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WINSWAY ENTERPRISES HOLDINGS LIMITED
永暉實業控股股份有限公司
(Incorporated in the British Virgin Islands with limited liability)
(Stock Code: 1733)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015 AND RESUMPTION OF TRADING

FINANCIAL HIGHLIGHTS

1 Continuing Operations

(1) Revenue of the Group from continuing operations in 2015 was HK$5,735 million, a 24.02% decrease over 2014's revenue of HK$7,548 million.

(2) The loss in 2015 from continuing operations amounted to HK$1,756 million and loss attributable to equity shareholders of the Company from continuing operations amounted to HK$1,615 million.

2 Discontinued Operation

(1) The completion of the disposal of the Group's major subsidiaries, GCC and GCC LP, was completed on 2 September 2015. Following the completion of the disposal, GCC and GCC LP ceased to be the subsidiaries of the Group. The loss in 2015 from the discontinued operation was HK$179 million.

(2) The loss attributable to equity shareholders of the Company from discontinued operation amounted to HK$108 million.

3 The basic and diluted loss per share in 2015 was HK$0.457. The loss per share from continuing operations in 2015 was HK$0.429.

4 No dividend was declared for the year ended 31 December 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2015
(Expressed in Hong Kong dollars)

	Note	**2015**	2014
		$'000	*$'000*
Continuing operations:			
Revenue	*3*	**5,735,319**	7,547,738
Cost of sales		**(5,576,764)**	(7,445,586)
Gross profit		**158,555**	102,152
Other revenue	*5*	**2,991**	81,346
Distribution costs		**(29,141)**	(159,526)
Administrative expenses		**(449,936)**	(434,511)
Other operating income/(expenses), net	*6*	**3,239**	(2,187)
Impairment of non-current assets	*7(c)*	**(1,143,254)**	(429,743)
Loss from operating activities		**(1,457,546)**	(842,469)
Finance income	*7(a)*	**69,535**	108,974
Finance costs	*7(a)*	**(365,034)**	(401,777)
Net finance costs		**(295,499)**	(292,803)
Share of profit of an associate		**779**	1,803
Loss before taxation from continuing operations		**(1,752,266)**	(1,133,469)
Income tax		**(3,534)**	(82,081)
Loss from continuing operations		**(1,755,800)**	(1,215,550)
Discontinued operation:			
Loss from discontinued operation, net of tax	*4*	**(179,587)**	(4,681,208)
Loss for the year		**(1,935,387)**	(5,896,758)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)
for the year ended 31 December 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Attributable to:			
Equity shareholders of the Company:			
Loss for the year from continuing operations		**(1,614,760)**	(1,200,321)
Loss for the year from discontinued operation		**(108,232)**	(2,492,734)
Loss for the year attributable to equity shareholders of the Company		**(1,722,992)**	(3,693,055)
Non-controlling interests:			
Loss for the year from continuing operations		**(141,040)**	(15,229)
Loss for the year from discontinued operation		**(71,355)**	(2,188,474)
Loss for the year attributable to non-controlling interests		**(212,395)**	(2,203,703)
Loss for the year		**(1,935,387)**	(5,896,758)
Loss per share			
— Basic and diluted *(HK$)*	*8*	**(0.457)**	(0.980)
Loss per share — continuing operations			
— Basic and diluted *(HK$)*	*8*	**(0.429)**	(0.319)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2015

(Expressed in Hong Kong dollars)

	2015	2014
	$'000	*$'000*
Loss for the year	**(1,935,387)**	(5,896,758)
Other comprehensive income for the year (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	**(186,611)**	(35,453)
Total comprehensive income for the year	**(2,121,998)**	(5,932,211)
Attributable to:		
Equity shareholders of the Company	**(1,907,420)**	(3,719,224)
Non-controlling interests	**(214,578)**	(2,212,987)
Total comprehensive income for the year	**(2,121,998)**	(5,932,211)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2015
(Expressed in Hong Kong dollars)

	Note	**At 31 December 2015** **$'000**	At 31 December 2014 $'000
Non-current assets			
Property, plant and equipment, net	*10*	**225,333**	908,562
Construction in progress	*11*	**–**	160,590
Lease prepayments		**502,523**	551,103
Intangible assets		**4,816**	4,870
Interest in an associate		**16,320**	17,021
Interest in a joint venture		**–**	–
Other investments in equity securities	*12*	**125,065**	399,015
Other non-current assets	*13*	**–**	150,813
Total non-current assets		**874,057**	2,191,974
Current assets			
Inventories		**184,785**	335,114
Trade and other receivables	*14*	**886,434**	2,060,940
Restricted bank deposits		**499,104**	956,077
Cash and cash equivalents		**259,574**	438,552
Trading securities		**613**	–
Assets held for sale	*4*	**–**	4,304,164
Total current assets		**1,830,510**	8,094,847
Current liabilities			
Secured bank loans		**1,073,197**	1,191,889
Trade and other payables	*16*	**756,502**	2,054,615
Income tax payable		**38,002**	39,580
Senior notes	*15*	**2,388,573**	–
Liabilities held for sale	*4*	**–**	4,097,937
Total current liabilities		**4,256,274**	7,384,021
Net current (liabilities)/assets		**(2,425,764)**	710,826
Total assets less current liabilities		**(1,551,707)**	2,902,800

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
at 31 December 2015
(Expressed in Hong Kong dollars)

	Note	**At 31 December 2015** *$'000*	At 31 December 2014 *$'000*
Non-current liabilities			
Secured bank loans		**27,453**	–
Senior notes	*15*	**–**	2,364,347
Deferred income		**144,008**	155,865
Total non-current liabilities		**171,461**	2,520,212
NET (LIABILITIES)/ASSETS		**(1,723,168)**	382,588
CAPITAL AND RESERVES			
Share capital		**4,992,337**	4,992,337
Reserves		**(6,583,138)**	(4,691,960)
Total equity attributable to equity shareholders of the Company		**(1,590,801)**	300,377
Non-controlling interests		**(132,367)**	82,211
TOTAL EQUITY		**(1,723,168)**	382,588

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 CORPORATE INFORMATION

Winsway Enterprises Holdings Limited (formerly known as "**Winsway Coking Coal Holdings Limited**") (the "**Company**") was incorporated in the British Virgin Islands ("**BVI**") on 17 September 2007 with limited liability under the Business Companies Act of the British Virgin Islands (2004). The Company and its subsidiaries (together referred to as the "**Group**") are principally engaged in the processing and trading of coking coal and other products and rendering of logistics services. In addition, the Group was engaged in development of coal mills and production of coking coal, which has been classified as a discontinued operation since the board of directors committed a plan to dispose of the relevant business on 27 June 2014. The disposal was completed on 2 September 2015 (see note 4).

2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial information for the year ended 31 December 2015 comprise the Company and its subsidiaries and the Group's interest in an associate and a joint venture.

The measurement basis used in the preparation of the financial information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— Financial instruments classified as trading securities.

— Derivative financial instruments.

— Disposal group held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial information in conformity with International Financial Reporting Standard ("**IFRSs**") requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The consolidated financial information is presented in Hong Kong dollars ("**HK$**"), which is different from the functional currency of the Company and its principal subsidiaries. The Company's functional currency is United Stated dollars ("**US$**"). As the Company is a listed company in Hong Kong, the directors of the Company consider that it is appropriate to present the consolidated financial information in HK$.

The Group experienced a challenging trading period over the past few years as a result of the continuing depression of the coking coal market. For the year ended 31 December 2015, the Group sustained a further loss from continuing operations before taxation and impairment losses for non-current assets, of $609,012,000 and incurred a net cash outflow from operating activities of $524,899,000 from continuing operations. As at 31 December 2015, the Group had net current liabilities of $2,425,764,000 and net liabilities of $1,723,168,000.

In addition, the Group did not make the scheduled interest payments of US$13.15 million in relation to the Senior Notes (see note 15) which fell due on each of 8 April 2015 and 8 October 2015, respectively ("**Interest Payment**"). The Group's outstanding Senior Notes amounting to $2,388,573,000 as at 31 December 2015 went into default after the 30-day grace period expired on 8 May 2015 for making the Interest Payment under the terms of the indenture dated 8 April 2011, as amended and supplemented, in relation to the Senior Notes. A committee of the holders of the Senior Notes ("**Bondholders**") ("**Bondholder Group**") was formed for the purposes of facilitating discussions between the Bondholders and the Group about restructuring of the Senior Notes and an independent financial advisor, Houlihan Lokey (China) Limited ("**Houlihan Lokey**"), has been appointed to act as the financial advisor to the Bondholder Group and Akin Gump Strauss Hauer & Feld LLP ("**Akin Gump**") was appointed as legal adviser to the Bondholder Group.

In view of such circumstances, the directors have given careful consideration to future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding Senior Notes and be able to finance its future working capital and financial requirements. Certain measures have been taken to manage its liquidity needs and to improve its financial position which include, but are not limited to, the following:

(1) On 25 November 2015, the Company, certain of its subsidiaries and certain of the Bondholders entered into a restructuring support agreement ("**Restructuring Support Agreement**"), pursuant to which such Bondholders have agreed to support the proposed restructuring of the outstanding Senior Notes ("**Debt Restructuring**") to be implemented through schemes of arrangement under section 179A of the Business Companies Act of the British Virgin Islands (2004) ("**BVI Scheme**") and sections 673 and 674 of the Companies Ordinance (Cap. 622) (as amended) as applicable in Hong Kong ("**Hong Kong Scheme**") (collectively "**Schemes**").

    The proposed Debt Restructuring will consist of a redemption of the outstanding Senior Notes and Interest Payments and all accrued, scheduled interest payments up to the date of the settlement at a discount, with Bondholders accepting a combination of (i) cash consideration of US$50 million minus a consent fee in a total amount equal to 2% of the outstanding principal and accrued but unpaid interest in respect of the Senior Notes as at the date of the Restructuring Support Agreement ("**Consent Fee**"), and a success fee payable to Houlihan Lokey ("**Cash Consideration**"); (ii) new ordinary shares of the Company proposed to be provisionally allotted and issued to the Bondholders which shall represent not less than 18.75% of the total issued shares on a fully diluted basis upon completion of the Debt Restructuring ("**Scheme Shares**"); and (iii) certain contingent value rights ("**CVRs**") which would give rise to a one-off payment of US$10 million to the Bondholders upon the occurrence of a triggering event that is the Company's adjusted profit before taxation in any of the 5 years from the issue date of the CVRs exceeding US$100 million.

The Schemes are subject to the approval of a majority in number representing at least 75% in value of the Bondholders present and voting (either in person or by proxy) at the meetings of the Bondholders in relation to the Hong Kong Scheme, as convened by order of the High Court of Hong Kong ("**Hong Kong Court**") for the purpose of considering and, if thought fit, approving the Hong Kong Scheme or in relation to the BVI Scheme, as convened by order of the Commercial Court of the BVI ("**BVI Court**") for the purpose of considering and, if thought fit, approving the BVI Scheme ("**Scheme Meetings**").

In addition, the Schemes are subject to the sanction by the BVI Court and the Hong Kong Court.

The Cash Consideration as well as the Consent Fee and the success fee of Houlihan Lokey are expected to be funded by the proceeds of a possible rights issue to raise proceeds of approximately US$50 million ("**Rights Issue**").

Completion of the Debt Restructuring will be conditional on, amongst other things, completion of the Rights Issue and the receipt by the Company of US$50 million from the Rights Issue.

On 11 March 2016, Famous Speech Limited, a company incorporated in the BVI with limited liability ("**Famous Speech**"), Mr. Wang, being the controlling shareholder, and his directly or indirectly wholly owned companies, which together own approximately 40.24% of the existing issued shares of the Company ("**Controlling Shareholder Group**"), and the Company entered into an underwriting agreement, pursuant to which Famous Speech has conditionally agreed to subscribe for all new shares proposed to be provisionally allotted and issued to the qualifying shareholders for subscription pursuant to the Rights Issue at the subscription price of the Rights Issue ("**Underwriting Agreement**").

