I. Company Introduction
An Integrated Logistic Service Provider with Strategically Located Infrastructure
Our Mission and Vision
Supplying a Scarce and Strategic Commodity for the Chinese Steel Industry

Coking coal - a scarce and strategic asset for China's future growth

Robust Growth in Chinese Steel Production...

China Became a Significant Coking Coal Importer in 2009 and is Expected to Remain So Driven by Forward Steel Production

Supply from Mongolia and Russia Landlocked Reserves are Expected to Play a Major Role Driven by Winsway's Logistics Infrastructure

Estimated Chinese Domestic Production and Imports 2004 to 2012

Estimated Export Hard Coking Coal Mine Cash Costs by Country (US$/t CIF)

Note: The low-vol coking coal and fat coal are Chinese equivalents to hard coking coal

Source: AME Mineral Economics
Our History
A Growth Story Parallel with Soaring Demand of Coking Coal for China

- Founded Winsway Group to transship and import Russian crude oil and chemical products through Manzhouli
- Established Inner Mongolia Haotong to conduct coal business in the PRC
- Engaged in transshipping and importing of crude oil and chemical products through Erlianhaote
- Acquired Yiteng to develop a platform for coking coal transportation from the PRC side of the Sino-Mongolian border to customers in the PRC
- Established Inner Mongolia Haotong to conduct coal business in the PRC
- Acquired Yiteng to develop a platform for coking coal transportation from the PRC side of the Sino-Mongolian border to customers in the PRC

- Reached nearly RMB1 bn of annual sales and approx. RMB240 mm of net profits
- Commenced operation at our coal processing plant at Urad Zhongqi
- Commenced construction of infrastructure in our logistics park at Ceke
- Imported approximately 1 Mt tonnes of coal
- Commenced seaborne coal business and imported over 3 million tonnes of seaborne coal in 2009
- Entered into a cooperative arrangement with the Hohhot Railway Bureau for the Xixiaozhao–Gants Mod railway construction project
- HOPU, China Minmetals Corporation, Silver Grant and Itochu became our investors
- Annual processing capacity of our Urad Zhongqi coal processing plant reached 4 million tonnes
- Acquired Polo Resources’ 50% interest in the Peabody-Winsway JV in June 2010

Increasing amount of coking coal import by China
Our Market Position
One of the Leading Suppliers of Imported High-quality Coking Coal in China

China’s Coking Coal Import by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Coal Imported (Mt)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>6.2</td>
<td>6.9</td>
<td>34.4</td>
</tr>
</tbody>
</table>

Source: AME Mineral Economics

China’s Coking Coal Import by Origin, 2009

- **Australia**: 65%
- **Canada**: 10%
- **Russia**: 6%
- **Indonesia**: 5%
- **Mongolia**: 12%
- **Others**: 2%

The Largest Offtaker of Mongolian Coal in 2009

- **Winsway**: 55%
- **Others**: 45%

Source: Company Information

Winsway’s Size and Profitability

<table>
<thead>
<tr>
<th>Year</th>
<th>Coal Imported (Mt)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>1.3</td>
<td>3.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income (RMB mm)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>16</td>
<td>244</td>
<td>454</td>
</tr>
</tbody>
</table>

**Net Income**

- **2007**: 5.1%
- **2008**: 45.6%
- **2009**: 45.1%

**Return on Equity**

- **2007**: 3.4%
- **2008**: 3.4%
- **2009**: 5.1%

Source: Company Information
II. Our Business Model
Our business strategy is to integrate seven core constituents along the value chain, creating a high entry barrier for potential competitors.
Limited land available in the immediate vicinity of border-crossings and regulatory approvals required to construct logistics park provide us with significant first-mover advantage.

