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WINSWAY[®]

WINSWAY COKING COAL HOLDINGS LIMITED

永暉焦煤股份有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1733)

ANNOUNCEMENT

The Company announces that, in response to strong demand from steel mills in China, the significant increase in the exporting of coking coal from Mongolia, and the expected improvement in the cross border logistical capabilities and coal processing capacities of the Group in the last quarter of 2010, the Company has recently entered into several new supply contracts and confirmation order in addition to its original procurement plan.

This announcement is made by Winsway Coking Coal Holdings Limited (the “**Company**,” together with its subsidiaries referred to as “**Group**”).

In response to continued strong demand from steel mills in China, the significant increase in the exporting of coking coal from Mongolia, and with the expected improvement in cross-border logistical capabilities and coal processing capacities in the last quarter of 2010, the Company announces that it has recently entered into the following new supply contracts and confirmation order in addition to its original procurement plan and the earlier announcement of **1,200,000** tonnes semi-soft coal supply agreement entered into with SouthGobi Sands LLC on 19 October 2010.

- (i) Winsway Resources Holdings Private Limited (“**Winsway Singapore**”), Moveday Enterprises Limited (“**Moveday**”), a company established under the laws of the British Virgin Islands and an independent third party unconnected with the Company or our connected persons (as such term is issued under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), and Tavan Tolgoi Trans Co., Ltd (“**TTT**”), a company established under the laws of Mongolia, entered into a coal supply agreement on 22 October 2010 (“**TTT Coal Supply Agreement**”) for the purchase of up to **2,000,000** tonnes of coking coal by Winsway Singapore from TTT to be delivered within the last quarter of 2010. The TTT Coal Supply Agreement was executed pursuant to a ten-year framework agreement (“**Framework Agreement**”) between the Company and Tavan Tolgoi Incorporate Company (“**TTC**”), a company established under the laws of Mongolia, dated 11 March 2010. Under the Framework Agreement the Company or its designated companies have the right to purchase coking coal from TTC or its designated companies in an amount not less than **5,000,000** tonnes a year. The place of delivery of the coking coal under the TTT Coal Supply Agreement will be the Gants Mod Sino-Mongolia border crossing. The Company will provide border crossing, coal processing, and logistical services and will mainly supply the coal to **Baosteel Group in**

Shanghai. The terms under the TTT Coal Supply Agreement were arrived at after arm's length negotiations between the parties and were based on normal commercial terms and the current market conditions.

- (ii) Winsway Singapore and an unidentified Mongolian coal producer ("**Mongolian Supplier**") executed a confirmation order ("**Confirmation Order**") on 22 October 2010 for the purchase of up to **575,000** tonnes of coking coal by Winsway Singapore from the Mongolian Supplier to be delivered within the last quarter of 2010. This Confirmation Order was entered into pursuant to an existing coal supply framework agreement between Winsway Singapore and the Mongolian Supplier on 30 July 2010 as a part of the continuation of the long term business relationship between Winsway and the Mongolian Supplier, a relationship built on the foundation of mutual benefit and expected to continue in the future, with the objective to create value for both companies' shareholders and provide a platform to jointly serve Chinese steel mills. The place of delivery will be the Gants Mod Sino-Mongolia border crossing. The Company will provide border crossing, coal processing, and logistical services and will mainly supply the coal to **Wuhan Steel Group in Hubei Province** and **Shasteel Group in Jiangsu Province**. The terms of the Confirmation Letter were arrived at after arm's length negotiations between the parties and were based on normal commercial terms and the current market conditions.
- (iii) Ejina Qi Haotong Energy Co., Ltd ("**Ejina Qi Haotong**"), a wholly owned subsidiary of the Company and an unidentified Chinese domestic coal supplier ("**Chinese Supplier**"), entered into a coal supply agreement ("**Chinese Supplier Agreement**") on 14 October 2010 for the purchase of up to **200,000** tonnes of coking coal by Ejina Qi Haotong from the Chinese Supplier sourced from Mongolia to be delivered within the last quarter of 2010. The Company will provide coal processing and logistical services and will mainly supply the coal to **Baotou Steel Group in Inner Mongolia Autonomous Region**. The terms of the Chinese Supplier Agreement were arrived at after arm's length negotiations between the parties and were based on normal commercial terms and the current market conditions.

Based on the new supply contracts and confirmation order detailed above, the **1,200,000** tonnes semi-soft coal supply agreement with South Gobi Sands LLC, and the existing coal supply contracts, the Company anticipates the purchase of Mongolian coking coal in the last quarter of 2010 will increase compared with the same period last year.

By Order of the board of Directors
Winsway Coking Coal Holdings Limited
Cao Xinyi
Company Secretary

Hong Kong, 27 October 2010

As at the date of this announcement, the executive Directors of the Company are Mr. Wang Xingchun, Ms. Zhu Hongchan, Mr. Yasuhisa Yamamoto, Mr. Apolonius Struijk and Mr. Cui Yong, the non-executive Directors of the Company are Mr. Cui Guiyong, Mr. Liu Qingchun and Mr. Lu Chuan and the independent non-executive Directors are Mr. James Downing, Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. George Jay Hambro.