islands
- Number of Shares to be sold : 8,910,000 Sale Shares
- (5) Name : Silver Grant International Industries Ltd.
- Description : a limited company incorporated under the laws of Hong Kong with and listed on the Hong Kong Stock Exchange
- Principal place of business : Suite 4901, 49th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
- Number of Shares to be sold : 8,910,000 Sale Shares

(M) Dividend

Our Directors confirm that they are not aware of any arrangements in existence under which future dividends of our Company are to be waived or agreed to be waived.

(N) Bilingual Prospectus

The English language and the Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Hong Kong Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

(O) Miscellaneous

- (1) Save as disclosed in this prospectus:
- (a) within the two years preceding the date of this prospectus, no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (b) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (c) no founders, management or deferred shares of our Company or any of its subsidiaries have been issued or agreed to be issued; and
 - (d) within the two years preceding the date of this prospectus, no commissions (except commissions to sub-underwriters), discounts, brokerages or other special terms have been granted in connection with the issue or sale of any shares or debentures of our Company or any of its subsidiaries.

APPENDIX VII — STATUTORY AND GENERAL INFORMATION

- (2) None of Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., KPMG, Jones Lang LaSalle Sallmanns Limited, King & Wood PRC Lawyers, Maples and Calder and AME Mineral Economics (Hong Kong) Limited:
 - (a) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (b) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.
- (3) Save as disclosed in this prospectus, none of the equity or debt securities of the companies within our Group is presently listed or dealt with on any stock exchange or traded on any trading system nor is any listing or permission to deal being or prepared to be sought.
- (4) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.