### Ceke Border Crossing
- **Commencement of Construction**: 2008
- **Land Area**: 679,100 sqm
- **Major Facilities in the Logistics Park**: Loading facilities, stockpile area, and a coal processing plant
- **Closest Mongolian Coal Deposits (Distance)**: Ovoot Tolgoi, Nariin Sukhait (40km)

### Gants Mod Border Crossing
- **Commencement of Construction**: 2007
- **Land Area**: 666,600 sqm
- **Major Facilities in the Logistics Park**: Loading facilities, stockpile area, coal testing centre, wind shield, and a designated access road connecting our logistics park to Chinese customs
- **Closest Mongolian Coal Deposits (Distance)**: Tavan Tolgoi (270km)
Border Crossings Facilities (Cont’d)

Near-term: Additional Border Crossings and New Border-crossing Facilities
- Mongolia: Erlianhaote (4)
- Russia: Manzhouli (6)
- Conveyor belt system

Future: Additional Border Crossings / Expansion of Existing Facilities
- Mongolia: Mandula (3) Zhu'engadabuqi (5)
- Russia: Suifenhe (7)
- Upgrade and increase coal handling capability

Today: Two Border Crossings
- Gants Mod (1)
- Ceke (2)

Today: Third-Party Infrastructure
- Jingtang
- Rizhao
- Caofeidian

Seaborne Coal

Landborne Coal

Near-term: Facilities at Sea Ports
- Longkou (A)
- Bayuquan (B)

In Operation
To Be In Operation In Near-term
Under Plan
Railway Logistics Centres

Jointly develop and operate railway logistics centers to facilitate future transshipment and storage.

Coal loading stations within the railway logistics centers.

Winsway owns 51% of the joint ventures.

Undertake bulk cargo transshipment, storage and transportation operations at logistics centres.

Jointly invest in railway rolling stock and maintenance facilities.

### Strategic Locations
- **Border crossings**
  - Ceke
  - Gants Mod
  - Mandula
  - Erlianhaote
  - Zhu’engadabuqi
- **Inland logistics centers**
  - Jining
  - Urad Zhongqi

### Logistics Centres
- Jointly develop and operate railway logistics centers to facilitate future transshipment and storage.
- Coal loading stations within the railway logistics centers.
- Winsway owns 51% of the joint ventures.
Local knowledge of Mongolian and Chinese transportation industries, augmented by strategic relationship with Chinese railway authorities, enables us to conduct long-distance transportation of Mongolian coal in an efficient and economical fashion.

- Cooperate with a designated third-party transportation company in Mongolia through long-term contracts
- Potentially investing in a heavy-duty road connecting Mongolian coal mines to our border crossing
- Engage third party transportation companies for road transportation in China
- Joint-operatorship of loading stations located within railway logistics centers
- Investment in Xixiaozhao-Gants Mod line (expected to be operational by 2011)
#4 Coal Processing

<table>
<thead>
<tr>
<th>Main Raw Coal Source</th>
<th>Target Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceke, Urad Zhongqi and Jining</td>
<td>Mongolia Inner Mongolia, Hebei, and Shandong Provinces</td>
</tr>
<tr>
<td>Manzhouli and Suifenhe</td>
<td>Russia Inner Mongolia, Hebei, and Shandong Provinces</td>
</tr>
<tr>
<td>Bayuquan and Longkou</td>
<td>Russia Seaborne Northeast China and Shandong Province</td>
</tr>
</tbody>
</table>

## Coal Processing Capacity Expansion Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Ceke</th>
<th>Urad Zhongqi</th>
<th>Jining</th>
<th>Bayuquan</th>
<th>Longkou</th>
<th>Manzhouli</th>
<th>Suifenhe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008A</td>
<td>2.0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2.0</td>
</tr>
<tr>
<td>2009A</td>
<td>3.2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3.2</td>
</tr>
<tr>
<td>2010E</td>
<td>7.2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7.2</td>
</tr>
<tr>
<td>2011E</td>
<td>23.2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>23.2</td>
</tr>
<tr>
<td>2012E</td>
<td>33.2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>33.2</td>
</tr>
</tbody>
</table>
We have built a network of premium clients through consistent delivery of high quality products and we have also entered long-term strategic alliance agreement and memorandum with a number of our customers.