Mr. Wang is beneficially interested in an aggregate of 1,518,250,109 ordinary shares of the Company ("**Shares**"), representing approximately 40.24% of the total issued Shares of the Company. Famous Speech is wholly owned by Amy Wang, the daughter of Mr. Wang, and upon completion of a share subscription agreement ("**Shares Subscription Agreement**") between, among others, Amy Wang and Magnificent Gardenia Limited, a company ultimately majority owned by China Minmetals Corporation, a state-owned enterprises incorporated in the PRC ("**Magnificent Gardenia**"), Famous Speech will be owned as to 73.3% and 26.7% by Amy Wang and Magnificent Gardenia, respectively. Assuming no take up of new shares by other qualifying shareholders, the fulfillment by Famous Speech of its underwriting commitment would result in an obligation to make a mandatory general offer by Famous Speech and parties acting in concert with it for all the issued Shares (other than those already owned or agreed to be acquired by them) under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers and Share Buy-backs ("**Takeovers Code**"), unless a waiver ("**Whitewash Waiver**") from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong, or any delegate of the Executive Director ("**SFC Executive**"). Mr. Wang, the Controlling Shareholder Group, Amy Wang are acting in concert with Famous Speech and Magnificent Gardenia Limited is not, but is deemed to be acting in concert with Famous Speech under the Takeovers Code. An application will be made by Famous Speech to the SFC Executive for the granting of the Whitewash Waiver.

To the best knowledge of the Company, certain Bondholders holding an aggregate principal amount of US$1,280,000 (representing approximately 0.41% of the outstanding Senior Notes) also hold 28,802,000 Shares in total (representing approximately 0.76% of the total issued Shares) as of the date hereof. The payment of the Consent Fee and the distribution of the Scheme Consideration to Bondholders is not capable of being extended to all Shareholders will constitute a special deal ("**Special Deal**") under note 5 to Rule 25 of the Takeovers Code. The Special Deal will require the consent of the SFC Executive to proceed.

The Whitewash Waiver and consent for the Special Deal, if granted by the SFC Executive, would be subject to, among other things, the approval of the shareholders other than (i) Mr. Wang and his concert parties; (ii) those who are involved or interested in the Rights Issue, the Underwriting Agreement, the Special Deal and/or the Whitewash Waiver; and (iii) Bondholders who are also shareholders of the Company ("**Independent Shareholders**") at an extraordinary general meeting of the Company ("**EGM**") by way of poll.

Completion of the Rights Issue will be conditional on, amongst other things, the Schemes being sanctioned and all conditions precedent to the Schemes having been satisfied or as applicable, waived, other than the completion of the Rights Issue.

(2) The Group is also negotiating with various financial institutions for renewal of the existing borrowings upon their maturity and/or obtaining additional financing.

(3) The Group is also maximising its sales efforts, including speeding up sales of its existing inventories, seeking new orders from overseas markets, and implementing more stringent cost control measures with a view to improving operating cash flows.

Whilst the Group is taking measures to preserve cash and secure additional finance, the following material uncertainties exist:

(a) The Schemes may not be approved by a majority in number representing at least 75% in value of the Bondholders present and voting (either in person or by proxy) at the Scheme Meetings.

(b) The Group may not be able to obtain from the shareholders of the Company all necessary shareholders' approvals and consents in respect of the Debt Restructuring.

(c) The Hong Kong Court or the BVI Court may decline to sanction the Schemes.

(d) The Whitewash Waiver and consent for the Special Deal may not be granted by the SFC Executive or approved by the Independent Shareholders at the EGM.

(e) The Group may not be able to obtain from the shareholders of the Company all necessary shareholders' approvals and consents in respect of the Rights Issue.

If any of the matters mentioned in (a), (b), (c), (d) or (e) is the case, the Rights Issue and Debt Restructuring will not proceed.

(f) The Group may not be able to obtain support from its lenders. The Group's ability to successfully negotiate with its lenders to renew existing borrowings and/or obtain additional financing is dependent upon the completion of the proposed Debt Restructuring and the future trading results of the Group.

(g) The operation plans may not be successfully implemented and future trading results and cash flows in respect of operating activities may not be in line with the assumptions. The achievability of the plans is dependent upon the market environment, which is expected to remain challenging in the coming years.

These facts and circumstances indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the directors are of the opinion that it is appropriate to prepare the financial information for the year ended 31 December 2015 on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the financial information.

(4) Changes in accounting policies

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

- Amendments to IFRS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- *Annual Improvements to IFRSs 2010–2012 Cycle*
- *Annual Improvements to IFRSs 2011–2013 Cycle*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended IFRSs are discussed below:

Amendments to IFRS 19, Employee benefits: Defined benefit plans: Employee contributions

The amendments introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on these financial information as the Group does not operate defined benefit plans.

Annual Improvements to IFRSs 2010–2012 Cycle and 2011–2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, IAS 24, *Related party disclosures* has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

3 REVENUE AND SEGMENT REPORTING

(i) Revenue

The Group is principally engaged in the processing and trading of coking coal and other products and the rendering of logistics services. Revenue represents the sales value of goods sold, net of value added tax and other sales taxes and is after any trade discounts, and revenue from rendering of logistics services. The amount of each significant category of revenue is as follows:

Continuing operations

	2015	2014
	$'000	*$'000*
Coking coal	**5,132,256**	7,035,543
Thermal coal	**84,746**	365,922
Coke	**93,543**	10,219
Coal related products	**17,519**	37,457
Petrochemical products	**307,562**	–
Rendering of logistics services	**94,000**	91,132
Others	**5,693**	7,465
	5,735,319	7,547,738

The Group's customer base is diversified and includes one customer (2014: nil) with whom transactions have exceeded 10% of the Group revenues.

(ii) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Processing and trading of coking coal and other products: this segment manages and operates coal processing plants and generates income from processing and trading of coking coal and other products to external customers.

- Development of coal mills and production of coking coal and related products (classified as a discontinued operation (see note 4)): this segment acquires, explores and develops coal mills and produces coal from the mills. On 1 March 2012, the Group acquired Grande Cache Coal Corporation ("**GCC**"), a Canadian company developing coal mills and producing coking coal and related products from the mills. On 14 November 2014, the Group, Up Energy Resources Company Limited (the "**Purchaser**") and Up Energy Development Group Limited (the "**Purchaser Guarantor**") entered into a sale and purchase agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Group has conditionally agreed to sell 42.74% equity interest in GCC and GCC LP at cash consideration of US$1. Upon the disposal completed on 2 September 2015, GCC and GCC LP have ceased to be subsidiaries of the Company (see note 9).

- Logistics services: this segment constructs, manages and operates logistics parks and generates income from rendering of logistics services to external customers within the People's Republic of China ("**PRC**").

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets and current assets with the exception of interests in an associate. Segment liabilities include trade and other payables, obligations under finance lease, provisions, deferred income and bank and other borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of coal products and logistics services, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit/(loss) is "adjusted EBITDA" i.e. "adjusted (loss)/ earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below.

	Processing and trading of coking coal and other products		Development of coal mills and production of coking coal and related products (Discontinued operation)		Logistics services		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**5,641,319**	7,456,606	**249,675**	1,080,419	**94,000**	91,132	**5,984,994**	8,628,157
Inter-segment revenue	**–**	–	**54,372**	205,665	**750**	10,587	**55,122**	216,252
Reportable segment revenue	**5,641,319**	7,456,606	**304,047**	1,286,084	**94,750**	101,719	**6,040,116**	8,844,409
Reportable segment (loss)/profit (adjusted EBITDA)	**(259,222)**	(318,465)	**(86,669)**	170,555	**2,345**	13,386	**(343,546)**	(134,524)
Interest income	**46,744**	78,414	**438**	1,015	**6**	13	**47,188**	79,442
Interest expense	**(271,628)**	(327,725)	**(172,326)**	(230,406)	**(15,712)**	(18,884)	**(459,666)**	(577,015)
Depreciation and amortisation	**(45,158)**	(85,624)	**–**	(245,905)	**(12,257)**	(22,023)	**(57,415)**	(353,552)
Impairment of non-current assets	**(660,725)**	(429,743)	**–**	–	**(482,529)**	–	**(1,143,254)**	(429,743)
Adjustments of carrying value of GCC LP's net assets to fair value less costs to sell	**–**	–	**11,793**	(5,149,897)	**–**	–	**11,793**	(5,149,897)
Share of profit of an associate	**–**	–	**–**	–	**779**	1,803	**779**	1,803
Reportable segment assets	**2,991,968**	5,840,771	**–**	4,304,164	**161,677**	614,224	**3,153,645**	10,759,159
Additions to non-current segment assets during the year	**21,359**	49,288	**–**	138,817	**28,791**	38,679	**50,150**	226,784
Reportable segment liabilities	**4,364,086**	5,771,915	**–**	4,007,898	**491,045**	484,160	**4,855,131**	10,263,973

(b) *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities*

	2015	2014
	$'000	*$'000*
Revenue		
Reportable segment revenue	**6,040,116**	8,844,409
Elimination of inter-segment revenue	**(55,122)**	(216,252)
Reclassification of discontinued operation	**(249,675)**	(1,080,419)
Consolidated revenue from continuing operations	**5,735,319**	7,547,738
Loss		
Reportable segment loss	**(343,546)**	(134,524)
Depreciation and amortisation	**(57,415)**	(107,647)
Impairment of non-current assets	**(1,143,254)**	(429,743)
Share of profit of an associate	**779**	1,803
Net finance costs	**(295,499)**	(292,803)
Reclassification of discontinued operation	**86,669**	(170,555)
Consolidated loss before taxation from continuing operations	**(1,752,266)**	(1,133,469)

	At 31 December 2015	At 31 December 2014
	$'000	*$'000*
Assets		
Reportable segment assets	**3,153,645**	10,759,159
Interest in an associate	**16,320**	17,021
Elimination of inter-segment receivables	**(465,398)**	(489,359)
Consolidated total assets	**2,704,567**	10,286,821
Liabilities		
Reportable segment liabilities	**4,855,131**	10,263,973
Current income tax liabilities	**38,002**	39,580
Deferred tax liabilities	**–**	90,039
Elimination of inter-segment payables	**(465,398)**	(489,359)
Consolidated total liabilities	**4,427,735**	9,904,233

(c) Reconciliation of development of coal mills and production of coking coal and related products segment (discontinued operation)results

	Note	**2015** **$'000**	2014 $'000
Development of coal mills and production of coking coal and related products segment (loss)/profit (adjusted EBITDA)		**(86,669)**	170,555
Net finance costs for the segment		**(206,457)**	(245,937)
Depreciation and amortisation for the segment		**–**	(245,905)
Adjustment of carrying value of GCC LP's net assets to fair value less costs to sell		**11,793**	(5,149,897)
		(281,333)	(5,471,184)
Income tax in respect of operating activities of GCC LP	*4(e)*	**91,808**	17,491
Income tax in respect of adjustments of GCC LP's net assets	*4(e)*	**(1,769)**	772,485
Loss for the year		**(191,294)**	(4,681,208)
Gain on disposal of discontinued operation	*4(e)*	**11,707**	–
Loss from discontinued operation, net of tax		**(179,587)**	4,681,208

(d) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets, and the location of operations, in the case of interests in an associate.

	Revenues from external customers	
	2015 **$'000**	2014 $'000
The PRC (including Hong Kong and Macau)	**5,265,035**	7,405,629
Canada	**249,675**	1,080,419
Korea	**347,409**	106,053
Japan	**122,875**	–
Australia	**–**	36,056
Development of coal mills and production of coking coal and related products (discontinued operation in Canada)	**(249,675)**	(1,080,419)
	5,735,319	7,547,738

	Specified non-current assets	
	At	At
	31 December	31 December
	2015	2014
	$'000	*$'000*
The PRC (including Hong Kong and Macau)	**873,668**	2,064,229
Other countries	**389**	127,745
	874,057	2,191,974

4 DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATION

On 27 June 2014, the board of directors of the Company resolved to commit to a plan to sell part or all of the Company's interest in GCC LP to a level at which the Company would cease to hold a majority or controlling interest. Accordingly, GCC LP has been presented as a discontinued operation in the consolidated statement of profit or loss and the assets and liabilities of GCC LP have been classified as a disposal group held for sale since 27 June 2014.

On 14 November 2014, the Group entered into a sale and purchase agreement with Up Energy Resources Company Limited (the "**Purchaser**") and Up Energy Development Group Limited (the "**Purchaser Guarantor**"), pursuant to which the Purchaser has conditionally agreed to acquire and the Group has conditionally agreed to sell 42.74% equity interest in Grande Cache Coal Corporation ("**GCC**", a subsidiary of the Group without material businesses except for as the general partner holding 0.01% interest in GCC LP) and GCC LP at cash consideration of US$1 (the "**Disposal**").

