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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Company's shareholders and potential investors that after a preliminary review on the Group's unaudited consolidated management accounts for the Period, the Group's unaudited consolidated results are expected to record a loss for the Period as compared to a profit recorded in the corresponding period in 2011.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Winsway Coking Coal Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors of the Company (the "**Board**") wishes to inform shareholders and potential investors of the Company that after a preliminary review on the Group's unaudited consolidated management accounts for the six months ended 30 June 2012 (the "**Period**"), the Group's unaudited consolidated results are expected to record a loss for the Period as compared to a profit recorded in the corresponding period in 2011. The Board has considered the market conditions and other factors that impacted the Group's results comparing to the corresponding period in last year, and believes that it is primarily attributable to:

1. a decrease in the price of and a fall in demand for coking coal in the Company's principal market, the People's Republic of China, in the first half of 2012 as a result of a decline in demand from steel mills and coke plants under sluggish economic conditions;
2. an increase in the Group's finance costs due to the issue of Senior Notes in April 2011;

3. an increase in the Group's finance costs and transaction expenses due to the acquisition of Grand Cache Coal Corporation in March 2012; and
4. the Group having adopted a strategy of lowering inventory to improve the Group's cash balance to prepare for difficult market conditions.

Whilst the above factors have impacted the financial results for the Period, the Board continues to believe that the Company is currently well funded with a strong cash position and remains well positioned to fulfil its core strategic growth and operational targets.

The Company is still in the process of finalizing the interim results of the Group for the Period. The information contained in this announcement is based on a preliminary assessment by the Board solely on the basis of the unaudited management accounts of the Group and the current information available, which have not been confirmed nor audited by the Company's auditor or audit committee of the Company. The reviewed results of the Group for the Period will be announced as soon as practicable and the related 2012 interim report with full disclosure will be published thereafter.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 17 July 2012

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. Delbert Lee Lobb, Jr., Mr. Liu Qingchun and Mr. Lu Chuan and the independent non-executive directors of the Company are Mr. James Downing, Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. George Jay Hambro.