### Winsway’s Top Customers

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
</table>
| Baogang Group   | steel producer  | Inner Mongolia | - One of the leading steel enterprises in China and the largest in Inner-Mongolia  
                  |                 | - State owned enterprise                                                   |
| Hebei Steel     | steel producer  | Hebei        | - The largest steel conglomerate in China                                   
                  |                 | - State owned enterprise                                                   |
| Tangshan Jiahua | coke plant      | Hebei        | - Joint venture by Beijing Coking and Chemical, Shougang and ThyssenKrupp    
                  |                 | - One of leading coking companies in Hebei Province                         |
| Risun Coke      | coke plant      | Hebei        | - A leading coal chemical company in China                                  |

Note: Colored areas denote six main markets for Winsway: Hebei and Beijing, Northeast of China, Inner Mongolia, Shanxi, Shandong and Central, Eastern and Southern regions of China.

#### Chinese Steel Production by Province (2009)

- **Hebei** 24%
- **Jiangsu** 10%
- **Shandong** 9%
- **Liaoning** 8%
- **Hubei** 3%
- **Shanxi** 5%
- **Henan** 4%
- **Shandong** 9%
- **Jiangsu** 10%
- **Others** 26%

2009 total production: 569 Mt

Source: AME
Seaborne coal business broadens our product offering, diversifies our sources of coal supply and adds blending alternatives.

- Coal procured from Australia, the US, Canada, Russia, etc.
- A combination of long-term offtake agreements and spot contracts
- Procured approximately 3.4 Mt seaborne coal in 2009

Delivered to Jingtang, Rizhao or Caofeidian ports currently
Plan to invest in docking facilities in Longkou
Plan to construct coal processing facilities at Bayuquan and Longkou
Bayuquan and Longkou ports to primarily serve the Northeast China and Shandong markets
#7 Upstream Resources

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### Secured Coking Coal Supply
- Mongolian coal sourced from key coal deposits in Mongolia including Ovoot Tolgoi, Nariin Sukhait and Tavan Tolgoi
- The pioneer of large-scale transporting of Mongolian coal into China
- Tri-partite agreements with suppliers and a designated third-party transportation company for delivery of coal to border crossings
- Seaborne coal sourced from international coal mining companies and through a combination of spot contracts and term contracts

### Long-term Offtake Agreement / MOU

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mongolian Supplier 1</td>
<td>2010-2020</td>
</tr>
<tr>
<td>Mongolian Supplier 2</td>
<td>2010-2013</td>
</tr>
<tr>
<td>Mongolian Supplier 3</td>
<td>2010-2012</td>
</tr>
</tbody>
</table>

*MOU entered in July 2010*

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**WINSWAY®**

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**Customers**
- Annual discussion on volume and pricing
- Usually quarterly price adjustment in accordance to prevailing contracted price in China

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**Raw Coal**
- Annual discussion on volume and pricing
- Annual or quarterly price adjustment

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**Cleaned Coal**
- Annual discussion on volume and pricing

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**Mongolian Suppliers**

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*The pioneer of large-scale transporting of Mongolian coal into China*
In June 2010, we acquired 50% interest in Peabody-Winsway JV from Polo Resources.

- The JV holds owns 50 coal-related mineral licenses in Mongolia, covering a total area of approximately 7,210 square kilometers.
- 25 of these coal licenses are located in a large licensed area in the strategically important South Gobi Coal Basin, which is known for its huge coal resources.
- Cooperation with Peabody Energy, a leading global coal miner, to conduct further exploration and development in Mongolia as well as future acquisition.
III. Financial Overview
Our Scale and Growth

**Total Sales Volume (Mt)**
- 2007: 0.5
- 2008: 1.0
- 2009: 2.1
- 1H2009: 1.0
- 1H2010: 2.2

**CAGR=206.6%**

**Growth=349.1%**

**Total Revenue (RMB mm)**
- 2007: 199
- 2008: 983
- 2009: 1,758
- 1H2009: 818
- 1H2010: 1,957

**CAGR=394.1%**

**Growth=25.5%**

**Gross Profit (RMB mm)**
- 2007: 39
- 2008: 436
- 2009: 487
- 1H2009: 152
- 1H2010: 715

**CAGR=106.5%**

**Growth=523.5%**

**Net Income (RMB mm)**
- 2007: 16
- 2008: 244
- 2009: 454
- 1H2009: 65
- 1H2010: 529

**CAGR=438.7%**

**Growth=713.9%**
Diversified Customer Base

Top Customer Revenue Contribution

Single Largest

Five Largest

(\% of Total Revenue)