On 2 September 2015, all the conditions precedent to the completion of the Disposal were either satisfied or waived pursuant to the aforementioned sale and purchase agreement, with a total consideration of US$1. Following the completion of the Disposal, GCC and GCC LP have ceased to be subsidiaries of the Company.

(a) Impairment loss relating to the disposal group

During the year ended 31 December 2014, an impairment loss of $5,149,897,000 for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell has been charged to the consolidated statement of profit or loss for the current period. The impairment loss has been applied to reduce the carrying amount of intangible assets within the disposal group.

(b) Assets and liabilities of disposal group held for sale

As at 31 December 2014, the disposal group has been stated at fair value less costs to sell and comprised the following assets and liabilities.

	$'000
Property, plant and equipment	2,874,287
Construction in progress	36,980
Intangible assets	941,459
Inventories	222,413
Trade and other receivables	27,142
Restricted bank deposits	201,883
Cash and cash equivalents	–
Assets held for sale	**4,304,164**
Bank and other loans*	3,278,329
Trade and other payables	308,123
Obligations under finance lease	191,701
Provisions	229,745
Deferred tax liabilities**	90,039
Liabilities held for sale	**4,097,937**

* On 6 September 2014, GCC LP and the Purchaser entered into a bridge loan agreement pursuant to which the Purchaser provided a loan facility of US$50 million (equivalent to approximately $388 million) to GCC LP. As at 31 December 2014, GCC LP has drawn down US$14 million (equivalent to approximately $108,608,000) under the bridge loan agreement.

As at 31 December 2014, GCC LP had an overdraft of $6,496,000 in its bank accounts.

Bank loans amounting to $13,977,000 were secured by property, plant and equipment with an aggregate carrying amount of $15,725,000. Bank loans amounting to $3,149,248,000 are secured by GCC LP's total assets.

** During the year ended 31 December 2014, deferred tax liabilities in respect of GCC LP of $789,976,000 ($17,491,000 in respect of GCC LP's operating activities and $772,485,000 in respect of write-down of GCC LP's net assets (see note 4(e))) has been reversed. As at 31 December 2014, the remaining balance of $90,039,000 was classified as liabilities held for sale.

(c) Cumulative income or expense included in other comprehensive income

During the year ended 31 December 2014, there is a foreign currency translation gain of $37,913,000 included in other comprehensive income relating to the disposal group.

(d) Measurement of fair value

As at 31 December 2014, the Group adopts fair value less costs to sell to measure the value of the disposal group held for sale.

(i) Fair value hierarchy

As at 31 December 2014, the non-recurring fair value measurement for the disposal group of $221,730,000 (before costs to sell of $15,503,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The fair value of the disposal group is determined by the directors with reference to coal prices and other information provided by the Company's financial advisor engaged for the disposal of GCC LP.

(ii) Valuation technique and significant unobservable inputs

The following shows the valuation technique used during the year ended 31 December 2014, in measuring the fair value of the disposal group, as well as the significant unobservable inputs used.

Valuation technique: Discounted cash flows

Discounted cash flows consider the present value of the net cash flows expected to be generated from the disposal group, taking into account the coal price assumptions and estimated production volume; the expected net cash flows are discounted using a risk-adjusted discount rate.

Significant unobservable inputs:

— the coal price assumptions are based on the median of forecasted prices of coals in Canada sourced from a number of reputable investment banks as provided by Company's financial advisor. These prices were adjusted to arrive at appropriate consistent price assumptions for the different qualities and type of coal. For short-term coal price assumptions for the next five years, US$103 to US$141 per tonne and US$55 per tonne for hard coking coal and thermal coal respectively have been used to estimate future revenues. For coal prices beyond the fifth year, US$145 and US$55 per tonne for hard coking coal and thermal coal respectively have been used to estimate future revenues.

— estimated production volumes are based on detailed life-of-mine plans derived from technical report prepared by competent persons. Production volumes are dependent on a number of variables, such as the recoverable quantities, the production profile, the cost of the development of the infrastructure necessary to extract the reserves, the production costs, the contractual duration of mining rights and the selling price of the coal extracted. These are then assessed to ensure they are consistent with what a market participant would estimate.

— pre-tax discount rate of 11.16% was applied to the future cash flows. This discount rate is derived from the weighted average cost of capital ("**WACC**") with reference to the required rate of return demanded by investors for similar companies. The WACC takes into account both debt and equity, weighted based on ratio of debt to equity of 42%. The cost of equity is derived from the required return on similar coking coal companies of 12.49%. The cost of debt is based on the market long-term lending rate of 8.00%.

(e) Results of discontinued operation

	2015	2014
	$'000	*$'000*
Results of discontinued operation		
Revenue	**249,675**	1,080,419
Expenses	**(542,801)**	(1,401,706)
Results from operating activities	**(293,126)**	(321,287)
Income tax	**91,808**	17,491
Results from operating activities, net of tax	**(201,318)**	(303,796)
Adjustment of carrying value of GCC LP's net assets to fair value less costs to sell	**11,793**	(5,149,897)
Income tax in respect of adjustments of GCC LP's net assets	**(1,769)**	772,485
Loss for the year	**(191,294)**	(4,681,208)
Gain on disposal of GCC and GCC LP *(note 9)*	**11,707**	–
Loss from discontinued operation *(note 9)*	**(179,587)**	(4,681,208)
Attributable to:		
Equity shareholders of the Company	**(108,232)**	(2,492,734)
Non-controlling interests	**(71,355)**	(2,188,474)
	(179,587)	(4,681,208)
Loss per share		
Basic and diluted (HK$)	**(0.028)**	(0.661)

(f) Cash generated from/(used in) discontinued operation

	2015	2014
	$'000	*$'000*
Net cash (used in)/generated from operating activities	**(59,214)**	209,995
Net cash generated from/(used in) investing activities	**3,935**	(231,353)
Net cash generated from/(used in) financing activities	**64,479**	(7,801)
Net cash inflow/(outflow) for the year	**9,200**	(29,159)

5 OTHER REVENUE

	Note	2015 $'000	2014 $'000
Penalty income from an iron ore customer	(i)	–	70,977
Government grants		**2,991**	9,222
Others		–	1,147
		2,991	81,346

(i) During the year ended 31 December 2014, the Group has recognised a penalty income of $70,977,000 from a third party iron ore customer in relation to its failure to settle the procurement from the Group within agreed period in accordance with relevant sales contract.

6 OTHER OPERATING INCOME/(EXPENSES),NET

	2015 $'000	2014 $'000
Gain/(loss) on disposal of property, plant and equipment and intangible assets	**4,268**	(291)
Net realised and unrealised loss on trading securities	**(1,742)**	–
Others	**713**	(1,896)
	3,239	(2,187)

7 LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

Loss before taxation from continuing operations is arrived at after (crediting)/charging:

(a) Net finance costs

	2015 $'000	2014 $'000
Interest income	**(46,750)**	(78,427)
Fair value change of embedded derivative financial instruments	**(22,785)**	(30,547)
Finance income	**(69,535)**	(108,974)
Interest on secured bank loans	**49,913**	72,127
Interest on discounted bills	**7,231**	44,176
Interest on senior notes *(see note 15)*	**230,196**	230,306
Total interest expense	**287,340**	346,609
Bank charges	**4,030**	35,029
Foreign exchange loss, net	**73,664**	20,139
Finance costs	**365,034**	401,777
Net finance costs	**295,499**	292,803

(b) Staff costs

	2015	2014
	$'000	*$'000*
Salaries, wages, bonus and other benefits	**104,300**	148,255
Contributions to defined contribution retirement plan	**7,080**	8,712
Equity settled share-based payment expenses	**4,535**	10,377
	115,915	167,344

(c) Other items

	2015	2014
	$'000	*$'000*
Amortisation#		
— leased assets	**11,062**	11,718
— intangible assets	**830**	763
Depreciation#	**45,523**	95,166
Provision for impairment losses on		
trade and other receivables *(note 14(b))*	**2,344**	56,526
other receivables *(note 14(d))*	**150,158**	11,210
Impairment losses		
— property, plant and equipment *(note 10)*	**596,107**	232,891
— construction in progress *(note 11)*	**153,995**	189,444
— other investments in equity securities *(note 12)*	**250,656**	–
— loan to a third party *(note 13(i))*	**120,189**	–
— prepayment related to property, plant and equipment *(note 13(ii))*	**22,307**	7,408
Operating lease charges, mainly relating to buildings	**9,930**	18,848
Auditors' remuneration		
— audit services	**6,342**	6,945
— tax services	**20**	42
Cost of inventories	**5,514,991**	7,353,279

Cost of inventories includes $4,177,000 (2014: $6,444,000) and $6,786,000 (2014: $8,539,000) for the year ended 31 December 2015 relating to staff costs, depreciation and amortisation which amount is also included in the respective total amount disclosed separately above or in note 7(b) for each type of these expenses.

8 LOSS PER SHARE

(i) From continuing operations and discontinued operation

(a) Basic loss per share

The calculation of basic loss per share is based on loss attributable to ordinary equity shareholders of the Company of $1,722,992,000 (2014: $3,693,055,000) and the weighted average of 3,767,018,000 ordinary shares (2014: 3,767,018,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares (basic):

	2015	2014
	$'000	*$'000*
Issued ordinary shares at 1 January	**3,773,199**	3,773,199
Effect of shares held by the employee share trusts*	**(6,181)**	(6,181)
Weighted average number of ordinary shares (basic) as at 31 December	**3,767,018**	3,767,018

* The shares held by the employee share trusts are regarded as treasury shares.

(b) Diluted loss per share

For the year ended 31 December 2015 and 2014, basic and diluted loss per share are the same as the effect of the potential ordinary shares outstanding is anti-dilutive.

(ii) From continuing operations

(a) Basic loss per share

The calculation of basic loss per share from continuing operations for the year ended 31 December 2015 is based on the loss from continuing operations attributable to equity shareholders of the Company of $1,614,760,000 (2014: $1,200,321,000) and the weighted average of 3,767,018,000 ordinary shares (2014: 3,767,018,000 shares) in issue during the year.

(b) Diluted loss per share

For the year ended 31 December 2015 and 2014, basic and diluted loss per share from continuing operations are the same as the effect of the potential ordinary shares outstanding is anti-dilutive.

9 DISPOSAL OF SUBSIDIARIES

Upon the completion of the Disposal on 2 September 2015 (see note 4), GCC and GCC LP have ceased to be subsidiaries of the Group and the Company indirectly held equity interests of 14.69% and 14.685% in GCC and GCC LP respectively, which reflected the adjustment to the ownership of GCC and GCC LP made in accordance with the respective obligations of Marubeni and the Company to make capital contribution under an Amended and Restricted Unanimons Shareholder Agreement. Accordingly, fair value of the remaining 14.69% and 14.685% equity interest in GCC and GCC LP respectively had been accounted for as other investments in equity securities of $nil in the consolidated financial information.

(i) Consideration received

Cash consideration of US$1 has been received at the date of Disposal.

(ii) The assets and liabilities of GCC and GCC LP at the date of Disposal were as follows:

	$'000
Property, plant and equipment	2,857,757
Construction in progress	30,808
Intangible assets	947,328
Inventories	115,022
Trade and other receivables	49,913
Restricted bank deposits	177,226
Cash and cash equivalents	10,423
	4,188,477
Bank and other loans*	3,564,782
Trade and other payables	287,853
Obligations under finance lease	120,065
Provisions	215,777
	4,188,477
Net assets disposed of	–

* On 6 September 2014, GCC LP and the Purchaser entered into a bridge loan agreement pursuant to which the Purchaser provided a loan facility of US$50 million (equivalent to approximately $388 million) to GCC LP. As at 2 September 2015, GCC LP had accumulatively drawn down US$50 million (equivalent to approximately $387,535,000) under the bridge loan agreement.

