



WINSWAY®

2011 Results Announcement

WINSWAY COKING COAL HOLDINGS LIMITED
27th March 2012

WINSWAY COKING COAL HOLDINGS LIMITED
永暉焦煤股份有限公司

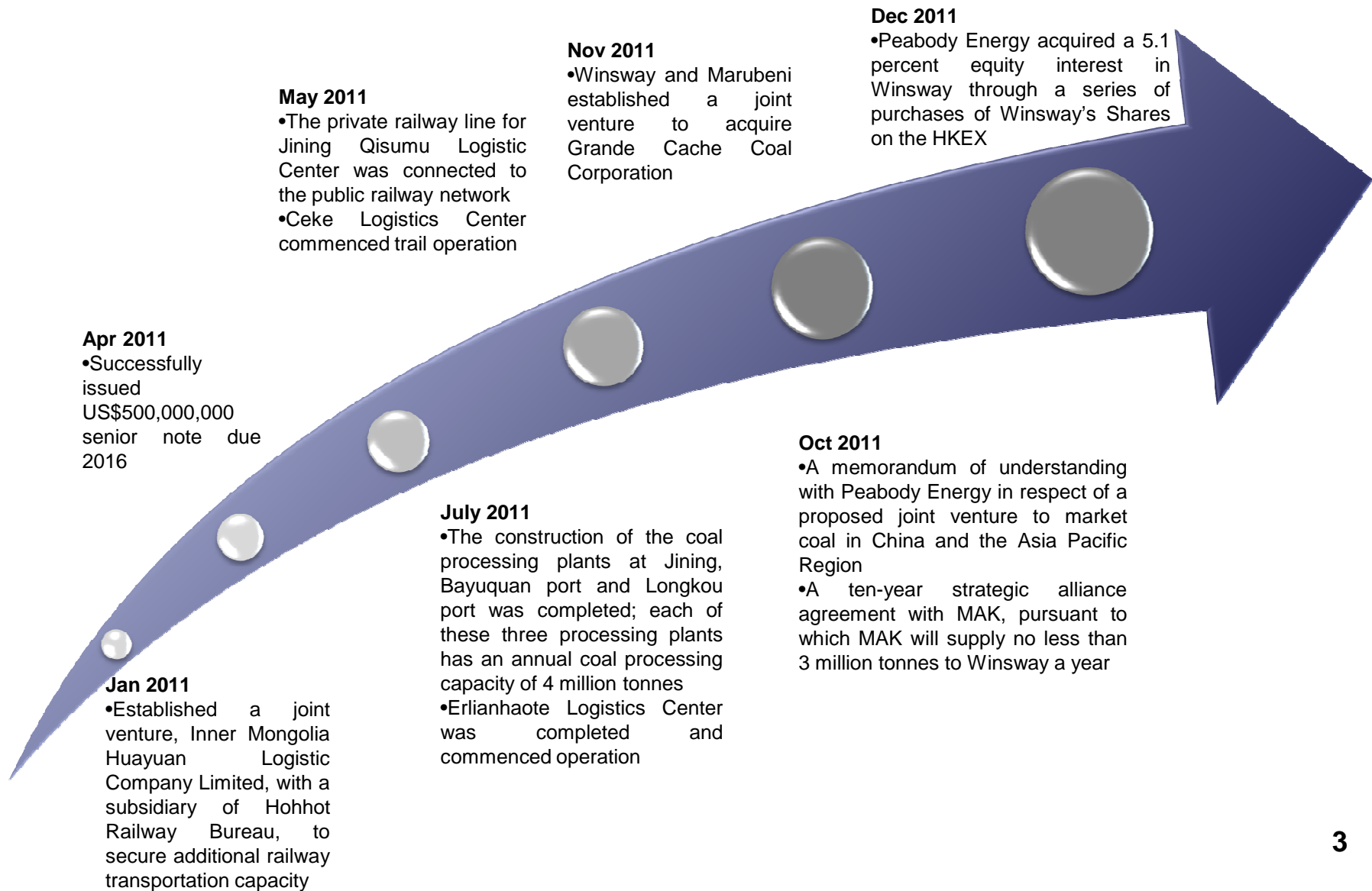
Stock Code : 1733



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I. 2011 Review

Major Milestones 2011



Jan 2011

- Established a joint venture, Inner Mongolia Huayuan Logistic Company Limited, with a subsidiary of Hohhot Railway Bureau, to secure additional railway transportation capacity