2007 2008 2009 1H2010

82.1\% 56.7\% 9.7\% 14.2\%

95.3\% 91.1\% 33.0\% 41.4\%
Our Margins

### COGS

- **2007**: Cost of Materials 15, Transportation Cost 8, Others 36
- **2008**: Cost of Materials 37, Transportation Cost 66, Others 450
- **2009**: Cost of Materials 78, Transportation Cost 556, Others 3152
- **1H2009**: Cost of Materials 88, Transportation Cost 113, Others 3152
- **1H2010**: Cost of Materials as % of COGS

### Gross Margin

- **2007**: Mongolian Coal 19.7%, Seaborne Coal 81.5%
- **2008**: Mongolian Coal 27.2%, Seaborne Coal 92.3%
- **2009**: Mongolian Coal 25.7%, Seaborne Coal 83.4%
- **1H2009**: Mongolian Coal 1.5%, Seaborne Coal 85.3%
- **1H2010**: Mongolian Coal 9.7%, Seaborne Coal 94.0%
Our Margins (Cont’d)

Unit Net Profit

(RMB/ton)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>1H2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>29</td>
<td>242</td>
<td>89</td>
<td>124</td>
</tr>
</tbody>
</table>

Net Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>1H2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>7.9%</td>
<td>24.5%</td>
<td>9.8%</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

Note: Non-GAAP 1H 2010 net margin is 13.6%, excluding non-cash one-off expenses: ESOP, interest on liability component of convertible bonds, redeemable convertible preferred shares and share-based payment expense, and assuming 20% effective tax rate.
Working Capital

Inventory Turnover Days

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>1H2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories Turnover Days</td>
<td>247</td>
<td>164</td>
<td>66</td>
<td>57</td>
</tr>
</tbody>
</table>

A/R Turnover Days

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>1H2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/R Turnover Days</td>
<td>29</td>
<td>24</td>
<td>26</td>
<td></td>
</tr>
</tbody>
</table>

A/P Turnover Days

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>1H2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/P Turnover Days</td>
<td>35</td>
<td>58</td>
<td>31</td>
<td>27</td>
</tr>
</tbody>
</table>
Credit

**Net Debt/Equity**
- 2007: 24.1%
- 2008: 37.9%
- 2009: 58.5%
- 1H2010: 59.8%

**Net Debt/EBITDA**
- 2007: 1.8x
- 2008: 0.7x
- 2009: 1.0x
- 1H2010: 1.4x

**Current Ratio**
- 2007: 1.5x
- 2008: 1.2x
- 2009: 1.2x
- 1H2010: 1.4x

**EBITDA/Interest**
- 2007: 11.0x
- 2008: 88.4x
- 2009: 15.4x
- 1H2010: 20.8x

Note: Net debt amount excludes the debt portion of convertible bond and convertible preferred shares of RMB786mm. Interest amount excludes the interest expense associated with CB/RCPS.
Capex and Use of Proceeds

Future Capital Expenditure

(RMB mm)

2010E: 925
2011E: 1,607
2012E: 220

Use of Net Proceeds

- Future Acquisition of, and Investment in, New Infrastructure: 75.0%
- Future Acquisition of Upstream Coal Resources: 15.0%
- Working Capital and General Corporate Purposes: 10.0%
IV. Conclusion
Growth Strategies

1. Strengthen our leading market position in supplying Mongolian coking coal through further infrastructure investments and expansion to other border crossings.

2. Replicate our successful Mongolian business model at key Sino-Russian border crossings to capitalize on expected future inflows of Russian coking coal.

3. Enhance our logistics capability on Chinese domestic railway system by becoming a strategic partner with railway authorities and a key stakeholder in the supply chain.