(iii) Gain on disposal of GCC and GCC LP

	$'000
Consideration received	–
Net assets disposed of	–
Non-controlling interests	–
Cumulative exchanges difference in respect of the net assets of GCC and GCC LP reclassified from equity to profit or loss on lost of control of GCC and GCC LP	11,707
Fair value of the remaining interest in GCC and GCC LP	–
Gain on disposal	11,707

(iv) Net cash outflow on disposal of GCC and GCC LP

	$'000
Consideration received in cash and cash equivalents	–
Less: cash and cash equivalents disposed of	10,423
Net cash outflow on disposal	10,423

10 PROPERTY, PLANT AND EQUIPMENT, NET

(a) Reconciliation of carrying amount

	Buildings $'000	Plant and machinery $'000	Mineral assets $'000	Railway special assets $'000	Motor vehicles $'000	Office and other equipment $'000	Total $'000
Cost:							
At 1 January 2014	991,755	2,667,583	1,571,064	318,959	169,673	67,107	5,786,141
Additions	122	1,481	5,854	–	6,523	1,917	15,897
Transferred from construction in progress *(note 11)*	51,044	91,681	229,057	114	–	704	372,600
Disposals	(489)	(5,932)	–	–	(7,181)	(2,687)	(16,289)
Reclassified to disposal group held for sale *(note 4)*	(190,217)	(2,408,672)	(1,805,534)	–	–	–	(4,404,423)
Exchange adjustments	(3,976)	(2,978)	(441)	(1,079)	(641)	(363)	(9,478)
At 31 December 2014	848,239	343,163	–	317,994	168,374	66,678	1,744,448
At 1 January 2015	848,239	343,163	–	317,994	168,374	66,678	1,744,448
Additions	–	240	–	–	1,273	1,860	3,373
Transferred from construction in progress *(note 11)*	17,304	1,625	–	–	–	647	19,576
Disposals	–	(617)	–	–	(23,411)	(2,722)	(26,750)
Exchange adjustments	(52,360)	(16,056)	–	(18,564)	(7,683)	(3,422)	(98,085)
At 31 December 2015	813,183	328,355	–	299,430	138,553	63,041	1,642,562

	Buildings $'000	Plant and machinery $'000	Mineral assets $'000	Railway special assets $'000	Motor vehicles $'000	Office and other equipment $'000	Total $'000
Accumulated depreciation and impairment losses:							
At 1 January 2014	158,897	1,120,093	501,798	16,327	92,767	44,024	1,933,906
Charge for the year	44,633	85,306	125,121	8,844	30,239	10,148	304,291
Impairment loss	173,763	59,128	–	–	–	–	232,891
Written back on disposal	–	(3,740)	–	–	(4,705)	(2,666)	(11,111)
Reclassified to disposal group held for sale *(note 4)*	(50,160)	(945,383)	(626,682)	–	–	–	(1,622,225)
Exchange adjustments	(401)	(755)	(237)	(21)	(277)	(175)	(1,866)
At 31 December 2014	326,732	314,649	–	25,150	118,024	51,331	835,886
At 1 January 2015	326,732	314,649	–	25,150	118,024	51,331	835,886
Charge for the year	13,870	2,728	–	4,545	19,201	5,179	45,523
Impairment loss	318,719	6,982	–	259,812	7,069	3,525	596,107
Written back on disposal	–	(5)	–	–	(18,751)	(2,212)	(20,968)
Exchange adjustments	(11,353)	(18,201)	–	(1,833)	(5,140)	(2,792)	(39,319)
At 31 December 2015	647,968	306,153	–	287,674	120,403	55,031	1,417,229
Net book value:							
At 31 December 2015	165,215	22,202	–	11,756	18,150	8,010	225,333
At 31 December 2014	521,507	28,514	–	292,844	50,350	15,347	908,562

At 31 December 2015, property, plant and equipment with an aggregate carrying value of $173,895,000 (2014: $82,032,000) have been pledged as collateral for the Group's borrowings.

Impairment loss

An impairment loss of $596,107,000 (2014: $232,891,000) for property, plant and equipment in respect of the Group's coal processing factories and logistic facilities in the PRC has been charged to the consolidated statement of profit or loss for the current year due to the unfavourable future prospects of the coking coal business and production suspension or low utilisation of the coal processing factories and logistic facilities. The impairment loss has been provided based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts prepared by management covering a five-year period. The cash flows are discounted using a discount rate of 12.36% (2014: 13.29%). The discount rate used reflects specific risks relating to the relevant segments.

(b) The analysis of net book value of properties

	2015	2014
	$'000	*$'000*
The PRC (including Hong Kong and Macau)	**224,944**	908,004
Other countries	**389**	558
Aggregate net book value	**225,333**	908,562

As at 31 December 2015, the Group was in the process of applying for the ownership certificate for certain buildings with an aggregate net book value amounting to $326,000 (2014: $114,062,000). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use of the above mentioned buildings.

11 CONSTRUCTION IN PROGRESS

	2015	2014
	$'000	*$'000*
At 1 January	**160,590**	558,486
Additions	**46,776**	187,747
Transferred to property, plant and equipment *(note 10)*	**(19,576)**	(372,600)
Disposals	**(22,996)**	(455)
Impairment	**(153,995)**	(189,444)
Reclassified to disposal group held for sale *(note 4)*	**–**	(20,686)
Exchange adjustments	**(10,799)**	(2,458)
At 31 December	**–**	160,590

Impairment loss

An impairment loss of $153,995,000 (2014: $189,444,000) for construction in progress in respect of certain logistics and coal processing projects under construction in the PRC has been charged to the consolidated statement of profit or loss for the current year since the directors determined to abandon these projects given unfavourable future prospects of the coking coal business in 2015.

12 OTHER INVESTMENTS IN EQUITY SECURITIES

	2015	2014
	$'000	*$'000*
Other investments in equity securities	**375,721**	399,015
Less: impairment losses	**(250,656)**	–
	125,065	399,015

Other investments in equity securities represent the Group's equity interests in third party companies engaged in coal mining, railway logistics, ports management and coal storage business. As at 31 December 2015, the Group holds equity interests in a range of 1–15% in these companies.

An impairment loss of $250,656,000 to fully write down the carrying amount of the Group's investments in equity securities of certain of these companies has been charged to the consolidated statement of profit or loss for the current year due to the unsatisfactory operating performance of these companies. The impairment has been provided based on a fair value valuation on the respective investments in the equity securities performed by an independent appraiser using the discounted cash flow method based on cash flow projections taking into account the transportation price and volume assumptions and source data provided by the management of the investees. The expected net cash flow discontinued using a risk adjusted pre-tax discount rate of 12.36%.

13 OTHER NON-CURRENT ASSETS

	2015	2014
	$'000	*$'000*
Loan to a third party (note (i))	**–**	127,187
Advance payments for equipment purchase and construction in progress *(note (ii)*	**–**	23,626
	–	150,813

(i) In 2009, the Company agreed to provide a loan to Moveday Enterprises Limited ("**Moveday**") to purchase additional vehicles to meet the increasing volume of coal procured by the Group in Mongolia, and Moveday agreed to use the trucks purchased through financing provided by the Company for the provision of transportation services to the Group during the term of the agreement. Pursuant to a loan agreement entered into on 10 April 2010 (as subsequently amended by a supplemental deed on 15 September 2010) and the strategic alliance agreement, the Company agreed to lend Moveday up to US$40 million solely for the purpose of purchasing vehicles for transporting coal purchased by the Group in Mongolia. The loan to Moveday was provided on an unsecured basis, at an interest rate of LIBOR plus 3% and repayable over five years in equal annual installments of US$8 million, commencing from 18 months after the receipt of the loan (being 31 December 2012) by Moveday, with interest payable semi-annually in arrears. The entire loan amount was fully drawn down in 2010. As Moveday is a third party and the loan to Moveday is an unsecured loan, the Group does not have an interest in or control over the cash flows or other assets of Moveday other than in accordance with the terms of the loan agreement (as amended).

In 2013, the Group entered into another supplemental agreement with Moveday to modify the repayment terms of the remaining outstanding principal of US$32 million. Pursuant to the supplemental agreement, the remaining outstanding principal was repayable on 31 December from 2013 to 2015 with an amount of US$4 million plus a floating repayment amount. The floating repayment amount was calculated based on the volume of coals transported (up to a maximum of 12 million tonnes) by Moveday for the Group and up to US$6 million during each year. Apart from the repayment terms, all the other terms of the loan were not changed and Moveday was obliged to repay the entire outstanding principal on or before 31 December 2016.

During the year ended 31 December 2015, Moveday has repaid interest of US$345,000 to the Group and the outstanding loan balance as at 31 December 2015 is US$20.40 million (2014: US$20.40 million). In addition to the above, the Group has incurred $81 million (2014: $40 million) for coking coal transportation service provided.

In October 2015, Moveday informed the Group that it could not repay the outstanding principal and interest as scheduled in the above-mentioned supplemental agreement due to the financial difficulty encountered. On 22 January 2016, the Group and Moveday mutually agreed that the outstanding loan principal of US$4,888,000 (equivalent to approximately $37,886,000) and interest of US$359,000 (equivalent to approximately $2,787,000) which due on 31 December 2015 were offset against the Group's payables in connection with coking coal transportation services provided by Moveday. Apart from the offsetting arrangement, all the other terms of the loan were not changed and Moveday was obliged to repay the entire outstanding principal on or before 31 December 2016.

For the year ended 31 December 2015, the Group has made an impairment provision of $120,189,000 against the loan to Moveday balance based on the communications with management of Moveday about the adverse financial and operating circumstances of Moveday in 2015.

As at 31 December 2015, as included in prepayment to suppliers (see notes 14) the Group made a prepayment of $nil (2014: $21,078,000) to Moveday in respect of its coking coal transportation service.

(ii) The Group has provided full impairment for all advance payments for equipment purchase and construction in progress in relation to the coal processing plants and logistic park facilities which have ceased construction during the current period. During the year ended 31 December 2015, $22,307,000 (2014:$7,408,000) was written off against advance payments for equipment purchase and construction in progress.

14 TRADE AND OTHER RECEIVABLES

	2015 *$'000*	2014 *$'000*
Trade receivables	**211,566**	818,387
Bills receivable	**261,505**	507,481
Receivables from import agents	**9,916**	291,192
Less: allowance for doubtful debts	**(58,870)**	(56,526)
	424,117	1,560,534
Amounts due from related parties	**–**	761
Loan to a third party company *(note 13(i))*	**37,886**	31,031
Prepayments to suppliers	**111,082**	64,626
Derivative financial instruments*	**31,760**	31,480
Deposits and other receivables	**442,957**	383,718
Less: allowance for doubtful debts	**(161,368)**	(11,210)
	886,434	2,060,940

* As at 31 December 2014, derivative financial instruments represent fair value of foreign exchange forward contracts and a derivative embedded in a purchase contract of petrochemical products.

As at 31 December 2015, derivative financial instruments represent fair value of foreign exchange forward contracts and commodity futures contracts entered into by the Group.

All of the trade and other receivables are expected to be recovered within one year.

The credit terms for trade debtors are generally within 90 days. The credit terms for receivables from import agents can be as long as one year, which are comparable to the credit terms for payables to import agents as granted to the Group. Bills receivable are normally due within 90 days to 180 days from the date of issuing.

At 31 December 2015, trade and bills receivables of the Group of $230,365,000 (31 December 2014: $586,953,000) have been pledged as collateral for the Group's borrowings.

At 31 December 2015, bills receivable of the Group of $nil (31 December 2014: $483,472,000) have been derecognised from the consolidated statement of financial position as the relevant bills have been discounted to banks on a non-recourse basis.

(a) Ageing analysis

Included in trade receivables, bills receivable and receivables from import agents are trade debtors with the ageing analysis, based on the invoice date and net of allowance for bad debt, as follows:

	2015 *$'000*	2014 *$'000*
Less than 3 months	**109,642**	837,833
More than 3 months but less than 6 months	**168,056**	351,249
More than 6 months but less than 1 year	**133,940**	165,389
More than 1 year	**12,479**	206,063
	424,117	1,560,534

(b) Impairment of trade receivables, bills receivable and receivables from import agents

Impairment losses in respect of trade receivables, bills receivable and receivables from import agents are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables, bills receivable and receivables from import agents.

The movement in the allowance for doubtful debts during the year is as follows:

	2015	2014
	$'000	*$'000*
At 1 January	**56,526**	–
Impairment loss recognised	**38,403**	56,526
Reversal of impairment loss	**(36,059)**	–
At 31 December	**58,870**	56,526

At 31 December 2015, the Group's trade receivables, bills receivable and receivables from import agents of $71,044,000 (2014: $108,562,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of $58,870,000 (2014: $56,526,000) were recognised.

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade receivables, bills receivable and receivables from import agents that are neither individually nor collectively considered to be impaired is as follows:

	2015	2014
	$'000	*$'000*
Neither past due nor impaired	**318,826**	1,343,549
Less than 3 months past due	**27,088**	40,965
More than 3 months but less than 12 months past due	**66,029**	123,984
	411,943	1,508,498

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(d) Impairment of other receivables

The movement in the allowance for doubtful debts during the year is as follows:

	2015	2014
	$'000	*$'000*
At 1 January	**11,210**	–
Impairment loss recognised	**150,158**	11,210
At 31 December	**161,368**	11,210

Included in the impairment loss are impaired value added tax ("**VAT**") recoverable of $144,079,000 (2014: $nil) that have been accumulated to date in certain subsidiaries of the Group which can be deductible from VAT on future sales made. The directors of the Company are of the opinion that the recoverability of such amount after commercial production is remote due to the unfavourable future prospects of the coking coal business.

