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**WINSWAY<sup>®</sup>**

**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)**

**COMMENCEMENT OF TENDER OFFER AND  
CONSENT SOLICITATION FOR  
THE OUTSTANDING 8.50% SENIOR NOTES DUE 2016**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

On 20 August 2013, the Company commenced the Tender Offer to purchase for cash any and all of its outstanding Notes and the Consent Solicitation. For a detailed statement of the terms and conditions of the Tender Offer and Consent Solicitation, Holders should refer to the Offer to Purchase.

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

This announcement is made by Winsway Coking Coal Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

# 1. TENDER OFFER AND CONSENT SOLICITATION

The Company issued 8.50% senior notes due 2016 with an aggregate principal amount of US\$500,000,000 on April 8, 2011 (the “**Notes**”). The Notes are listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The ISIN number and Common Code for the Restricted Global Note and Regulation S Global Note are US975731AA80/975731AA8 and USG97214AA16/G97214AA1, respectively. As of the date hereof, the outstanding aggregate principal amount under the Notes is US\$460.5 million excluding US\$39.5 million aggregate principal amount of the Notes held by the Company and its Affiliates.

On 20 August 2013, the Company commenced a tender offer (the “**Tender Offer**”) to purchase for cash its outstanding Notes, details of which are set out in the Offer to Purchase (as defined below).

In conjunction with the Tender Offer, the Company is also soliciting consents (the “**Consents**”) from holders of the Notes (each a “**Holder**” and collectively, the “**Holder**s”) to certain proposed amendments (“**Proposed Amendments**”) to the indenture, dated as of 8 April 2011 (as supplemented, the “**Indenture**”), among the Company, the Subsidiary Guarantors (as defined in the Indenture) and Deutsche Bank Trust Company Americas, as trustee (the “**Trustee**”) (the “**Consent Solicitation**”, together with the Tender Offer, the “**Offer**”). If the Proposed Amendments become operative, the Proposed Amendments would eliminate substantially all of the restrictive covenants and certain events of default contained in the Indenture.

The Tender Offer and Consent Solicitation are being made pursuant to an Offer to Purchase and Consent Solicitation Statement dated 20 August 2013 (the “**Offer to Purchase**”).

The Consent Solicitation will expire at 5:00 p.m., New York City Time, on September 5, 2013, unless extended or early terminated (the “**Early Tender Deadline**”). The Tender Offer will expire at 11:59 p.m., New York City Time, on September 19, 2013, unless extended or earlier terminated (the “**Expiration Time**”). It is expected that the settlement will be on or about Tuesday, September 24, 2013, assuming that the Expiration Time is not extended and that the Notes validly tendered by the Expiration Time are accepted for purchase (the “**Settlement Date**”).

The tender of Notes and the delivery of Consents to the Proposed Amendments are interconnected and inseparable. Any Holder who wants to tender Notes pursuant to the Tender Offer, whether pursuant to the Alternative A or Alternative B (as defined below), and receive the Consent Payment must also deliver a Consent to the Proposed Amendment. Holders who validly tender their Notes pursuant to the Tender Offer will be deemed to have delivered their Consents by such tender but will receive the Consent Payment only if such tender is made on or prior to the Early Tender Deadline.

The Company provides the Holders with two alternatives under the Tender Offer, namely Alternative A and Alternative B.

- **Alternative A**

Holders who intend to tender the entire amount of the Alternative A Participating Notes (As defined in the Offer to Purchase) should select Alternative A. The consideration offered under the Alternative A for each US\$1,000 principal amount of the Alternative A Participating Notes validly tendered and not validly withdrawn on or prior to the Early Tender Deadline pursuant to the Offer shall be US\$450 (the “**Alternative A Total Consideration**”), consisting of (i) consideration of US\$425 per US\$1,000 principal amount of the Alternative A Participating Notes (the “**Alternative A Tender Offer Consideration**”) and (ii) a consent payment of US\$25 per US\$1,000 principal amount of the Alternative A Participating Notes (the “**Alternative A Consent Payment**”). The consideration offered under the Alternative A for each US\$1,000 principal amount of the Alternative A Participating Notes validly tendered after the Early Tender Deadline, but on or prior to the Expiration Time, shall be the price equal to the Alternative A Tender Offer Consideration.

Holders who validly tender their Notes pursuant to the Alternative A, whether before or after the Early Tender Deadline, will also receive Alternative A Accrued Interest (as defined in the Offer to Purchase) on the Notes tendered.