4. Expand our coal processing capacity to provide a broader range of high-quality coking coal products and more value-added services to our customers.

5. Secure coal supply by entering into long-term offtake contracts and selectively pursuing coal resources upstream acquisition opportunities.

6. Extend our presence to selected seaports and explore new markets.
Thank You

Q&A
Appendix I: Corporate Structure
Our Corporate Structure

Footnote
1. Assuming all CB/CPS will fully converted at the time of IPO, and pre-IPO Investors include: HOPU 13.09%, China Minmetals Corporation 5.46%, Silver Grant 5.46% and Itochu 1.80%.
2. Other Shareholders include:

Pre-IPO Individual Investors, which include the following Shareholders and their respective shareholdings in our Company: Sparkle Land 1.36%, Top Dream 1.09%, Gold Shine 0.44%, Unique Grace 0.13%, Samtop 2.18% and Champaign 0.18%; Ray Splendid, holding 1.0% of our issued Shares.
Appendix II: Management Team
## Dedicated Management Team with Rich Experience and Outstanding Execution Capability

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Time with Winsway</th>
<th>Biography</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xingchun Wang</td>
<td>Chairman CEO</td>
<td>21 years</td>
<td>Responsible for formulating the overall business development strategies for our company and communication with key suppliers and customers of our group. Has over 20 years of international commodities business and management experience, as well as 15 years of experience in the development of cross border logistics infrastructure and its operations. Mr. Wang founded Macao Winsway (Group) Co. Ltd. in 1995.</td>
</tr>
<tr>
<td>Hongchan Zhu</td>
<td>Executive Director Vice President</td>
<td>15 years</td>
<td>Responsible for the management of the procurement of coal and sales activities. Worked at Chemical Trading and Sales department of Winsway Group. B.S. Management Engineering, Beijing University of Chemical Technology.</td>
</tr>
<tr>
<td>Yasuhisa Yamamoto</td>
<td>Executive Director</td>
<td>3 years</td>
<td>Responsible for procurement of seaborne coal. Worked at Tokyo, London and HK offices of Marubeni Corporation. B.S. Laws, Kobe University.</td>
</tr>
<tr>
<td>Paul Struijk</td>
<td>Executive Director</td>
<td>10 years</td>
<td>Responsible for the procurement of seaborne coal and mergers and acquisitions activities of our group. Former CEO of Logos Chemical Co. Ltd. Worked at Landmark Chemicals and International Chemical.</td>
</tr>
<tr>
<td>Yong Cui</td>
<td>Executive Director</td>
<td>10 years</td>
<td>Responsible for strategy and new business development of our group. Act as non-executive director of Xinyuan Real Estate (XIN.US) and an independent non-executive director of Yardway Group Limited (646.HK) and an independent non-executive director of Zhongshan Vantage Gas Appliance Stock Co., Ltd. PhD, School of Finance, Renmin University.</td>
</tr>
<tr>
<td>Qingrang Zhu</td>
<td>Executive Vice President</td>
<td>4 years</td>
<td>Responsible for transportation, domestic infrastructure and daily operation. Former Senior Engineer of Hohhot Railway Bureau Diversified Operation Management Centre. Mr. Zhu studied economics and business management at the Institute of the Party School of Central Committee of The Chinese Communist Party and graduated in 1995.</td>
</tr>
<tr>
<td>Li Ma</td>
<td>Vice President</td>
<td>12 years</td>
<td>Responsible for the treasury functions and internal administration. Worked at Baotou Steel. B.S. Metallurgy, Baotou College of Iron &amp; Steel; Master of Chemistry and MBA, University of Science and Technology Beijing.</td>
</tr>
<tr>
<td>Jerry Xie</td>
<td>CFO</td>
<td>1 year</td>
<td>Responsible for our capital markets activities, financial analysis, mergers and acquisitions and investors relationship. Worked at Bank of China International, Bear Stearns, Deutsche Bank, Lehman Brothers, etc. B.S. in Chemical Engineering from the Georgia Institute of Technology and MBA from New York University.</td>
</tr>
<tr>
<td>Yaxu Wang</td>
<td>Chief Accountant</td>
<td>15 years</td>
<td>Responsible for accounting and financial management of our group. B.S. Management Engineering, Beijing University of Chemical Technology.</td>
</tr>
<tr>
<td>Xinyi Cao</td>
<td>Secretary to the Board</td>
<td>1 year</td>
<td>Secretary to the Board. Prior experience with PWC. B.S. Business Administration, City University of Hong Kong. Member of Hong Kong Institute of Certified Public Accountant.</td>
</tr>
</tbody>
</table>
Appendix III: Industry Overview
**Strong Fundamentals for Global Coking Coal Demand**