15 SENIOR NOTES

	2015	2014
	$'000	*$'000*
Senior notes due in 2016	**2,388,573**	2,364,347

On 8 April 2011, the Company issued senior notes in the aggregate principal amount of US$500,000,000 ("**Senior Notes**") and listed on the Singapore Exchange Securities Trading Limited. The Senior Notes bear interest at 8.50% per annum, payable semi-annually in arrears, and will be due in 2016.

The Senior Notes are guaranteed by the Group's existing subsidiaries other than those established/incorporated under the laws of the PRC, Winsway Coking Coal Holdings S.à.r.l., 0925165 B.C. Ltd., GCC and GCC LP as an application of the principle stated in the Company's offering memorandum on 1 April 2011 (the "**Subsidiary Guarantors**"). In addition, the Company has agreed, for the benefit of the holders of the Senior Notes, to pledge the capital stock of each Subsidiary Guarantor in order to secure the obligations of the Company.

During the year ended 31 December 2013, the Group repurchased Senior Notes in an aggregate principal amount of US$153,190,000 for a cash consideration of US$73,595,000 in the open market. The Senior Notes repurchased were redeemed subsequently. The difference between the carrying amount of the Senior Notes redeemed and the consideration paid, net off against the transaction costs incurred, was recognised as a gain of US$76,383,000 (equivalent to $592,495,000) on redemption of the Senior Notes in the Group's consolidated statement of profit or loss. The outstanding Senior Notes with principal amount of US$309,310,000 will be matured on 8 April 2016.

In addition, on 11 October 2013, the Company also received consents from holders of the Senior Notes with a consent payment of US$4,118,000 to certain amendments ("**Amendments**") to the indenture, dated as of 8 April 2011 ("**Indenture**"), among the Company, the Subsidiary Guarantors and Deutsche Bank Trust Company Americas, as trustee. The Amendments eliminated the limitations on indebtedness, restricted payments, dividend and other payment restrictions affecting Restricted Subsidiaries (as defined in the Indenture), sales and issuances of capital stock in Restricted Subsidiaries, issuances of guarantees by Restricted Subsidiaries, sale and leaseback transactions, transactions with shareholders and affiliates and business activities as contained in the Indenture. The consent payment is amortised over the remaining period of the outstanding Senior Notes.

During the year ended 31 December 2015, the Group did not make the scheduled Interest Payment. The Group has defaulted on outstanding Senior Notes amounting to HK$2,388,573,000 as at 31 December 2015 after the 30-day grace period expired on 8 May 2015 for making the Interest Payment under the terms of the indenture, as amended and supplemented. On 25 November 2015, the Company, certain of its subsidiaries and certain of the Bondholders entered into a Restructuring Support Agreement, pursuant to which such Bondholders agreed to support the Debt Restructuring. Further details of the Debt Restructuring are disclosed in note 2.

16 TRADE AND OTHER PAYABLES

	2015	2014
	$'000	*$'000*
Trade and bills payables	**242,055**	1,385,420
Payables to import agents	**8,737**	288,781
Amounts due to related parties	**383**	–
Prepayments from customers	**34,284**	21,765
Payables in connection with construction projects	**103,593**	93,670
Payables for purchase of equipment	**2,323**	47,730
Derivative financial instruments*	**–**	16,007
Others	**365,127**	201,242
	756,502	2,054,615

* Derivative financial instruments represent fair value of foreign exchange forward contracts as at 31 December 2014.

At 31 December 2015, bills payable amounting to $159,597,000 (2014: $1,155,721,000) were secured by deposits placed in banks with an aggregate carrying value of $158,093,000 (2014: $412,322,000).

As of the end of the reporting period, the ageing analysis of trade and bills payables and payables to import agents (which are included in trade and other payables), based on the invoice date, is as follows:

	2015	2014
	$'000	*$'000*
Within 3 months	**106,116**	1,394,800
More than 3 months but less than 6 months	**132,084**	81,920
More than 6 months but less than 1 year	**8,778**	32,505
More than 1 year	**3,814**	164,976
	250,792	1,674,201

Trade and bills payables and payables to import agents are expected to be settled within one year or are repayable on demand. The maturity analysis of these payables is as follows:

	2015	2014
	$'000	*$'000*
Due within 1 month or on demand	**164,315**	570,703
Due after 1 month but within 3 months	**–**	1,100,798
Due after 3 months but within 6 months	**86,477**	2,700
	250,792	1,674,201

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by KPMG, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2015.

Basis for disclaimer of opinion

(a) *Impairment of other investments in equity securities*

As disclosed in note 22 to the financial statements, during the year ended 31 December 2015 the directors of the Company have recognised an impairment loss of $250,656,000 to fully write down the carrying amount of the Group's investments in certain of these companies based on a fair value valuation on the respective investments in the equity securities performed by an independent appraiser using the discounted cash flow method. These valuations were prepared using the transportation price and volume assumptions and source data provided by the management of the investees. We were unable to obtain sufficient appropriate audit evidence to evaluate whether the assumptions used in the above-mentioned valuations were reasonable and appropriately supportable and whether the source data is complete and accurate. Therefore, we were unable to conclude as to whether the amount of this impairment provision is, or is not, in accordance with the applicable accounting framework. Any decrease in the impairment losses recognised against other investments in equity securities would affect the net liabilities of the Group as at 31 December 2015 and the Group's net loss for the year ended 31 December 2015, and the related disclosures in the financial statements.

(b) *Impairment of loan due from a third party*

As disclosed in note 23 to the financial statements, the Group had an outstanding loan due from Moveday Enterprises Limited ("Moveday") of US$20.40 million (equivalent to approximately $158,075,000) as at 31 December 2015. During the year ended 31 December 2015 the directors of the Company have made an impairment provision of $120,189,000 against this balance, having taken into account information about the adverse financial and operating circumstances of Moveday during the year ended 31 December 2015, and assuming no possibility of any recovery that may be achieved in future through re-negotiation of the terms of the loan or alternative forms of settlement in kind. We were unable to obtain sufficient appropriate audit evidence to evaluate the reasonableness of the assumptions adopted by the directors of the Company in estimating the expected timings and amounts of future cash flows arising from the loan. Therefore, we were unable to conclude as to whether the amount of this impairment provision is, or is not, in accordance with the applicable accounting framework. Any decrease in the impairment losses recognised against this loan balance due from Moveday would affect the net liabilities of the Group as at 31 December 2015 and the Group's net loss for the year ended 31 December 2015, and the related disclosures in the financial statements.

(c) Multiple uncertainties related to going concern

As explained in note 2 to the financial statements, the Group sustained a further loss from continuing operations before taxation and impairment losses for non-current assets, of $609,012,000 and incurred a net cash outflow from operating activities of $524,899,000 from continuing operations for the year ended 31 December 2015. As at 31 December 2015, the Group had net current liabilities of $2,425,764,000 and net liabilities of $1,723,168,000. In addition, the Group did not make the scheduled interest payment of US$13.15 million in relation to the Senior Notes which fell due on 8 April 2015 and 8 October 2015 respectively and consequently the Group's outstanding Senior Notes amounting to $2,388,573,000 as at 31 December 2015 were in default as at 31 December 2015 and continue to be in default.

The directors of the Company have been undertaking certain measures to improve the Group's liquidity and financial position, which are set out in note 2 to the financial statements. The financial statements has been prepared on a going concern basis, the validity of which is dependent on the outcome of these measures, which are subject to the following uncertainties, including (i) whether the Group is able to complete the proposed debt restructuring of the outstanding Senior Notes with cash raised from a possible rights issue, with equity or other form of consideration offered at a discount to the principal amount of the Senior Notes, the achievability of which depends on a number of factors, including the restructuring of the outstanding Senior Notes being sanctioned and all conditions precedent to the debt restructuring schemes and the rights issue having been satisfied; (ii) whether the Group is able to successfully negotiate with the lenders for the renewal of all the existing borrowings upon their maturity and/or obtaining additional financing as and when required, the achievability of which depends on the completion of the proposed debt restructuring and the future trading results of the Group and (iii) whether the Group is able to implement its operation plans to control costs and to generate adequate cash flows from operations, the achievability of which depends on the market environment which is expected to remain challenging.

These facts and circumstances, along with other matters as described in note 2(b) to the financial statements, indicate the existence of multiple material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

Disclaimer of opinion

Because we have not been able to obtain sufficient appropriate audit evidence and due to the potential interaction of the uncertainties related to going concern and their possible cumulative effect on the consolidated financial statements described in the Basis for disclaimer of opinion paragraphs, we do not express an opinion on the financial statements. In all other respects, in our opinion, the financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

CEO'S STATEMENT

Over the past year, Winsway, a commodity logistics provider and a trader, has been working hard to overcome the challenges posed by the slowdown in China's economic growth and the depressed global commodities market. Winsway has been exploring, expanding and diversifying its sources of income and reducing costs. For the former, Winsway has worked to establish new business, that is its commodity supply chain platform and for the latter, Winsway has strived to reduce expenditure. On top of layoffs, salary cuts, administrative costs control and disposal of idling assets, we completed the disposal of the major share interest in GCC to further alleviate cashflow pressure on the Company. Through such measures, the Company has preserved most of its cash on hand and has weathered the dark period of the cyclic downturn in the industry.

Although the abovementioned measures have to some extent alleviated cashflow stress, the Company remained under pressure from the interest obligation of the outstanding Senior Notes and the obligation to repay principal when the Senior Notes mature in 2016. One of the key tasks in 2015 was to seek the best solutions for restructuring the outstanding Senior Notes. The Company appointed UBS and other professional advisors to assist with this task, and after careful consideration and evaluation, a debt restructuring scheme/rights issue plan was proposed. The Board and the management of the Company believe the proposal represents the best solution for the Company's stakeholders, including shareholders and bondholders.

1. Debt restructuring scheme: Since 8 May 2015, when the Company announced its inability to pay the accrued Senior Notes interest, the Company proactively engaged with its creditors to agree terms of a debt restructuring. To date, the Restructuring Support Agreement has been signed between the Company and a large majority of bondholders and a bondholders' meeting to be convened on 3 May 2016. All relevant steps are in hand to achieve the restructuring proposal.

2. Rights issue: In order to raise sufficient funding to pay the cash consideration under the debt restructuring scheme, the Company has implemented the abovementioned rights issue plan. After many rounds of negotiations with the prospective investors, Famous Speech Limited, a company indirectly controlled by Mr. Wang Xingchun (the controlling shareholder of the Company), and minority-owned by Minmetals Holdings Group became the irrevocable underwriter of the proposed rights issue. Minmetals has also launched business cooperation with the Company to seek a strategic win-win situation. All relevant work for the rights issue is progressing in parallel with that of the debt restructuring scheme, both of which are interconditional upon each other.

The Company hopes to be able to focus on its operations with less cashflow pressure after the anticipated completion of the debt restructuring. We wish to express our gratitude for the support and understanding from our bondholders, shareholders and employees during the past year. We sincerely hope that all bondholders and shareholders will continue to support our plans. It is only with your support that our Company can turn around in this difficult market.