- Successfully issued US\$500,000,000 senior note due 2016

May 2011

- The private railway line for Jining Qisumu Logistic Center was connected to the public railway network
- Ceke Logistics Center commenced trail operation

July 2011

- The construction of the coal processing plants at Jining, Bayuquan port and Longkou port was completed; each of these three processing plants has an annual coal processing capacity of 4 million tonnes
- Erliahaote Logistics Center was completed and commenced operation

Nov 2011

- Winsway and Marubeni established a joint venture to acquire Grande Cache Coal Corporation

Dec 2011

- Peabody Energy acquired a 5.1 percent equity interest in Winsway through a series of purchases of Winsway's Shares on the HKEX

Oct 2011

- A memorandum of understanding with Peabody Energy in respect of a proposed joint venture to market coal in China and the Asia Pacific Region
- A ten-year strategic alliance agreement with MAK, pursuant to which MAK will supply no less than 3 million tonnes to Winsway a year

Infrastructure

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Longkou Processing Plant



Yingkou Processing Plant



Jining Processing Plant



Ceke Logistic Park



Our Customers and Suppliers



Top 5 Customers (2011)

Customers	Region	Amount (HK\$' Million)
Liu Steel	Guangxi	1,281
Sha Steel	Jiangsu	1,041
Marubeni Corporation	Japan	828
Wuhan Steel	Hubei	595
Bao steel	Shanghai	518

Top Mongolian Suppliers (2011)

Suppliers	Amount (HK\$' Million)
Moveday Enterprises Limited	1,533
Mongolian Mining Corporation	1,156
Mongolyn Alt (MAK) Corporation	723
SouthGobi Sand LLC	333

Note: Coal purchased from Moveday was mined by Tavan Tolgoi Corporation. Moveday also provided transportation service with a total value of HK\$495 million in the year 2011. Our supplier base of Mongolian coal includes many of the major coking coal suppliers in Mongolia.



Long Term Agreements and Purchase Contracts



Mongolian Coal Suppliers



Long term agreement

10 years

**5.0mt/year
or
50% output**

Mongolian Mining Corporation

Long term agreement

3 years

**Up to
2.0mt/year**



Long term agreement

5 years

**Min.
2.0mt/year**



Long term agreement

3.0mt/year

Others

Purchase contract

**0.2mt
(Q4 2010)**

Seaborne Coal Suppliers



Marubeni



Others

A combination of long-term agreements and spot contracts



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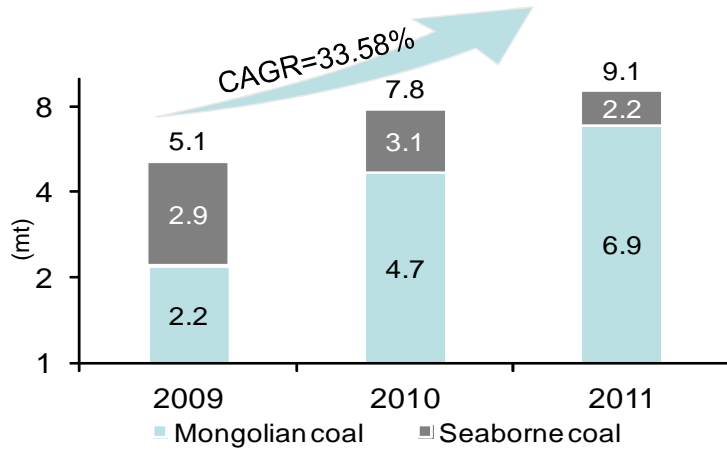
II. Financial Highlights