**Outlook for Steel Industry is Strong…**

![Graph showing estimated global steel production 2004 to 2012](image)

**…Driving Coking Coal Consumption**

![Graph showing estimated world coking coal consumption 2004 to 2012](image)

**China and India Will Play a Larger Role in the Future…**

![Graph showing estimated global traded coking coal market share](image)

**…Supporting Stronger Benchmark Prices**

![Table showing estimated benchmark coking coal prices](image)

**Japan-Australia Benchmark Coal Contract Prices**

*(Japanese Fiscal Year, US$/t, FOB, nominal 2007-09, real-2010 onwards)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Premium Hard Coking</th>
<th>Standard Hard Coking</th>
<th>Semi-Hard Coking</th>
<th>Semi-Soft Coking</th>
<th>High Volatile PCI</th>
<th>Low Volatile PCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$96</td>
<td>89</td>
<td>72</td>
<td>64</td>
<td>66</td>
<td>68</td>
</tr>
<tr>
<td>2008</td>
<td>$300</td>
<td>289</td>
<td>265</td>
<td>240</td>
<td>215</td>
<td>245</td>
</tr>
<tr>
<td>2009</td>
<td>$129</td>
<td>120</td>
<td>115</td>
<td>83</td>
<td>80</td>
<td>90</td>
</tr>
<tr>
<td>2010</td>
<td>$217</td>
<td>206</td>
<td>197</td>
<td>164</td>
<td>158</td>
<td>165</td>
</tr>
<tr>
<td>2011</td>
<td>$226</td>
<td>214</td>
<td>205</td>
<td>169</td>
<td>164</td>
<td>171</td>
</tr>
<tr>
<td>2012</td>
<td>$235</td>
<td>222</td>
<td>213</td>
<td>175</td>
<td>168</td>
<td>177</td>
</tr>
</tbody>
</table>

Source: AME Mineral Economics
Growth in Supply is Constrained by Infrastructure, Capital Funding and Lack of New Coking Coal Reserves

Major Coking Coal Supply Routes

- **Australia**: To remain a major coking coal supplier
  - Faces infrastructure capacity constraints over the short to medium term (especially evident along the east coast)
  - Seaborne and Land Trade

- **Canada / U.S.**: Swing suppliers in the seaborne market with relatively uncompetitive cost structure
  - Still expected to be important suppliers while new projects come online

- **Russia**: Not expected to be a significant supplier to the seaborne market due to remoteness and infrastructure constraints

- **Mongolia / Mozambique**: Low cost producers expected to emerge as important suppliers in the future
  - Infrastructure/ capital access issues remain

Global Coking Coal Market is Expected to Grow

Estimated Coking Coal Exports by Key Countries 2004 to 2012

- **Australia**
- **Canada**
- **USA**
- **Russia**
- **Mongolia / Mozambique**
- **Other**

Source: AME Mineral Economics
Chinese Domestic Coking Coal Market Will Remain Structurally Short-Supplied into Foreseeable Future

Estimated Chinese Domestic Production and Imports 2004 to 2012

...Australia and Mongolia are Expected to Be the Main Suppliers

Estimated China Coking Coal Imports 2004 to 2012

...And a Robust Domestic Steel Industry Means Depleting Reserves in China

Relative Scarcity of Hard Coking Coal in China...