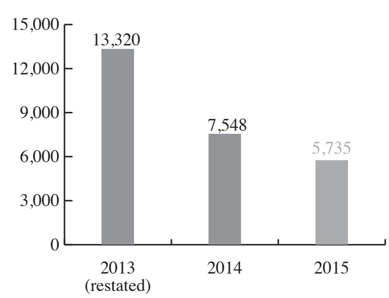
Cao Xinyi
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND OPERATING RESULTS

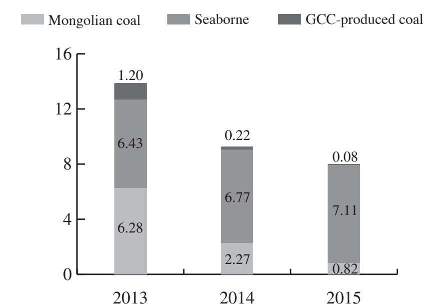
The following discussion and analysis should be read in conjunction with the Group's financial information and the notes thereto. The Group's financial information have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

I. Overview

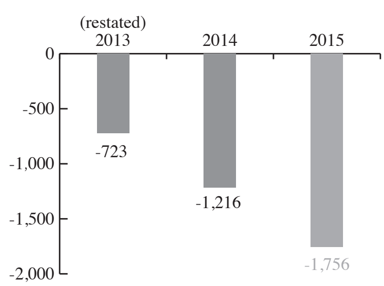
Revenue *(in HK$ million)*



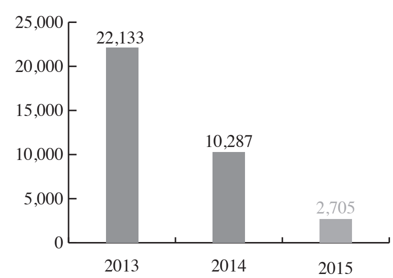
Sales Volume *(million tonnes)*



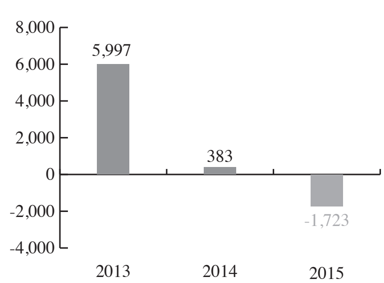
Net Loss from Continuing Operations *(in HK$ million)*



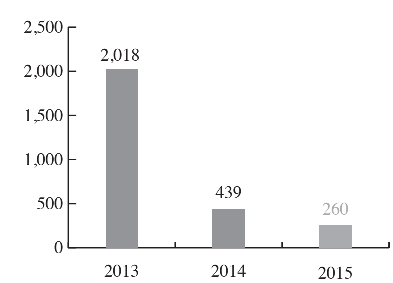
Total Asset *(in HK$ million)*



Total Equity *(in HK$ million)*



Cash Balance *(in HK$ million)*

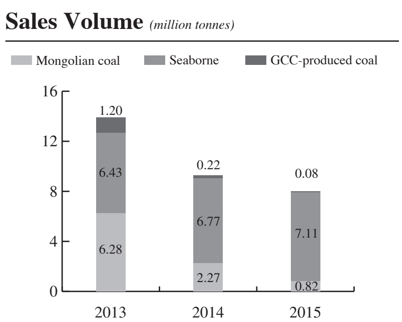


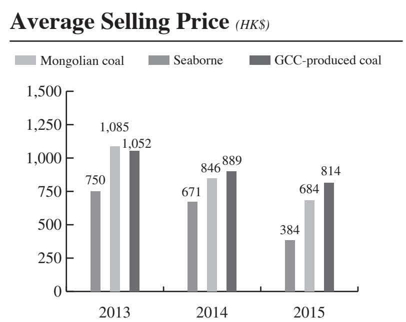
II. Financial Review

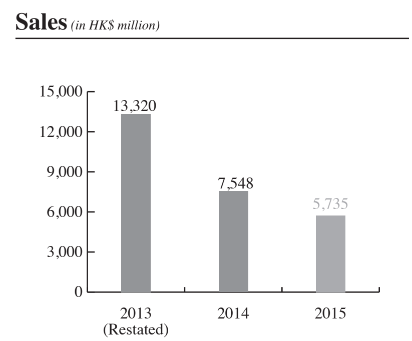
1. *Sales*

(1) Overview

In 2015, our sales revenue from continuing operations was HK$5,735 million, a 24.02% decrease compared to HK$7,548 million from the year of 2014. The decrease was mainly due to a sharp decrease of sales volume of Mongolian coal and the continuous falling selling price of Mongolian coal and seaborne coal in 2015.







(2) Sales Volume and Average Selling Price

In terms of volume, we sold approximately 8.00 million tonnes of coal and coal-related products in 2015, compared to 9.26 million tonnes in 2014. Mongolian coal sales volume further decreased from 2.27 million tonnes in 2014 to 0.82 million tonnes in 2015, with a decrease of 63.88%. Mongolian coking coal has lost its competitive advantage in price due to high transportation expenses combined with lower coking coal selling price in the market. Therefore, the Company purposely adjusted its procurement and selling strategy to focus more on seaborne coal trading. Seaborne coal sales volume increased from 6.77 million tonnes in 2014 to 7.11 million tonnes in 2015, with an increase of 5.02%.

	FY2015		FY2014		FY2013	
	Total sales volume *(tonnes)*	**Average selling price** *(HK$ per tonne)*	Total sales volume *tonnes*	Average selling price *(HK$ per tonne)*	Total sales volume *tonnes*	Average selling price *(HK$ per tonne)*
Mongolian coal	**816,267**	**384**	2,270,503	671	6,275,173	750
Seaborne coal	**7,106,348**	**684**	6,770,572	846	6,428,698	1,085
GCC-produced coal	**76,752**	**814**	214,704	889	1,207,357	1,052
Total	**7,999,367**	**654**	9,255,779	804	13,911,228	931

(3) Sales from Continuing Operations

	FY2015	FY2014
	HK$'000	*HK$'000*
Coking coal	**5,132,256**	7,035,543
Thermal coal	**84,746**	365,922
Coke	**93,543**	10,219
Coal related products	**17,519**	37,457
Rendering of logistics services	**94,000**	91,132
Petrochemical products	**307,562**	–
Others	**5,693**	7,465
	5,735,319	7,547,738

In the beginning of 2015, the Company assembled a new team specialising in petrochemical products trading. The team started its normal operation in the second half of 2015. As of 31 December 2015, total 180,806 tonnes of petrochemical products were sold with total revenues of HK$308 million.

(4) Top 5 Customers

Our top 5 customers accounted for 58.57% of our total sales in 2015, whereas the same ratio was 32.70% in 2014. The Group top 5 customers in terms of sales amount are as follow:

Name	**Location**	**Amount** *(in HK$ million)*
LiuSteel Group	Guangxi, China	1,734
Jiujiang Group	Hebei, China	562
Xin Da An	Singapore	438
POSCO	South Korea	347
AnSteel Group	Liaoning, China	278
Total		3,359

2. *Cost of Goods Sold ("COGS") (the Group excluding GCC)*

COGS primarily consists of the purchase price, transportation costs of Mongolian coal from the Sino-Mongolian border to our washing plants and seaborne coal from overseas to any ports of China, and washing-related costs. COGS in 2015 amounted to HK$5,577 million, which was mainly generated from Mongolian coal procurement of HK$309 million and seaborne coal procurement of HK$4,763 million. Procurement volume of Mongolian coal in 2015 was maintained at a low level after its depressing performance in 2014. Procurement volume of seaborne coal increased 9.26% from 6.48 million tonnes in 2014 to 7.08 million tonnes in 2015. The procurement strategy in enhancing seaborne coal procurement was due to the comparatively stronger margin generation capability in seaborne coal for cheaper sea freight costs than much higher transportation expenses comprised in Mongolian coal COGS.

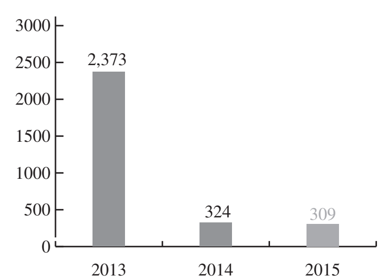
In 2015 the average purchase price of Mongolian coal further decreased by 3.35%, from HK$328 per tonne in 2014 to HK$317 per tonne in 2015, and the average purchase price of seaborne coal also further decreased by20.17%, from HK$843 in 2014 to HK$673 per tonne in 2015.

	Year ended 31 December					
	2015		2014		2013	
	Total purchase volume *(tonnes)*	**Average purchase price** *(HK$ per tonne)*	Total purchase volume *(tonnes)*	Average purchase price *(HK$ per tonne)*	Total purchase volume *(tonnes)*	Average purchase price *(HK$ per tonne)*
Mongolian coal	**971,873**	**317**	988,969	328	5,118,287	464
Seaborne coal	**7,075,756**	**673**	6,478,026	843	6,674,078	1,058
Total	**8,047,629**	**630**	7,466,995	775	11,792,365	800

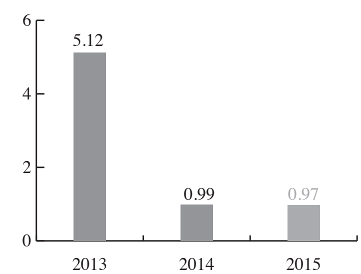
(1) Mongolian Coal Procurement

In 2015, the Group procured a total of 0.97 million tonnes of Mongolian coal, representing an 2.02% decrease from the volume procured in 2014 of 0.99 million tonnes. As mentioned above, Mongolian coal has lost its price advantage in the recent years. The falling selling price of coking coal in the market can not support the high transportation expenses of Mongolian coal.

Mongolian Coal Procurement Amount *(in HK$ million)*



Mongolian Coal Procurement Volume *(million tonnes)*



Our top five Mongolian coal suppliers in 2015 are as follows. The aggregate amount of the Mongolian coal procured from the top five suppliers is HK$173 million representing a 55.99% of our total procurement of Mongolian coal in 2015.

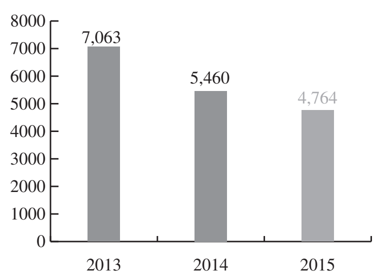
Top five Mongolian coal suppliers

Suppliers' Name	**Amounts** *(in HK$ million)*
Edernes Tavan Tolgoi JSC	90
Energy Resources LLC	35
Minig National Operator LLC	18
Usukh Zoos Co., Ltd	15
MERA LLC	15
Total	173

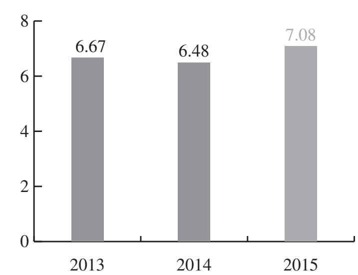
(2) Seaborne Coal Procurement

In 2015, our seaborne coal procurement was approximately 7.08 million tonnes, an increase of 9.26% over 6.48 million tonnes procured in 2014.The Company has made great efforts in maintaining seaborne coal market share, especially after the depressed market demand for Mongolian coal.

Seaborne Coal Procurement Amount *(in HK$ million)*



Seaborne Coal Procurement Volume *(million tonnes)*



The top five seaborne coal suppliers in 2015 were as follows. The aggregate amount of the seaborne coal procured from the top five suppliers is HK$3,172 million representing 66.58% of our total procurement of seaborne coal in 2015.

Top five seaborne coal suppliers

Company name	**Amount** *(in HK$ million)*
BHP Billiton	1,082
Rio Tinto Group	982
Anglo American	463
Yancoal	325
Vale	320
Total	3,172

3. Gross Profit from continuing operations

The Group recorded a gross profit of HK$159 million in 2015, compared to a gross profit of HK$102 million recorded in 2014. The gross profit was mainly contributed by the trading business of seaborne coal and petrochemical products.

4. *Administrative Expenses from continuing operations*

Administrative expenses were HK$450 million in 2015, an increase of 3.45% over HK$435 million of administrative expenses incurred in 2014. The increase was mainly due to the bad debt provision made on other receivables of HK$150 million. Otherwise, staff-related expenses further decreased by 30.43% to HK$112 million in 2015, compared with HK$161 million in 2014.

	Year ended 31 December 2015 ***HK$'000***	Year ended 31 December 2014 *HK$'000*
Staff related expenses	**111,736**	160,900
Bad debt provision on accounts receivable	**2,344**	56,526
Bad debt provision on other receivables	**150,158**	11,210
Others	**185,698**	205,875
Total	**449,936**	434,511

5. *Net Finance Costs from continuing operations*

In 2015, the Group recorded net finance costs of HK$295 million in total, compared to net finance costs of HK$293 million in 2014. Net finance costs of the Group were kept at comparative same level in 2014 and 2015

	2015 ***HK$'000***	2014 *HK$'000*
Interest income	**(46,750)**	(78,427)
Fair value change of derivative financial instruments	**(22,785)**	(30,547)
Finance income	**(69,535)**	(108,974)
Interest on secured bank loans wholly repayable within five years	**49,913**	72,127
Interest on discounted bills	**7,231**	44,176
Interest on Senior Notes	**230,196**	230,306
Total interest expense	**287,340**	346,609
Bank charges	**4,030**	35,029
Foreign exchange loss, net	**73,664**	20,139
Finance costs	**365,034**	401,777
Net finance costs	**295,499**	292,803

6. Net Loss and Loss per share

Our net loss totalled HK$1,935 million in 2015, a 67.19% decrease from the net loss incurred in 2014 of HK$5,897 million. The breakdown of the net loss for the year ended 31 December 2014 and 2015 is as follows:

	Year ended 31 December 2015 *HK$'million*	Year ended 31 December 2014 *HK$'million*
Net loss from continuing operations	**1,756**	1,216
Net loss from discontinued operation	**179**	4,681
Total net loss	**1,935**	5,897

As indicated from the breakdown, the net loss from continuing operations in 2015 was HK$ 1,756 million, which was a 44.41% increase compared to HK$1,216 million in 2014. The increase in the net loss from continuing operations resulted mainly from a significant impairment of non-current assets that was booked in 2015 in the amount of HK$1,143 million compared to the impairment in 2014 of HK$430 million.