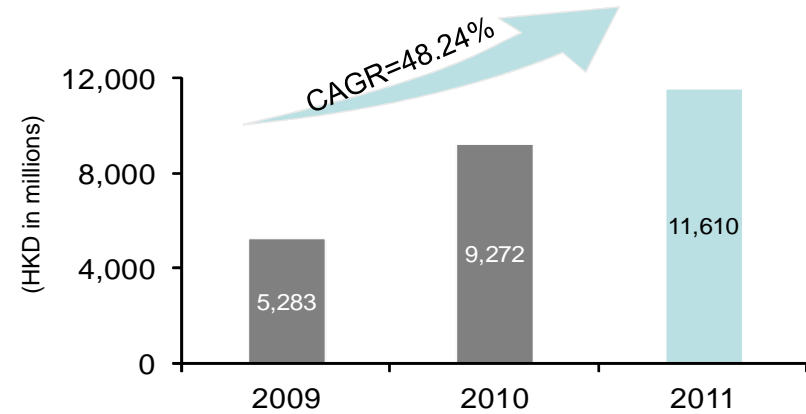
Our Scale and Growth



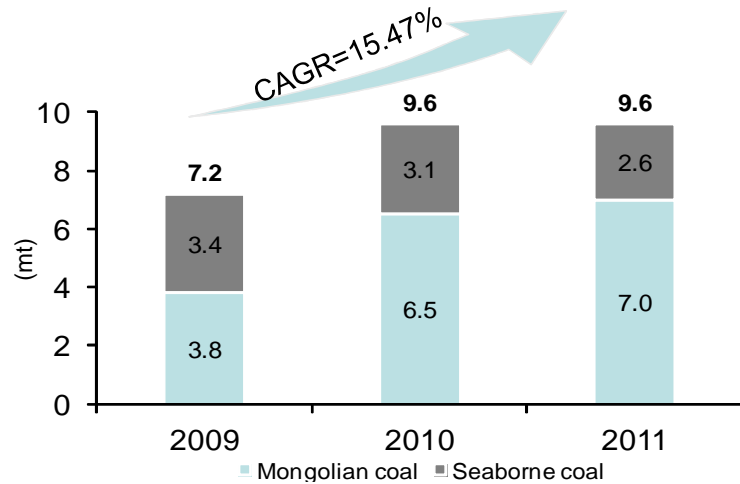
Total Sales Volume



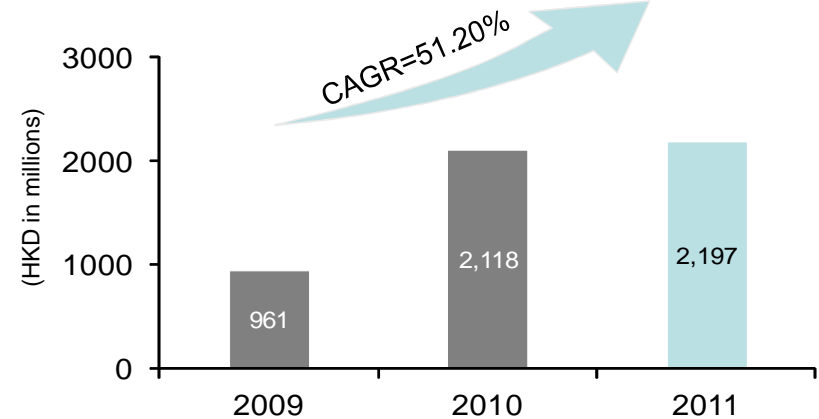
Total Revenue



Mongolian & Seaborne Coal Procurement Volume



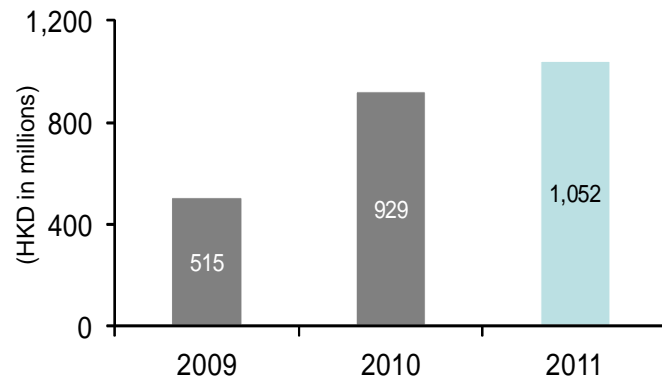
Gross Profit