Estimated Chinese Coking Coal Reserves by Type

Estimated Typical Chinese Coke Blend

Source: AME Mineral Economics
Mongolia – One of the Last Untouched Frontiers of Potential Coking Coal Supply

Significant Reserves Potential

- Recent surveys suggest that there are approximately 300 coal deposits identified across 15 coal basins throughout Mongolia.
- Most of the coal resources are situated in the eastern and southern portions of Mongolia in proximity to China.
- Mongolia is estimated to have potential total coal reserves of approximately 100bt.
- Mongolia is host to one of the largest undeveloped coal deposits in the world, the Tavan Tolgoi deposit.

Growing Production

Estimated Mongolian Coal Production 2004 to 2009

Cost Advantage Due to Mining Condition and Geographic Proximity to China

Estimated Export Hard Coking Coal Mine Cash Costs by Country (US$/t CIF)

Robust Growth Expected in Coking Coal Export Volume

Estimated Mongolian Coking Coal Exports 2007 to 2012

Source: AME Mineral Economics
Russia – Large Reserve Base but Faces Infrastructure Challenges

Estimated Global Hard Coal Reserves (~411bt)
- Russia: 11.9%
- Rest of World: 88.1%

Large Coal Reserves

Sizable Export Volume

Estimated Russian Coking Coal Exports 1990 to 2012
- 2006-2012, CAGR=5.9%

Transportation and Infrastructure as Major Constraining Factors

Distances from Major Russian Coal-Producing Regions to Ports (km)

<table>
<thead>
<tr>
<th>Coal Region</th>
<th>Atlantic Ports</th>
<th>Pacific Ports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Murmansk</td>
<td>Riga</td>
</tr>
<tr>
<td>Kuznetsky</td>
<td>4,800</td>
<td>4,900</td>
</tr>
<tr>
<td>Irkutsky</td>
<td>6,500</td>
<td>6,600</td>
</tr>
<tr>
<td>South Yakutsky</td>
<td>1,900</td>
<td></td>
</tr>
</tbody>
</table>

Potential to Become a Significant Supplier to the Asian Markets

- Russian coking coal producers are now actively targeting Asian demand
  - In JFY2009 Russian producers started to negotiate long-term coking coal contracts with Japanese steel mills
  - Mechel reached an agreement with Hyundai Steel for 0.3 Mt of its K9-grade coal from Neryugrinsky beginning 1 April 2010
- Transportation of coking coal from the Russian far-east to Asia faces substantial transportation constraints due to long haulage distances, limited availability of rolling stock and port capacity in far east ports

Source: AME Mineral Economics
Appendix IV: Capex Breakdown
## Capex Breakdown

(RMB million)