Net loss per share (diluted) was HK$0.457 in 2015, compared to HK$0.980 loss per share (diluted) incurred in 2014. A breakdown of the net loss per share for the year ended 31 December 2014 and 2015 is as follows:

	Year ended 31 December 2015 *HK$*	Year ended 31 December 2014 *HK$*
Net loss per share from continuing operations	**(0.429)**	(0.319)
Net loss per share from discontinued operation	**(0.028)**	(0.661)
Total net loss per share	**(0.457)**	(0.980)

7. *Impairments*

In 2015, the Group recognized impairment losses of HK$1,143 million in total to continuing operations. A breakdown of the impairment losses follows.

	Year ended 31 December 2015 *HK$'000*	Year ended 31 December 2014 *HK$'000*
Impairment losses		
— Property, plant and equipment	**596,107**	232,891
— Construction in progress	**153,995**	189,444
— Other investments in equity securities	**250,656**	–
— Prepayment related to property, plant and equipment	**22,307**	7,408
— Loan to a third party	**120,189**	–
Total	**1,143,254**	429,743

a. Property, plant and machinery

An impairment loss of HK$596 million for buildings, plant and machinery and railway special assets in respect of the Group's coal processing factories and logistic facilities in the PRC has been charged to the consolidated statement of profit or loss for the current year due to the unfavourable future prospects of the coking coal business and low utilisation of these facilities. The impairment loss was provided based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts prepared by management covering a five-year period. The cash flows are discounted using a discount rate of 12.36%.

b. Construction in progress

An impairment loss of HK$154 million for construction in progress in respect of certain logistics and coal processing projects under construction in the PRC has been charged to the consolidated statement of profit or loss for the current year since the directors determined to abandon these projects given unfavourable future prospects of the coking coal business in 2015.

c. Prepayment related to property, plant and equipment

The Group has provided full impairment for all advance payments for equipment purchases and construction in progress in relation to the coal processing plants and logistic park facilities which have ceased construction during the current period. During the year ended 31 December 2015, approximately HK$22 million was written off against advance payments for equipment purchase and construction in progress.

d. Other investments in equity securities

The Management engaged an independent appraiser to perform an evaluation of the Group's investments in Xi Gan Railway and Shenhua Gan Quan Railway and based on the results of the evaluation, an impairment of HK$251 million to fully write down the carrying amount of the Group's investments in Xi Gan Railway and Shenhua Gan Quan Railway was recognised. An impairment loss of HK$250,656,000 to fully write down the carrying amount of the Group's investments in equity securities of certain of these companies has been charged to the consolidated statement of profit or loss for the current year due to the unsatisfactory operating performance of these companies. The impairment has been provided based on (i) a fair value valuation on the respective investments in the equity securities performed by an independent appraiser and (ii) the fact that of the investments are non-strategic, minority investments for which there were unlikely to be readily available buyers.

e. Loan to a third party

Since 2014, the Company has reduced its Mongolian coal imports on account of its reduced price competitiveness largely due to high transportation costs. The Management was informed by Moveday about their financial difficulties from the adverse operating environment. On 22 January 2016, the Group and Moveday mutually agreed that the outstanding loan principal of US$4,888,000 (equivalent to approximately HK$37,886,000) and interest of US$359,000 (equivalent to approximately HK$2,787,000) which was due on 31 December 2015 would be offset against the Group's payables in connection with coking coal transportation services provided by Moveday. The remaining principal amount of HK$120,189,000 is due on 31 December 2016. With the current transportation volume of coking coal between Mongolia and China and no material increase in such volume is expected in the foreseeable future, it is not expected that Moveday will be able to generate enough cash flow to repay the remaining of the loan by maturity. The Management is still negotiating with Moveday about the outstanding loan and exploring a restructuring of such loan with a view to maximising recovery with the aim of reversing the impairment. However, in the absence of such a restructuring or realistic revised repayment schedule to date, the Management has recommended a full write down of the outstanding principal amount of the loan.

8. *GCC Operations*

Grande Cache Coal Corporation ("**GCC**") is engaged in the production and sale of premium hard coking coal. It was acquired by the Company and Marubeni on a 60% and 40% basis, respectively, in March 2012. Owing to the depressed coal market, continuous operating losses of GCC, and limited financial ability of the Group to maintain its financial support to GCC, the board of directors of the Company resolved to divest itself of GCC, and since 27 June 2014, GCC had been classified as a disposal group held for sale.

On 27 June 2014, the board of directors of the Company resolved to commit to a plan to sell part or all of the Company's interest in GCC LP to a level at which the Company would cease to hold a majority or controlling interest. Accordingly, GCC LP has been presented as a discontinued operation in the consolidated statement of profit or loss and the assets and liabilities of GCC LP have been classified as a disposal group held for sale since 27 June 2014.

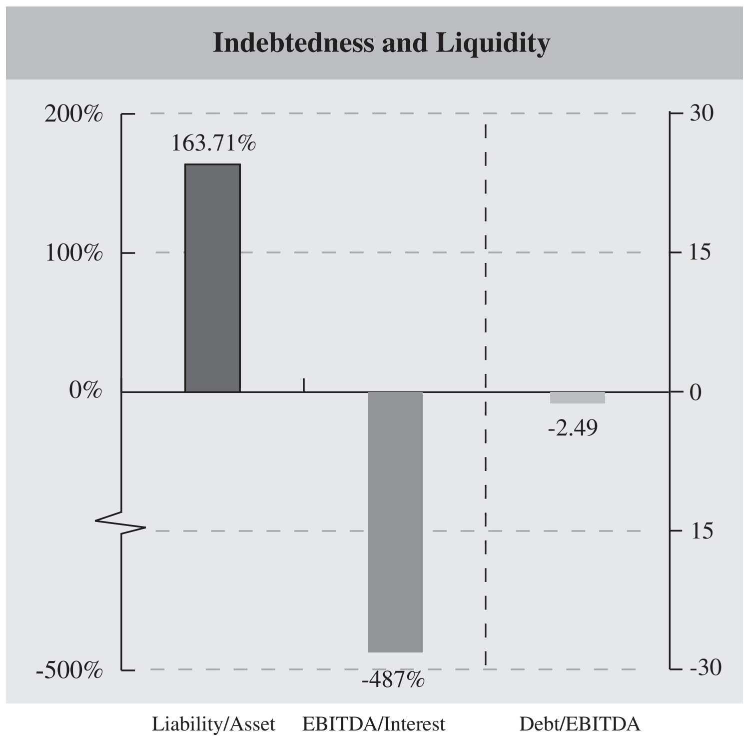
On 14 November 2014, the Group entered into a sale and purchase agreement with Up Energy Resources Company Limited (the "**Purchaser**") and Up Energy Development Group Limited, pursuant to which the Purchaser has conditionally agreed to acquire and the Group has conditionally agreed to sell 42.74% equity interest in Grande Cache Coal Corporation ("**GCC**", a subsidiary of the Group without material businesses except for as the general partner holding 0.01% interest in GCC LP) and GCC LP for cash consideration of US$1 (the "**Disposal**").

On 2 September 2015, all the conditions precedent to the completion of the Disposal were either satisfied or waived pursuant to the aforementioned sale and purchase agreement. Following the completion of the Disposal, the Company remains interested in 14.69% in GCC and 14.685% in GCC LP and they have ceased to be subsidiaries of the Company.

In 2015, the total production volume of GCC ROM (run-of-mine) coal was 0.53 million tonnes, which sharply decreased from 2.22 million tonnes for the same period last year. The sharp decrease was due to the limitation of tight cash flow position of GCC and poor market performance.

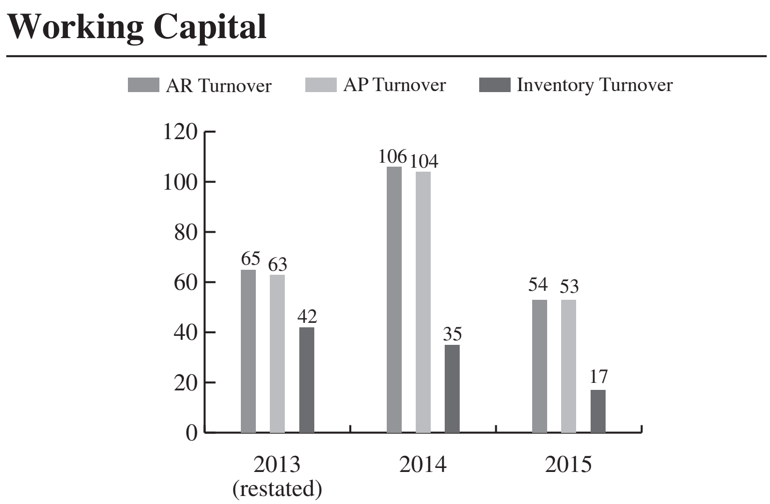
9. Indebtedness and Liquidity

The total amount of bank loans owed by the Group (excluding GCC) at the end of 2015 was HK$1,101 million, which is at a similar level compared to 2014 balance. However, because of the softening coal market and disappointing results of the Group, the credit lines have shrunk significantly. Interest rates on these loans range from 1.63% to 5.35% per annum, whereas the range in 2014 was from 1.53% to 7.20%. The Group's gearing ratio at the end of 2015 was 163.71%, compared to 96.28% at the end of 2014. The Group calculates gearing ratio on the basis of total liabilities divided by total assets.



10. Working Capital

Our accounts receivable turnover days, accounts payable turnover days, and inventory turnover days were 54 days, 53 days, and 17 days respectively in 2015. As a result, the overall cash conversion cycle was approximately 18 days in 2015, which was 19 days shorter than the Group's cash conversion cycle realised in 2014.



11. Contingent Liabilities

The Company's existing subsidiaries, other than those established/incorporated under the laws of the PRC, subsidiaries deemed immaterial and those falling under the definition of Unrestricted Subsidiaries under the Senior Notes (Winsway Coking Coal Holdings S.à.r.l, 0925165 B.C. Ltd., Grande Cache Coal Corporation and GCC LP), have provided guarantees for the Senior Notes issued in April 2011. The guarantees will be released upon the full and final payment and performance of all obligations of the Company under the Senior Notes.

12. Pledge of Assets

At 31 December 2015, bank loans amounting to HK$205,932,000 (2014: HK$523,935,000) were secured by bank deposits placed in banks with an aggregate carrying value of HK$201,280,000 (2014: HK$521,473,000).

At 31 December 2015, bank loans amounting to HK$138,980,000 (2014: HK$584,418,000) were secured by trade and bills receivables with an aggregate carrying value of HK$122,941,000 (2014: HK$584,418,000).

At 31 December 2015, bank loans amounting to HK$673,891,000 (2014: HK$67,183,000) were secured by land use rights and property, plant and equipment with an aggregate carrying value of HK$553,567,000(2014: HK$108,365,000).

At 31 December 2015, bank loans amounting to HK$81,847,000 (31 December 2014: HK$nil) were secured by bills receivables, land use rights and property, plant and equipment with an aggregate carrying value of HK$114,834,000 (2014: HK$nil).

13. Senior Notes

On 8 April 2011, the Company issued senior notes in the aggregate principal amount of US$500,000,000 ("Senior Notes") and listed on the Singapore Exchange Securities Trading Limited. The Senior Notes bear interest at 8.50% per annum, payable semi-annually in arrears, and will be due in 2016.

