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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

ISSUANCE OF US\$500,000,000 SENIOR NOTES DUE 2016

On 1 April 2011, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with Deutsche Bank, Merrill Lynch International, Goldman Sachs, ICBC International Capital and ICBC International Securities in connection with the Notes Issue.

The estimated net proceeds of the Notes Issue, after deduction of the Initial Purchasers' discounts, fees and commissions and other estimated expenses payable by the Company, will amount to approximately US\$488 million, and the Company intends to use the proceeds of the Notes Issue (i) for financing the investment in the subsidiaries, joint ventures and/or certain entities to purchase rolling stock and other transportation-related vehicles and invest in railway-related infrastructure; (ii) for financing investments in upstream resources through new acquisitions and/or joint venture projects and otherwise to secure upstream resources; and (iii) for working capital and other general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of proceeds.

Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes.

The Notes are expected to be issued on or about 8 April 2011.

Reference is made to the announcement of the Company dated 24 March 2011 in respect of the Notes Issue.

The Board is pleased to announce that on 1 April 2011, the Company, together with the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with Deutsche Bank, Merrill Lynch International, Goldman Sachs, ICBC International Capital and ICBC International Securities in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 1 April 2011

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) the Subsidiary Guarantor Pledgors;
- (d) Deutsche Bank;
- (e) Merrill Lynch International;
- (f) Goldman Sachs;
- (g) ICBC International Capital; and
- (h) ICBC International Securities

Deutsche Bank, Merrill Lynch International, Goldman Sachs and ICBC International Capital are the joint bookrunners and Deutsche Bank, Merrill Lynch International, Goldman Sachs and ICBC International Securities are the joint lead managers in respect of the offer and sale of the Notes. The joint lead managers are also the Initial Purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Deutsche Bank, Merrill Lynch International, Goldman Sachs, ICBC International Capital and ICBC International Securities is an independent third party and not a connected person of the Company and its connected persons.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States. The Notes will be offered and sold outside of the United States in reliance on Regulation S. None of the Notes will be offered to the public in Hong Kong.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes and the Subsidiary Guarantees.

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$500 million. The Notes will mature on 8 April 2016, unless redeemed earlier in accordance with the terms thereof.

Offering Price

The offering price of the Notes will be 100% of the principal amount of the Notes.

Interest

The Notes will bear interest at a rate of 8.50% per annum, payable semi-annually in arrears on 8 April and 8 October of each year, commencing on 8 October 2011.

Maturity Date

8 April 2016

Ranking of the Notes

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations under applicable law and the terms of the Indenture; (4) at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (5) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries; and (6) effectively subordinated to all existing and future secured obligations of the Company to the extent of the collateral securing such obligations (other than the collateral pledged to serve the Notes and the Subsidiary Guarantees).

Events of default

The events of default under the Notes include, among others:

- (a) default in the payment of principal (or premium, if any) when the same becomes due and payable;
- (b) default in the payment of interest or additional amounts when the same becomes due and payable which continues for 30 days;

- (c) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase, or the failure to create, or cause Restricted Subsidiaries to create lien on the collateral (subject to any permitted liens) under the Indenture;
- (d) default by the Company or Restricted Subsidiaries in the performance of or breach of any other covenant or agreement in the Indenture or under the Notes other than default specified in (a), (b) or (c) above and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee and or the Holders of 25% or more in aggregate principle amount of the Notes;
- (e) default by the Company or Restricted Subsidiary in the repayment of indebtedness having, in the aggregate, an outstanding principal amount in excess of US\$10 million;
- (f) one or more final judgments or orders for the payment of money are rendered against the Company or Restricted Subsidiary and are not paid or discharged following the entry of which there is a period of 60 consecutive days that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$10 million during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (g) involuntary bankruptcy or insolvency proceedings against the Company or any Restricted Subsidiary which remains undismitted and unstayed for 60 consecutive days or an order for relief is entered against the Company or such Restricted Subsidiary under applicable laws;
- (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or any Restricted Subsidiary or consent to such similar action or effect any general assignment for the benefit of creditors;
- (i) any Subsidiary Guarantor denying or disaffirming its obligations under its guarantees with respect to the obligations of the Notes or, except as permitted by the Indenture, any such guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect;
- (j) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security provided under the relevant security documents or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the collateral pledged to serve the Notes and the Subsidiary Guarantees or which adversely affects the condition or value of such collateral; or
- (k) the Company or any Subsidiary Guarantor Pledgor denying or disaffirming its obligations under the relevant security documents, other than in accordance with the Indenture and the relevant security documents provided under the Notes, any such relevant security document ceasing to be or is not in full force and effect, or the Trustee ceasing to have a first-priority lien in the collateral.

