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WINSWAY[®]

WINSWAY ENTERPRISES HOLDINGS LIMITED

永暉實業控股股份有限公司

(formerly known as “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)

**MEMORANDUM OF UNDERSTANDING
IN RESPECT OF POTENTIAL DISPOSAL
AND
AMENDMENT OF FACILITIES AGREEMENT**

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

MEMORANDUM OF UNDERSTANDING

The Board announces that on 30 September 2014 (after trading hours), the Company and Up Energy entered into a non-legally binding MOU pursuant to which the Company and Up Energy have agreed to negotiate in good faith to enter into the Definitive SPA in relation to the Potential Transaction. No payment is required to be made upon the signing of the MOU. If the Potential Transaction materialises, it may constitute a notifiable transaction for the Company under the Listing Rules.

The Company wishes to emphasise that the Potential Transaction is subject to, among other things, the signing of the Definitive SPA, the terms and conditions of which are yet to be agreed. Shareholders and potential investors of the Company should note that the Potential Transaction may or may not materialise and the final structure and terms of the Potential Transaction, which are still subject to further negotiations between the Parties, have yet to be finalized and may deviate from those set out in the MOU. The Company shall comply with the relevant disclosure and/or its shareholders' approval requirements under the Listing Rules where appropriate. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.

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

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, on 30 September 2014 (after trading hours), the Company and Up Energy Development Group Limited (“**Up Energy**”), a company listed on The Stock Exchange of Hong Kong Limited, entered into the non-legally binding memorandum of understanding (the “**MOU**”) pursuant to which the Company, through 0925165 B.C. Ltd (the “**Seller**”), an indirect wholly owned subsidiary of the Company, intends to sell and Up Energy, through a wholly-owned subsidiary of Up Energy (the “**Buyer**”), intends to purchase 42.74% of the Seller’s interest in the total issued share capital (the “**Sale Shares**”) of Grande Cache Coal Corporation (“**GCC**”) and a 42.74% partnership interest (the “**Sale Partnership Interest**”, together with the Sale Shares, the “**Sale Interests**”) in Grande Cache Coal LP (“**GCC LP**”, together with GCC, the “**Targets**” and each a “**Target**”) (the “**Potential Transaction**”), subject to agreeing and finalising the terms of the Definitive SPA. No payment is required to be made upon the signing of the MOU.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Up Energy, the Buyer and its ultimate beneficial owner, and his family and beneficiaries, are independent third parties of the Company and its connected persons (as defined in the Listing Rules). None of the Directors or controlling shareholders of the Company has any interest, directly or indirectly, in the Potential Transaction. In the event that the Potential Transaction proceeds, the Company will comply with the relevant disclosure requirements of the Listing Rules as and when appropriate.

The non-legally binding MOU includes, among other things, the following major terms:

Date: 30 September 2014

Parties: (1) the Company; and

(2) Up Energy

(the “**Parties**”, and each a “**Party**”)

Sale Interest to be sold and purchased

The Buyer would purchase and the Seller would sell the Sale Interests for the proposed consideration of US\$1.00 (1 US dollar). Transfer of the Sale Interest is subject to the negotiation and finalisation of a definitive sale and purchase agreement (the “**Definitive SPA**”) which the Parties have agreed to negotiate in good faith based upon the terms of the MOU. The percentage interest in GCC and GCC LP comprising the Sale Interests was determined after arm’s-length negotiations with the Buyer and represents the percentage after deducting the Seller’s proposed retained interest (referred to below) from its existing 60% interests in GCC and GCC LP.

Interest to be retained

The Seller would retain a 17.26% and 17.254% interests in GCC and GCC LP assuming the entering into and completion of the Definitive SPA. The relevant percentage will be determined according to an anticipated capital contribution commitment to GCC LP of US\$69 million pursuant to the Amendment Deed, as defined and referred to below and conditional upon the Definitive SPA being duly executed. The Seller shall have the right to apply the entire amount of its outstanding coal prepayment balance with GCC LP of approximately US\$11.90 million against its proportional obligation to make such capital contribution.

Conditions precedent

Completion under the Definitive SPA would be conditional upon the fulfilment (or waiver as provided in the Definitive SPA) of certain conditions precedent, including (but not limited to),

- (a) obtaining requisite board and/or shareholders' approval of each party to the Definitive SPA of the transactions contemplated under the Definitive SPA;
- (b) obtaining all requisite approvals, rulings, comments and authorisations from governmental (including relevant Canadian governmental approvals) and/or other authorities and any relevant third party, as the case may be, in respect of the transactions contemplated under the Definitive SPA; and
- (c) execution of the Buy-back Right Agreement and the Marketing Agency Agreement.