The Senior Notes are guaranteed by the Group's existing subsidiaries other than those established/incorporated under the laws of the PRC, Winsway Coking Coal Holdings S.à.r.l., 0925165 B.C. Ltd., GCC and GCC LP as an application of the principle stated in the Company's offering memorandum on 1 April 2011 (the "Subsidiary Guarantors"). In addition, the Company has agreed, for the benefit of the holders of the Senior Notes, to pledge the capital stock of each Subsidiary Guarantor in order to secure the obligations of the Company.

During the year ended 31 December 2013, the Group repurchased Senior Notes in an aggregate principal amount of US$153,190,000 for a cash consideration of US$73,595,000 in the open market. The Senior Notes repurchased were redeemed subsequently. The difference between the carrying amount of the Senior Notes redeemed and the consideration paid, net off against the transaction costs incurred, was recognised as a gain of US$76,383,000 (equivalent to $592,495,000) on redemption of the Senior Notes in the Group's consolidated statement of profit or loss. The outstanding Senior Notes with principal amount of US$309,310,000 will be matured on 8 April 2016.

In addition, on 11 October 2013, the Company also received consents from holders of the Senior Notes with a consent payment of US$4,118,000 to certain amendments ("Amendments") to the indenture, dated as of 8 April 2011 ("Indenture"), among the Company, the Subsidiary Guarantors and Deutsche Bank Trust Company Americas, as trustee. The Amendments eliminated the limitations on indebtedness, restricted payments, dividend and other payment restrictions affecting Restricted Subsidiaries (as defined in the Indenture), sales and issuances of capital stock in Restricted Subsidiaries, issuances of guarantees by Restricted Subsidiaries, sale and leaseback transactions, transactions with shareholders and affiliates and business activities as contained in the Indenture. The consent payment is amortised over the remaining period of the outstanding Senior Notes.

During the year ended 31 December 2015, the Group did not make the scheduled Interest Payment. The Group has defaulted on outstanding Senior Notes amounting to HK$2,388,573,000 as at 31 December 2015 after the 30-day grace period expired on 8 May 2015 for making the Interest Payment under the terms of the indenture, as amended and supplemented. On 25 November 2015, the Company, certain of its subsidiaries and certain of the Bondholders entered into a Restructuring Support Agreement, pursuant to which such Bondholders agreed to support the Debt Restructuring. For further information on the Restructuring Support Agreement, please refer to the Company's announcement dated 26 November 2015, and further information on the progress of debt restructuring scheme, please refer to the Company's announcement dated 13 March 2016.

IV. Risk Factors

The operation of the Group involves certain risks, some of which are beyond our control. The risks set out below are those that Winsway currently believes may materially affect its performance and/or financial condition. However, this should not be taken as an exhaustive list as there may be additional risks and uncertainties not currently known to Winsway, or those which are currently deemed to be immaterial, may become material in the future which may adversely affect Winsway's business, results of operations, financial condition and prospects.

1. *Volatility of Coal Prices*

The market price of coal is volatile and is affected by numerous factors that are beyond our control. These include international supply and demand, the level of consumer product demand, international economic trends, global or regional political events and international events, as well as a range of other market forces. Sustained downward movements in coal market prices, as recorded consecutively in the year of 2014 and 2015, have materially affected the Group's business. The combined effects of any or all of these factors on coal prices are impossible for us to predict, there can be no assurance that global and domestic coal prices will not continue to fall or rebound to a profitable level, which would have material and adverse effect on our financial condition.

2. *Dependence Upon the Steel Industry*

Our business and prospects are heavily dependent on the demand for coking coal by steel markers and coke plants in China. The steel industry's demand for metallurgical coal is affected by a number of factors including the cyclical nature of that industry's business, technological developments in the steel-making process and the availability of substitutes for steel such as aluminum, composites and plastics. In the year of 2015, the Chinese steel mills continued to cut down their production as steel prices continued to decline under a weak domestic and international economic environment. Such significant reduction in the demand for steel products reduced the demand for metallurgical coal, which had a material adverse effect on the Group's performance.

3. *Credit risk*

The credit risk is primarily attributable to cash at bank, trade and other receivables and over-the-counter derivative financial instruments entered into for hedging purposes. The Group has a credit policy in place and the exposure to these credit risks is monitored on an ongoing basis. Further quantitative disclosure in respect the Group's exposure to credit risk arising from trade and other receivables are set out in note 14 of the financial information.

4. *Liquidity risk*

Our policy is to regularly monitor the Group's liquidity requirements and compliance with lending covenants, to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. Note 2 to the financial information explains management's plans to manage liquidity needs of the Group to enable it to continue to meet its obligations as they fall due.

5. *Interest rate risk*

The Group's interest rate risk arises primarily from interest-bearing borrowings. The Group's bank loan interest rates ranged from 1.63% to 5.35% in the year of 2015. At 31 December 2015, it is estimated that a general increase/decrease of 25 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after tax and accumulated loss by approximately HK$2,064,000. Other components of consolidated equity would have no change in response to the general increase/decrease in interest rates.

6. *Currency risk*

The Group is exposed to currency risk primarily through sales, purchases and borrowings which give rise to payables, cash balances and bank loans that are denominated in a foreign currency. The currencies giving rise to this risk are primarily United States dollars and Renminbi. Any unfavourable movement in the exchange rate may lead to an increase in the carts of the Group or a decline in sales, which could materially affect the Group's results of operations.

7. *Fair value measurement*

The fair value measurement was carried at the Group's financial assets and liabilities. Fair value of forward exchange contracts of derivative financial instruments held by the Group is determined by discounting the contractual forward price and deducting the current spot rate. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

V. Final Dividends

No dividend was declared for the year ended 31 December 2015.

VI. Human Resources

1. *Human Resources (excluding GCC)*

(1) Employee Overview

The Group has maintained a performance-oriented compensation system that balances each individual position's internal and external value. The Group also signs formal employment contracts with all employees and participates in all required social security schemes following applicable regional and/or national laws and regulations.

As of 31 December 2015, there were 193 full-time employees in the Group (excluding 183 dispatch staffs from domestic subsidiaries in continuing operations). By a scheme of redundancy, there was an approximately 41.34% headcount cut in 2015 in relation to the continuing operations. A detailed breakdown of employee categories is as follows:

Functions	**FY2015** No. of Employees	**FY2015** Percentage	FY2014 No. of Employees	FY2014 Percentage
Management, Administration & Finance	**107**	**55%**	195	59%
Front-line Production & Production Support & Maintenance	**26**	**13%**	72	22%
Sales & Marketing	**30**	**16%**	38	12%
Internet Business	**13**	**7%**		
Others (incl. Projects, CP,Transportation)	**17**	**9%**	24	7%
TOTAL	**193**	**100%**	329	100%

(2) *Employee Education Overview*

Qualifications	**FY2015** No. of Employees	**FY2015** Percentage	FY2014 No. of Employees	FY2014 Percentage
Master & above	**14**	**7%**	24	7%
Bachelor	**85**	**44%**	123	37%
Diploma	**54**	**28%**	98	30%
High-School, Technical School & below	**40**	**21%**	84	26%
Total	**193**	**100%**	329	100%

(3) *Training Overview*

The Group considers training as an invaluable process to provide employees with information, new skills, and professional development opportunities. As of 31 December 2015, the Company has held various training programs totaling 906 hours, and over 162 attendances have participated in these programs.

The Group also holds an orientation program for newly admitted employees. The program covers modulars such as, among other things introduction to corporate culture, brief of Group regulations, understanding of safety and operational guidelines.

The Group has also sponsored professional training programs such as EMBA program, Chartered Professional Accountant program, Hong Kong Chartered Secretary program, etcetera to employees and management staff and different levels.

Training Overview

	FY2015		FY2014	
Training Courses	**No. of hours**	**No. of participants**	No. of hours	No. of participants
Safety	**478**	**125**	1,653	217
Management & Leadership	**204**	**28**	922	55
Operation Excellence	**224**	**9**	509	34
Total	**906**	**162**	3,084	306

2. *Human Resources (GCC)*

(1) *Employee Overview*

GCC has maintained a performance-oriented compensation system that balances each individual position's internal and external value. The Group also signs formal employment contracts with all employees and participates in all required social security schemes following applicable regional and/or national laws and regulations.

At of 2 September 2015, GCC had 276 employees. A detailed breakdown of employee categories is as follows:

	2 September 2015		31 December 2014	
Functions	**Number of Employees**	**Percentage Employees**	Number of Employees	Percentage Employees
Head Office (Calgary)	**13**	**5%**	21	5%
Mine Site Management	**62**	**22%**	97	21%
Underground Mining Operations (union)	**70**	**25%**	64	14%
Contract Underground Mining Operations	**1**	**1%**	2	1%
Surface Mining Operations (union)	**0**	**0%**	98	21%
Maintenance (union)	**47**	**17%**	74	16%
Coal Processing Plant Operations, Maintenance & Site Services (union)	**41**	**15%**	67	14%
Coal Haul Operations & Maintenance (union)	**42**	**15%**	38	8%
Total	**276**	**100%**	461	100%

VII. Health, Safety and Environment

1. Health, Safety and Environment (excluding GCC)

We place great importance on the health and safety of employees, and recognize the importance of protecting the environment. Injury frequency per million working hours (lost time injury rate LTIFR) is a key measure of how we deliver on commitments. The 2015 lost time injury rate was zero. No major environmental accidents and occupational health accidents was occurred in 2015.

2. Health, Safety and Environment in GCC

Safety

GCC along with all senior management is committed to and responsible for providing and maintaining a safe and healthy work environment. Working together we share an obligation with all employees to protect health and promote safety in all areas of the mine.

GCC Safety Statistics 2014–2015

	2015	2014
Incident Listing		
Near Misses	**3,207**	3,699
First Aid	**44**	111
GCC Medical Aid	**18**	35
Restricted Work Cases	**29**	26
LTI	**3**	7
TRI	**47**	68
WHS Notifiable	**6**	11
WHS Reportable	**1**	2
AER Reportable	**6**	19
Property Damage	**75**	144
Stats		
LTI Frequency	**1.16**	1.67
LTI Severity	**3.85**	16.96
TRI Frequency	**18.50**	16.72
Lost Time		
Days Lost	**10**	71
Modified Work		
Hours	**8,203**	2,460
Days	**684**	203
Total Employees		
GCC Employees	**246**	440
Man Hours Worked	**512,653**	837,248

VIII. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 1 April 2016, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 25 April 2016.

SUPPLEMENTARY INFORMATION

Compliance with the Code on Corporate Governance Practices

Throughout the year ended 31 December 2015, the Company has complied with the code provisions ("**Code Provisions**") under the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules (the "**CG Code**"), except for the deviation from the Code Provision A.2.1 which requires that the roles of chairman and chief executive officer to be separate and not performed by the same individual, until the resignation of Mr. Wang Xingchun ("**Mr. Wang**") on 16 November 2015. Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarized below.

On 16 November 2015, Mr. Wang resigned from the Board as an executive Director, chairman of the Board and the chief executive officer of the Company. Ms. Cao Xinyi was appointed as an executive Director and CEO designate on 28 October 2015, and the Chief Executive Officer on 16 November 2015. The Board will elect a chairman at its future meetings on an ad-hoc basis following Mr. Wang's resignation until a new chairman of the Board is elected.

Code Provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. The chairman of the Board at the time was unable to attend the annual general meeting of the Company held on 18 June 2015 for health reasons. Ms. Ma Li, an executive Director, chaired the meeting on his behalf and was available to answer questions.

Except for the deviations mentioned above from the CG Code, the Company fully complied with all the Code Provisions throughout the year ended 31 December 2015.

Compliance with the Model Code for Securities Transactions by Directors of the Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry of all the Directors of the Company, each Director confirmed that he/she has complied with the required standard set out in the Model Code throughout the year ended 31 December 2015.

Purchase, Sale or Redemption of the Company's Listed Securities

The Company did not redeem any of its securities during the year ended 31 December 2015. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's securities during the year ended 31 December 2015.

Review of Annual Results

The audit committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2015.

Disclosure of Information on the Hong Kong Stock Exchange's Website

This annual results announcement is published on the websites of the Company (www.winsway.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2015 will be dispatched to shareholders of the Company and will be available on the above websites in due course.

By Order of the Board
Winsway Enterprises Holdings Limited
Cao Xin Yi
Chief Executive Officer and Company Secretary

Hong Kong, 22 April, 2016

As at the date of this announcement, the executive Directors of the Company are Ms. Cao Xinyi, Ms. Zhu Hongchan, Mr. Wang Yaxu, and Mr. Feng Yi, the non-executive Director of the Company is 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.