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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)

SATISFACTION OF CERTAIN CONDITIONS BY THE DECEMBER LONGSTOP DATE OF THE SALE AND PURCHASE AGREEMENT

FURTHER DELAY IN DESPATCH OF CIRCULAR RELATING TO THE MAJOR TRANSACTION — DISPOSAL OF 42.74% INTEREST IN GRANDE CACHE COAL CORPORATION AND GRANDE CACHE COAL LP

Reference is made to the announcements of the Company dated 19 November 2014, 2 December 2014 and 8 December 2014 in relation to, among other things, the major transaction in connection with the disposal of 42.74% interest in Grande Cache Coal Corporation and Grande Cache Coal LP and the extension of the December Longstop Date (the “**Announcements**”). Capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcements unless the context requires otherwise.

SATISFACTION OF CERTAIN CONDITIONS BY THE DECEMBER LONGSTOP DATE

Conditions (m) to (r) of the Sale and Purchase Agreement as set out under the paragraph headed Conditions Precedent on the Announcement dated 19 November 2014 have been satisfied by the December Longstop Date. A summary of the principal term of the Interim Support Agreement, New Partnership Agreement, New Shareholders’ Agreement and Marketing Agency Agreement are set out below.

Interim Support Agreement

On 17 December, 2014, the Purchaser, Marubeni Seller, GCC and the Seller entered into the Interim Support Agreement, as supplemented by a letter agreement among the same parties date 24 December, 2014, which sets out the business strategy for the development, construction, commission operation and maintenance of the GCC coal mining and processing operations until Completion. The Interim Support Agreement constitutes the “Management Services Agreement” as referred to in the Sale and Purchase Agreement and the execution of the Interim Support Agreement, which seek to minimise the negative cash flow of GCC up to Completion, was a condition for the continuing funding of GCC by the Purchaser and the Purchaser Guarantor up to Completion. Such funding will be provided by the amended and restated agreement in respect of the Bridge Loan dated 17 December, 2014 entered into by the Purchaser Guarantor, the Purchaser, GCC, GCC LP, Marubeni Seller and the Seller, as supplemented by a letter agreement between the same parties on 24 December, 2014.

New Partnership Agreement

On 31 December 2014, GCC, the Seller and the Purchaser Guarantor agreed on the terms of the New Partnership Agreement in relation to GCC LP setting out their respective rights and obligations for the purpose of carrying on, among other things, the business and activities of owning and operating a coal mining and development business, including related marketing and sales activities, and any business which is ancillary, incidental or directly or indirectly related thereto.

The New Partnership Agreement shall replace the original limited partnership agreement upon Completion. The parties to the original limited partnership agreement will enter into a letter agreement to confirm that Marubeni Seller should no longer be a party to the original limited partnership agreement, and the current partners, being the Purchaser and the Seller, will confirm that GCC LP established pursuant to the original limited partnership agreement as amended and restated and to further amend and restate the original limited partnership agreement on the terms and conditions set out in the agreed form of the New Partnership Agreement.

New Shareholders’ Agreement

On 31 December 2014, the Company, the Seller and the Purchaser, among others, have agreed the terms of the New Shareholders’ Agreement setting out their respective rights and obligations in relation to GCC, which as the general partner of GCC LP, is responsible for the operations of GCC LP. The New Shareholders’ Agreement shall replace the Shareholder Agreement and will regulate the affairs of GCC upon and subject to the Completion, including certain key matters relating to GCC. The principal terms of the New Shareholders’ Agreement are set out below:

Commencement

The New Shareholders’ Agreement shall take effect on or before the Completion.

Composition of the board of GCC

GCC shall have a board of directors consisting of seven (7) directors, unless otherwise agreed by the shareholders of GCC and changed in accordance with the Act. The chairman of the board of directors shall be elected by a simple majority of the board of directors.

Management Committee

The shareholders of GCC shall act collectively through the management committee (the “**Management Committee**”). Decisions or actions taken by the Management Committee in accordance with the provisions of the New Shareholders’ Agreement shall constitute decisions or actions by GCC and its shareholders and shall be binding on each shareholder, director, officer and employee of GCC. The Management Committee will be comprised of a number of representatives appointed by the shareholders of GCC (the “**Representative**”) that is equal to the number of directors from time to time permitted under the articles of association of GCC. The Company shall, in the aggregate, be entitled to appoint:

- (a) for so long as the Group holds not less than 15% of the outstanding common shares of GCC, one (1) Representative; and
- (b) for so long as the Group holds not less than 30% of the outstanding common shares of GCC, two (2) Representatives.