Buy-back Right

Under the Potential Transaction, the Parties propose to enter into an agreement (the “**Buy-back Right Agreement**”) whereby the Buyer will grant the Company a buy-back right (the “**Buy-back Right**”) to acquire a 16.86% interest in GCC and GCC LP which shall only be exercised:

- (a) at any time during the 3-year period immediately following the completion of the Potential Transaction, extendable up to a maximum of 5 years after the completion of the Potential Transaction (the “**Buy-back Period**”);
- (b) in any event, Up Energy or the Buyer shall ultimately hold not less than 50.1% of GCC and GCC LP on a fully diluted basis, assuming no sale by Up Energy or the Buyer of any shares of GCC or partnership interest in GCC LP during the Buy-back Period;
- (c) the price for the exercise of the Buy-back Right would be based upon amounts injected by the Buyer into GCC LP multiplied by the relevant percentage subject to the exercise of the Buy-back Right plus a compound interest rate ranging from 10% to 24% depending on the date of exercise of the Buy-back Right.

Winsway's Marketing Agency Agreement

In tandem with the Definitive SPA, the Parties propose entering into a marketing agency agreement pursuant to which the Company would be appointed as GCC's exclusive marketing agent for the People's Republic of China in relation to the products of GCC for a term of 10 years from the date of completion of the Potential Transaction subject to extension by agreement.

INFORMATION ON THE TARGETS

GCC is engaged in the production and sales of premium hard coking coal, which was categorised as a discontinued operation in the consolidated statement of profit or loss and the assets and liabilities of which were classified as a disposal group held for sale in the interim financial statements for the period ended 30 June 2014. It was acquired by the Company, together with Marubeni Corporation, in March 2012. Following the completion of acquisition of GCC and re-structuring of its assets and liabilities immediately after the acquisition, GCC became an indirect subsidiary of the Company owned as to 60% by the Company and 40% by Marubeni Corporation.

MARUBENI CORPORATION'S INTEREST

The Company understands that Marubeni Corporation is also negotiating with the Buyer and UP Energy to enter into a memorandum of understanding about a potential sale of Marubeni Corporation's 40% interest in GCC and GCC LP and any definitive sale and purchase agreement pursuant to the same is expected to proceed on a similar timetable to that being pursued by the Parties to this MOU.

REASONS FOR THE POTENTIAL TRANSACTION

The Company has after careful consideration decided to reduce its dependence on coal and to diversify into services for other bulk commodities. Although these efforts have not yet resulted in significant earnings, the Company is confident that the proposed new business model will enable it to better utilize its logistics resources and contribute to its earnings in the near future. The Directors consider that the Potential Transaction, if it materialises, could enable the Company to focus its internal resources on developing its new business model which is expected to benefit the Company.

GENERAL

The MOU is not legally binding on the Parties and does not constitute the Parties' legally binding commitments to enter in to the Definitive SPA or proceed with the Potential Transaction. If the Potential Transaction materialises, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company once the Definitive SPA is entered into.

AMENDMENT OF FACILITIES AGREEMENT

Following the signing of the MOU, the signing of a corresponding memorandum of understanding between UP Energy and Marubeni and satisfaction of certain conditions precedent which are expected to be satisfied on or about the date of this announcement, an amendment deed (“**Amendment Deed**”) entered between GCC, GCC LP, Marubeni Coal Canada Ltd (“**Marubeni Canada**”), the Seller, China Minsheng Banking Corp., Ltd. Shanghai Branch, China Minsheng Banking Corp., Ltd. Hong Kong Branch and other lenders (together “**Facilities Parties**”) will become effective. The Amendment Deed is an amendment to the US\$430,000,000 senior facilities agreement dated 1 March 2012 (as subsequently amended and restated) between the Facilities Parties (“**Facilities Agreement**”) and amongst other things extends the dates for repayment of the facilities under the Facilities Agreement. Under the Amendment Deed, the Seller and Marubeni Canada are obliged to enter into respective sale and purchase agreements with a new investor (in relation to whole or part (in the case of Seller) of their interests in GCC and GCC LP and such new investor and Seller shall make a capital contribution of US\$69 million into GCC LP according to their respective proportional interests in GCC LP. Subject to the completion of the Definitive SPA, such new investor would be UP Energy.

The Company wishes to emphasise that the Potential Transaction is subject to, among other things, the signing of the Definitive SPA, the terms and conditions of which are yet to be definitively agreed. Shareholders and potential investors of the Company should note that the Potential Transaction may or may not materialise and the final structure and terms of the Potential Transaction, which are still subject to further negotiations between the Parties, have yet to be finalized and may deviate from those set out in the MOU. The Company shall comply with the relevant disclosure and/or its shareholders’ approval requirements under the Listing Rules where appropriate. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.

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

Hong Kong, 30 September 2014

As at the date of this announcement, the executive directors of the Company are Mr. Wang Xingchun, Ms. Zhu Hongchan, Ms. Ma Li, Mr. Wang Changqing and Mr. Andreas Werner, 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.