If an event of default occurs and is continuing, other than an event of default specified in (g) and (h) above, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, may, by written notice, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. If an event of default specified in (g) or (h) above occurs, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

Covenants

The Notes, the Indenture and the guarantees provided by the Subsidiary Guarantors will limit the Company's ability to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of Restricted Subsidiaries;
- (e) guarantee indebtedness of Restricted Subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Optional Redemption of the Notes

The Notes may be redeemed in the following circumstances:

- (1) On or after 8 April, 2014, the Company may on any one or more occasions redeem all or any part of the Notes, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on 8 April of the years indicated below, subject to the rights of Holders to receive interest on the relevant interest payment date:

Year	Redemption Price
2014	104.250%
2015 and thereafter	102.125%

- (2) At any time prior to 8 April, 2014, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of Notes redeemed plus an applicable premium (as set forth in the Indenture) as of, and accrued and unpaid interest, if any, to the redemption date.
- (3) At any time and from time to time prior to 8 April, 2014, the Company may at its option redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 108.50% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, subject to certain conditions.

Use of Proceeds

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discount and commissions and other estimated expenses, will amount to approximately US\$488 million. The Company intends to use the proceeds of the Notes Issue for the following purposes:

- (i) to finance the investment in the subsidiaries, joint ventures and/or entities which may not be Restricted Subsidiaries to purchase rolling stock and other transportation-related vehicles and invest in railway-related infrastructure for the purpose of increasing our transportation capacity;
- (ii) to finance investments in upstream resources through new acquisitions and/or joint venture projects (which in each case may involve investments in entities which are not Restricted Subsidiaries) and otherwise to secure upstream resources; and
- (iii) working capital and other general corporate purposes.

The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of proceeds.

Listing and rating

Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. No listing of the Notes has been sought in Hong Kong.

The Notes have received a rating of BB- by Standard & Poor's Rating Services, B1 by Moody's Investors Services and BB by Fitch Inc.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	board of Directors
“Company”	Winsway Coking Coal Holdings Limited, a company incorporated in the British Virgin Islands whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C.
“Group”	the Company and its subsidiaries
“Holders”	persons in whose name a Note is registered in the Note register
“Hong Kong”	Hong Kong Special Administration Region of the PRC
“ICBC International Capital”	ICBC International Capital Limited
“ICBC International Securities”	ICBC International Securities Limited
“Indenture”	the written agreement between the Company, the Subsidiary Guarantors and Trustee that specifies the terms and conditions of the Notes
“Initial Purchasers”	Deutsche Bank AG, Singapore Branch, Merrill Lynch International, Goldman Sachs (Asia) L.L.C. and ICBC International Securities Limited

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administration Region of the PRC
“Non-Guarantor Subsidiaries”	the Restricted Subsidiaries organized under the laws of the PRC
“Notes”	the 8.50% senior notes due 2016 in the aggregate principal amount of US\$500 million to be issued by the Company
“Notes Issue”	the proposed issue of the Notes by the Company
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchase Agreement”	the agreement dated 1 April 2011 entered into between, among others, the Company, Deutsche Bank, Merrill Lynch International, Goldman Sachs, ICBC International Capital and ICBC International Securities in relation to the Notes Issue pursuant to which the joint lead managers will purchase and pay for or procure purchasers to buy and pay for the Notes.
“Regulation S”	Regulation S under the Securities Act
“Restricted Subsidiary”	any subsidiary of the Company other than an Unrestricted Subsidiary.
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantee”	the guarantee on a senior basis by each Subsidiary Guarantor of the due and punctual payment of all amounts payable under the Notes, including principal, premium, if any, and interest on the Notes
“Subsidiary Guarantors”	the subsidiaries of the Company which have provided a guarantee for the payment of the Notes but which do not include (i) Winsway Coking Coal Macao, (ii) any subsidiaries established under the laws of the PRC, and (iii) any subsidiaries of the Company designated an Unrestricted Subsidiary by the Board and any subsidiary of an Unrestricted Subsidiary

“Subsidiary Guarantor Pledgors”	certain subsidiaries of the Company that on the issue date of the Notes will provide pledges over their stock in the Subsidiaries Guarantors held by them to secure the obligations of the Company under the Indenture and the Notes and of such Subsidiary Guarantor Pledgor under its guarantee provided to secure the Company’s obligations under the Notes
“Trustee”	Deutsche Bank Trust Company Americas
“United States”	the United States of America
“Unrestricted Subsidiary”	any subsidiary of the Company that at the time of determination shall be designated an unrestricted subsidiary by the Board and any subsidiary of an Unrestricted Subsidiary
“US\$”	US dollar(s), the lawful currency of the United States
“Winsway Coking Coal Macao”	Winsway Coking Coal (Macao Commercial Office) Limited, a company incorporated under the laws of Macau with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 3 April 2011

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.