Quorum for meetings of the Management Committee

The necessary quorum for a meeting of the Management Committee shall consist of two (2) Representatives of the Purchaser Group and one (1) Representative from the Company, provided that, in the event the Purchaser Group holds less than 50.1% of the outstanding common shares, the quorum shall be one (1) Representative for each of the shareholders of GCC.

Quorum for meetings of the shareholders of GCC

The necessary quorum for a meeting of the shareholders of GCC shall be established in the same manner as set out above for Management Committee meetings.

Restriction on transfer

No shareholder of GCC may transfer its shareholding interest in whole or in part unless permitted under the New Shareholders’ Agreement, and no shareholder may transfer less than its entire shareholding interest. If a shareholder of GCC wishes to transfer its shareholding interest, it shall first give the other shareholders a right of first refusal to purchase such shares. Subject to the terms and conditions of the New Shareholders’ Agreement, a shareholder may only transfer all of its shareholding interest to a wholly-owned affiliate.

Termination of the New Shareholders’ Agreement

The New Shareholders’ Agreement shall continue in full force and effect until (i) it is terminated by unanimous shareholder approval; (ii) the business of the GCC LP is sold or completely decommissioned; or (iii) the winding up or dissolution of GCC.

Marketing Agency Agreement

On 31 December 2014, the Company, the Purchaser Guarantor and GCC also agreed on the terms of the marketing agency agreement to be entered into on or before Completion, pursuant to which GCC shall grant certain marketing rights to the Company in relation to the products of GCC for the PRC for a term of 10 years from the Completion Date subject to extension by agreement.

Appointment of agent and marketing rights

GCC shall appoint the Company or any of its subsidiaries as the exclusive marketing agent (the “**Marketing Agent**”) in China (excluding Taiwan) to promote and sell its products to buyers in China (excluding Taiwan), and the Marketing Agent agrees to act in that capacity, subject to the terms of the Marketing Agency Agreement.

Minimum purchases and price

The Company will commit to undertake 40% of GCC’s annual production of coal products, and such commitment shall be confirmed by coal sale agreements to be entered into between the Company and GCC. The parties to the Marketing Agency Agreement shall discuss in good faith and agree before the beginning of each quarter of each calendar year, the delivery of the next quarterly quantity and the applicable coal price for each customer, with the parties acknowledging that the price may differ, depending on the relevant customer.

Fees

GCC shall pay the Company fees for all of the GCC coal products sold through the Company or any of its subsidiaries during the term of the Marketing Agency Agreement based on the different price of GCC coal products fixed in accordance with the terms and conditions set out in the Marketing Agency Agreement.

The relevant fees should be payable by GCC in U.S. Dollars and shall be fully paid to the Company in accordance with banking instructions to be provided by the Company not less than five (5) days prior to the last payment date of the relevant fees in accordance with the Marketing Agency Agreement.

FINANCIAL EFFECT OF THE DISPOSAL TO THE GROUP

As at 30 June 2014, GCC LP has been presented as a discontinued operation in the consolidated statement of profit or loss for the 6 months period ended 30 June 2014 and as at 30 June 2014 the assets and liabilities of GCC LP have been classified as a disposal group held for sale. The revenue and loss over the 6-month period ended 30 June 2014 and total assets of GCC LP as at 30 June 2014 are HK\$536,698,000, HK\$4,307,275,000 and HK\$4,778,338,000, respectively. The comparative consolidated statement of profit or loss for the 6 months ended 30 June 2013 and 2014 has been set out in the Company’s interim results announcement dated 26 August 2014, which was restated to show the discontinued operation separately from continuing operations. Taking into account of the Disposal, the Company expects no material changes to the financial statement of the Group for the year ending 31 December 2014.

FURTHER DELAY IN DESPATCH OF THE CIRCULAR

It was stated in the Announcements that a circular (“**Circular**”) containing, among other things, further details of the Sale and Purchase Agreement, the financial information of the Group, GCC and GCC LP, the notice convening the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders no later than 9 January 2015. As additional time is required for the Company to prepare for the updated financial information and other relevant information to be disclosed in the Circular and arrange for the bulk-printing and despatch of the Circular, the expected date of despatch of the Circular will be postponed to a date not later than 15 March 2015.

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

Hong Kong, 1 January 2015

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.