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WINSWAY[®]

WINSWAY COKING COAL HOLDINGS LIMITED

永暉焦煤股份有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1733)

VOLUNTARY ANNOUNCEMENT

STRATEGIC ALLIANCE AGREEMENT WITH THE LUNG MING GROUP

The Board announces that on 20 August 2012, the Company entered into a long-term Strategic Alliance Agreement with the Lung Ming Group for the marketing of Mongolian iron ore products in the PRC.

By entering into the Strategic Alliance Agreement, it is expected that the Group will be able to develop the capability of providing logistics services for iron ore products by utilizing its logistics capacity following the completion of the railway logistics parks at Erlianhaote and Jining, and to diversify its product offering and mitigate the risks from single product.

This announcement is made by Winsway Coking Coal Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Strategic Alliance Agreement with the Lung Ming Group

The board of directors (the “**Board**”) of the Company is pleased to announce that on 20 August 2012, the Company entered into a strategic alliance agreement (“**Strategic Alliance Agreement**”) with Lung Ming Mining Co., Ltd. (“**Lung Ming**”) and Evermate Trading Limited (a subsidiary of Lung Ming, and together with Lung Ming, the “**Lung Ming Group**”) which sets out the terms upon which the Group and the Lung Ming Group will cooperate in the marketing of Mongolian iron ore products in the People’s Republic of China (the “**PRC**”) and the role of the Group as the exclusive buyer of iron ore products produced by the Lung Ming Group, unless otherwise mutually agreed. During the term of the agreement, the Lung Ming Group will be responsible for the production and supply of Mongolian iron ore products and delivery of such products to Erlianhaote port, while the Group shall have an exclusive right (subject to an exception) to purchase such products at Erlianhaote port. The Group will arrange customs clearance, warehousing, logistics and sale of such products in the PRC by utilizing the Group’s logistics capacity and marketing abilities in the PRC.

The Lung Ming Group is one of the largest producers of iron ore in Mongolia, operating two mines that produce iron ore for the steel and iron ore industry from its mining license covering approximately 14 square kilometers in Eruu soum, Selenge province, Mongolia.

Under the Strategic Alliance Agreement, the Lung Ming Group or its designated companies will supply iron ore products to the Group or its designated companies from Mongolia with the actual quantity to be mutually determined on a monthly basis. The target volume of supply is estimated to be 2 million tonnes for August to December 2012, with increment from time to time thereafter to 30 million tonnes per year in 2017 and onwards.

The purchase price shall be mutually agreed once every month in accordance with the terms of the Strategic Alliance Agreement.

By entering into the Strategic Alliance Agreement, it is expected that the Group will benefit in the following ways:

- (1) the Group will be able to develop the capability of providing logistics services for iron ore products;
- (2) it will be able to utilize its logistics capacity following the completion of the railway logistics parks at Erlianhaote and Jining; and
- (3) it will be able to diversify its product offering and mitigate the risks from single product.

The Strategic Alliance Agreement will regulate supplies of Mongolian iron ore products from the Lung Ming Group to the Group for a period of twenty-five years starting from 2012 and may be renewed by the parties upon agreement three months prior to its expiry.

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

Hong Kong, 22 August 2012

As at the date of this announcement, the executive directors of the Company are Mr. Wang Xingchun, Ms. Zhu Hongchan, Mr. Yasuhisa Yamamoto, Mr. Apolonius Struijk and Mr. Cui Yong, the non-executive directors of the Company are Mr. Delbert Lee Lobb, Jr., Mr. Liu Qingchun and Mr. Lu Chuan and the independent non-executive directors of the Company are Mr. James Downing, Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. George Jay Hambro.