- **Alternative B**

Holders who intend to retain 25% of the amount of the Alternative B Participating Notes (as defined below) should select Alternative B. In order to select Alternative B, a Holder will have to:

- (i) give a participating instruction (“**Alternative B Participating Instruction**”) to the Tender Agent with respect to the principal amount of Notes held by such Holder with which such Holder wishes to participate in the Tender Offer and select Alternative B (such amount of Notes with respect to each relevant tendering Holder, “**Alternative B Participating Notes**”);
- (ii) agree to have the entire amount of the Alternative B Participating Notes to be blocked from the time of such Alternative B Participating Instruction until the earlier of (i) the Settlement Date and (ii) any termination of the Offer;
- (iii) agree to tender 75% of the entire amount of the Alternative B Participating Notes for the Company to purchase for cash (such 75% of Notes with respect to each relevant tendering Holder, “**Alternative B Tendering Notes**”) and retain the ownership of the 25% of the Alternative B Participating Notes (such 25% of Notes with respect to each relevant tendering Holder, “**Alternative B Retained Notes**”); and
- (iv) agree to give Consent in relation to the entire amount of the Alternative B Participating Notes.

The consideration offered under the Alternative B for each US\$1,000 principal amount of the Alternative B Participating Notes, in relation to which the Alternative B Participating Instruction is given on or prior to the Early Tender Deadline and not validly withdrawn pursuant to the Alternative B, shall be US\$350 (the “**Alternative B Total Consideration**”), consisting of (i) consideration of US\$325 per US\$1,000 principal amount of the Alternative B Participating Notes (the “**Alternative B Tender Offer Consideration**”) and (ii) a consent payment of US\$25 per US\$1,000 principal amount of the Alternative B Participating Notes (the “**Alternative B Consent Payment**”). The Alternative B Consent Payment represents the consent payment with respect to the entire amount of the Alternative B Participating Notes that are validly tendered and not validly withdrawn pursuant to Alternative B on or prior to the Early Tender Deadline.

The consideration offered under the Alternative B for each US\$1,000 principal amount of the Alternative B Participating Notes, in relation to which the Alternative B Participating Instruction is given after the Early Tender Deadline, but prior to the Expiration Time, shall be the price equal to the Alternative B Tender Offer Consideration.

Holders who validly tender their Notes pursuant to the Alternative B in the Offer, whether before or after the Early Tender deadline, will also receive Alternative B Accrued Interest (as defined in the Offer to Purchase) on the Alternative B Tendering Notes (but not on the Alternative B Retained Notes) and will retain the ownership of the Alternative B Retained Notes.

Alternative A Consent Payment and Alternative B Consent Payment together are referred to as “**Consent Payment**” herein. Alternative A Accrued Interest and Alternative B Accrued Interest together are referred to as “**Accrued Interest**” herein.

The Company’s obligation to accept for purchase, and to pay for, Notes validly tendered pursuant to the Offer is subject to the satisfaction of a number of conditions, including, among other things, (a) the execution by the Company, the Subsidiary Guarantors and the Trustee of a supplemental indenture implementing the Proposed Amendments following receipt of Consents with respect to not less than a majority in aggregate principal amount of the outstanding Notes as is required under the Indenture to supplement or amend the Indenture (the “**Requisite Consent Condition**”) and (b) the satisfaction or waiver of the commercial condition that there being validly tendered under the Offer and not validly withdrawn on or prior to the Expiration Time such amount of Notes constituting at least 75% of the aggregate principal amount of the outstanding Notes (the “**Commercial Condition**”). The Company cannot waive the Requisite Consent Condition, but the Company may waive the Commercial Condition. For the purpose of calculating the number of Notes validly tendered under the Tender Offer in relation to the Requisite Consent Condition and the Commercial Condition, (a) any Notes owned by the Company or any of its Affiliates (as defined in the Indenture) will be excluded, and (b) the entire amount of the Alternative A Participating Notes and the Alternative B Participating Notes will be included when calculating the Notes tendered and participated.