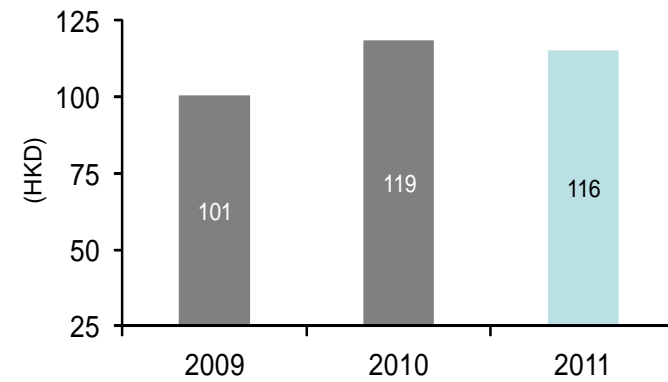
Profitability



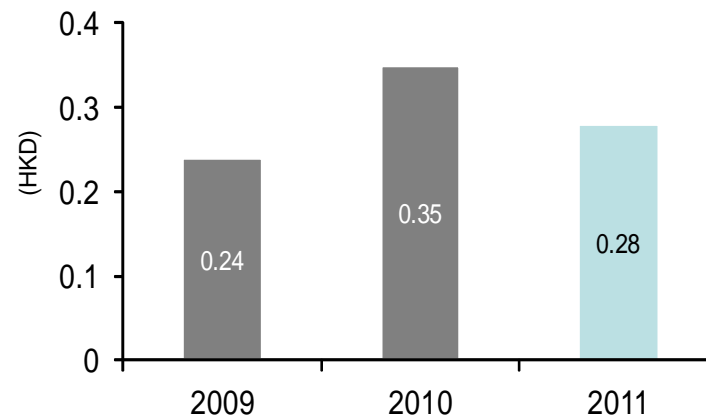
Net Profit



Net Profit per Tonne



Earnings Per Share

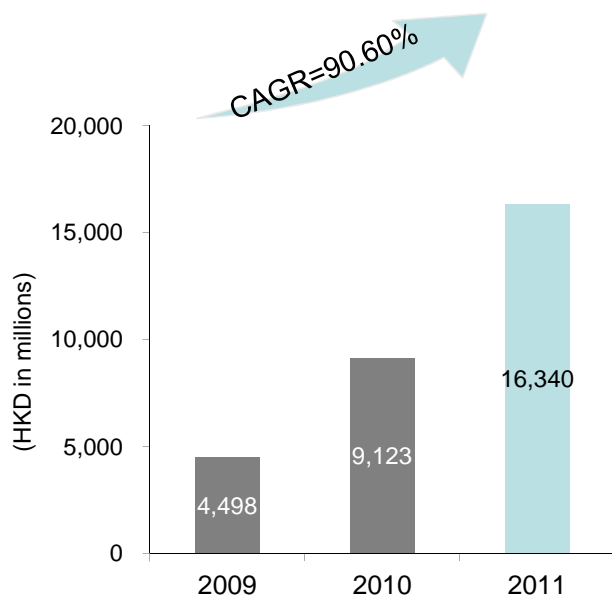


Note: Weighted average number of ordinary shares (basic) as at 31 December : 3,785,420,000