<table>
<thead>
<tr>
<th>Location</th>
<th>Project</th>
<th>Status</th>
<th>Estimated Commencement Date</th>
<th>Estimated Completion Date</th>
<th>Amount Estimated to Be Spent</th>
<th>Amount Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Railway Logistics Centers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gants Mod</td>
<td>Railway logistics centre¹</td>
<td>Planning / Joint venture company incorporated</td>
<td>Q1 2011</td>
<td>Q1 2012</td>
<td>-</td>
<td>69.0</td>
</tr>
<tr>
<td>Ceke</td>
<td>Railway logistics centre¹</td>
<td>Planning / Joint venture company incorporated</td>
<td>Q4 2010</td>
<td>Q4 2011</td>
<td>20.7</td>
<td>44.8</td>
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<td>Erlianhaote</td>
<td>Railway logistics centre¹</td>
<td>Planning / Joint venture company incorporated</td>
<td>Q4 2010</td>
<td>Q2 2011</td>
<td>79.7</td>
<td>280.8</td>
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<tr>
<td>Manzhouli</td>
<td>Railway logistics centre¹</td>
<td>Planning / In discussion with railway bureau</td>
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<td>Q4 2011</td>
<td>-</td>
<td>100.0</td>
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<tr>
<td>Sulfenhen</td>
<td>Railway logistics centre²</td>
<td>Planning / In discussion with railway bureau</td>
<td>Q1 2011</td>
<td>Q1 2012</td>
<td>-</td>
<td>79.5</td>
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<tr>
<td>Jining</td>
<td>Railway logistics centre¹</td>
<td>Planning / Joint venture company incorporated</td>
<td>Q4 2010</td>
<td>Q2 2011</td>
<td>39.5</td>
<td>56.7</td>
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<tr>
<td>Urad Zhongqi</td>
<td>Railway logistics centre¹</td>
<td>Planning / Joint venture company incorporated</td>
<td>Q1 2011</td>
<td>Q4 2011</td>
<td>9.1</td>
<td>34.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<td></td>
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<td><strong>Sub-total</strong></td>
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<tr>
<td><strong>Logistics Parks</strong></td>
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<td></td>
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<tr>
<td>Gants Mod</td>
<td>Expansion of existing logistics park</td>
<td>Ongoing / Construction</td>
<td>Existing project</td>
<td>On-going</td>
<td>7.8</td>
<td>38.2</td>
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<tr>
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<td>Expansion of existing logistics park</td>
<td>Ongoing / Construction</td>
<td>Existing project</td>
<td>On-going</td>
<td>15.4</td>
<td>45.3</td>
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<td>Manzhouli</td>
<td>Logistics park</td>
<td>Planning</td>
<td>Q3 2010</td>
<td>Q4 2011</td>
<td>20.0</td>
<td>50.0</td>
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<tr>
<td>Sulfenhe</td>
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<td>Planning</td>
<td>Q1 2011</td>
<td>Q4 2011</td>
<td>10.0</td>
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<td><strong>Total</strong></td>
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<td><strong>Sub-total</strong></td>
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<td><strong>Port Facilities</strong></td>
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<td>Longkou</td>
<td>Docking facilities³</td>
<td>Planning / In discussion with Longkou port authority</td>
<td>Q1 2011</td>
<td>Q1 2012</td>
<td>-</td>
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<td><strong>Total</strong></td>
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<td><strong>Sub-total</strong></td>
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<td><strong>Coal Processing Plants</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urad Zhongqi</td>
<td>Expansion of existing capacity of dense medium coal plant to 10.0 mtpa</td>
<td>Planning</td>
<td>Q4 2010</td>
<td>Q4 2011</td>
<td>34.8</td>
<td>49.0</td>
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<tr>
<td>Ceke</td>
<td>1.2 mtpa dry separation processing plant</td>
<td>Ongoing / Construction</td>
<td>Existing project</td>
<td>On-going</td>
<td>2.8</td>
<td>2.3</td>
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<tr>
<td>Jining</td>
<td>4.0 mtpa dense medium coal processing plant</td>
<td>Planning</td>
<td>Q4 2010</td>
<td>Q2 2011</td>
<td>-</td>
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<tr>
<td>Bayuquan Port</td>
<td>4.0 mtpa dense medium coal processing plant</td>
<td>Planning</td>
<td>Q3 2010</td>
<td>Q2 2011</td>
<td>19.8</td>
<td>121.8</td>
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<tr>
<td>Longkou Port</td>
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<td>Planning</td>
<td>Q4 2010</td>
<td>Q3 2011</td>
<td>-</td>
<td>51.5</td>
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<tr>
<td>Manzhouli</td>
<td>5.0 mtpa dense medium coal processing plant</td>
<td>Planning</td>
<td>Q3 2010</td>
<td>Q1 2012</td>
<td>-</td>
<td>5.0</td>
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<tr>
<td>Sulfenhe</td>
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<td>Q2 2012</td>
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<td><strong>Sub-total</strong></td>
<td><strong>57.4</strong></td>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>80.6</strong></td>
</tr>
</tbody>
</table>

Note: 1. 51% held by Winsway and 49% held by subsidiaries of Hohhot Railway Bureau. 2. Subject to discussion, proposed to be 51% held by Winsway and 49% held by another railway bureau. 3. Subject to discussion, proposed to be 51% held by Winsway and 49% held by Longkou port authority company. 4. Approximately RMB508.9 million has been committed for as at 30 June 2010.