Subject to the satisfaction or waiver of the conditions of the Offer, Holders who validly tender and do not validly withdraw their Notes, and validly deliver and do not validly revoke their Consents, in each case to the Tender Agent (as defined below) on or prior to the Early Tender Deadline will receive the Total Consideration plus Accrued Interest. Holders who validly tender their Notes after the Early Tender Deadline and on or prior to the Expiration Time will receive the Tender Offer Consideration plus Accrued Interest, but will not be entitled to receive the Consent Payment. The payment of the total Consideration or Tender Offer Consideration, as applicable, plus Accrued Interest for the Notes validly tendered, if such Notes are accepted for purchase by the Company, will be made on the Settlement Date.

The Company expressly reserves the right, in its sole discretion, subject to applicable law and the terms of the Offer, at any time or from time to time, to (1) waive any condition of the Tender Offer or the Consent Solicitation (other than the Requisite Consent Condition) and accept all Notes previously tendered and all Consents previously delivered pursuant to the Offer; (2) extend the Offer, among other things, the Early Tender Deadline or the Expiration Time, and retain all Notes tendered and all Consents delivered pursuant to the Offer; (3) prior to the satisfaction or waiver of the conditions to the Offer, amend the terms of the Tender Offer or Consent Solicitation in any respect; and (4) terminate the Tender Offer and not accept for purchase any Notes, upon failure of any of the conditions to the Offer or otherwise.

For a detailed statement of the terms and conditions of the Tender Offer and Consent Solicitation, Holders should refer to the Offer to Purchase. The Offer to Purchase will be distributed to Holders by Lucid Issuer Services Limited, the Tender and Information Agent (the “**Tender Agent**”) engaged by the Company for the Tender Offer and Consent Solicitation. The Company has also engaged Deutsche Bank AG, Singapore Branch to act as the sole dealer manager (the “**Dealer Manager**”) for the Tender Offer and Consent Solicitation. Questions regarding the Tender Offer and Consent Solicitation from the Holders should be directed to the Tender Agent or the Dealer Manager at:

**Lucid Issuer Services Limited**

Address: Leroy House, 436 Essex Road, London N1 3QP, England  
Telephone: +44 20 7704 0880  
Attention: David Shilson  
E-mail: winsway@lucid-is.com

**Deutsche Bank AG, Singapore Branch**

Address: One Raffles Quay, #17-00 South Tower, Singapore 048583  
Telephone (London): +44 20 7545 8011  
Telephone (Singapore): +65 6423 5342  
Attention: Liability Management Group  
Email: liability.management@db.com

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## **2. PURPOSE OF THE OFFER**

The purpose of the Offer is to reduce the Company's overall indebtedness and future interest expense, to improve its financial position by acquiring the Notes and give the Company the flexibility to make necessary investments and structural change to improve its business. The Company believes that the Offer provides an opportunity for Holders to gain liquidity with respect to the Notes (by tendering their Notes for purchase by the Company) that might not otherwise be available to such Holders. For this purpose, the Company seeks to eliminate substantially all of the restrictive covenants and certain events of default contained in the Indenture.

Assuming the Offer is successful, the Company would have significantly reduced its financial obligation and interest expenses under the Notes, and gained additional flexibility to carry out its business strategies and to make necessary investments and structural changes to improve its business prospects. In addition, the Company sees potential value in and is considering the possibility of making investments in upstream coal producers, including Grande Cache Coal, a Canadian coal company or others, to secure coal supply. The Company's ability to make any such investment in its current financial condition is dependent upon the consummation of the Offer.

The Company plans to use its internal funds to pay for the Notes validly tendered and accepted in the Tender Offer.

## **3. RESULTS UPDATE**

Holders of the Notes should read the interim results announcement for the six months ended 30 June 2013 of the Company, published on 20 August 2013 and are available on the website of the Company ([www.winsway.com](http://www.winsway.com)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) for detailed information of the Company's current business.

#### **4. FORWARD-LOOKING STATEMENTS**

Forward-looking statements in this announcement, including those statements relating to the Offer, such as the scheduled expiration deadline and the repurchase of Notes, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes; changes in the business and financial condition of the Company and its subsidiaries; changes in the debt markets in general; and the occurrence of events specified in the Offer to Purchase that would trigger a condition permitting termination or amendment of the Offer.

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

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

Hong Kong, 20 August 2013

*As at the date of this announcement, the executive Directors of the Company are Mr. Wang Xingchun, Ms. Zhu Hongchan, Mr. Yasuhisa Yamamoto, Ms. Ma Li and Mr. Cui Yong, the non-executive Directors of the Company are Mr. Daniel J. Miller, 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.*