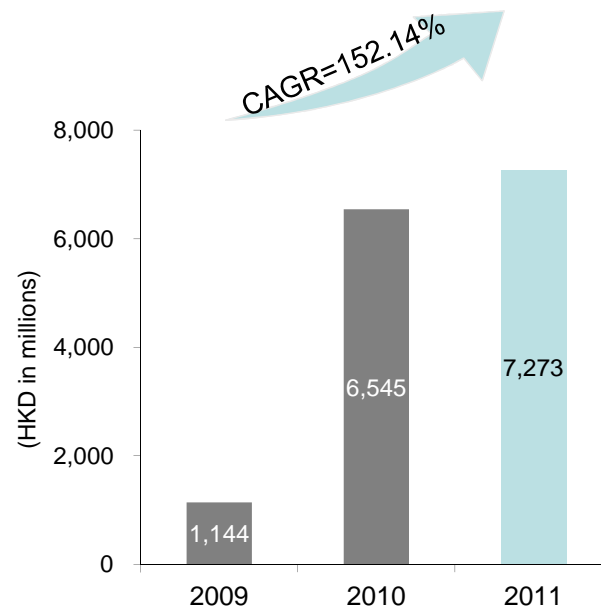
Balance Sheet



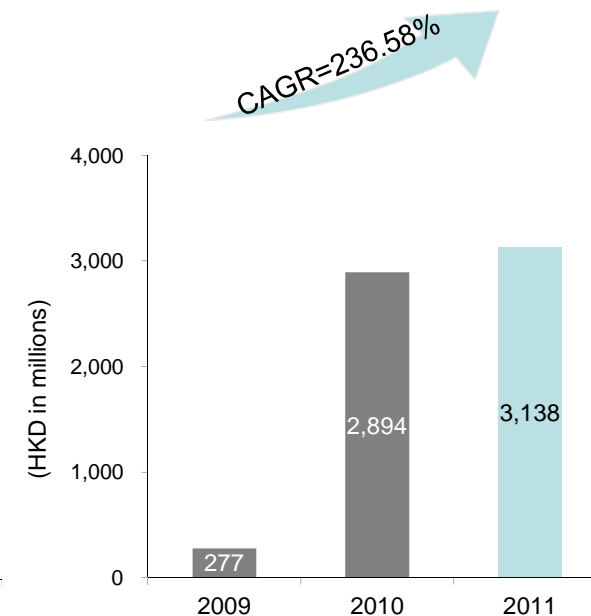
Total Assets



Total Equity



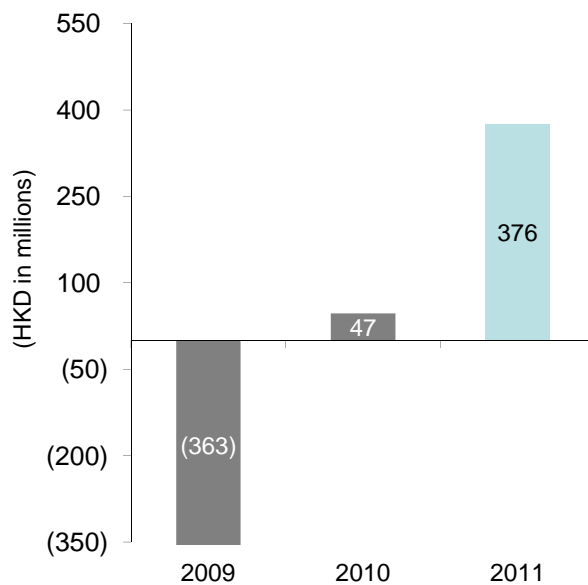
Cash Balance



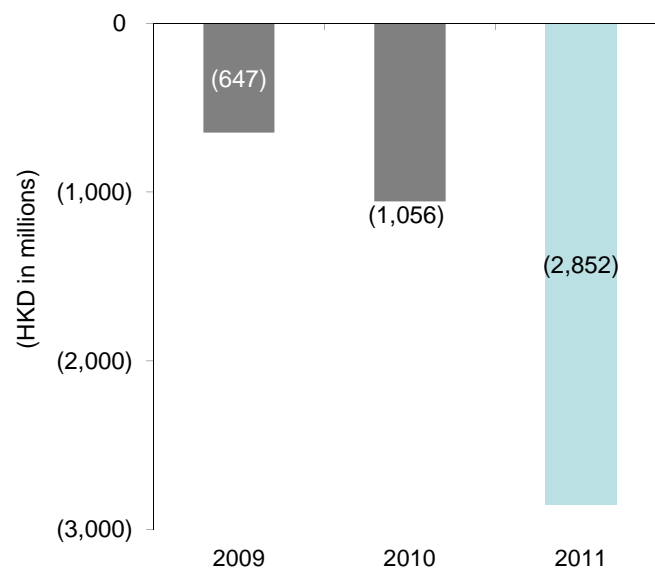
Cash Flow



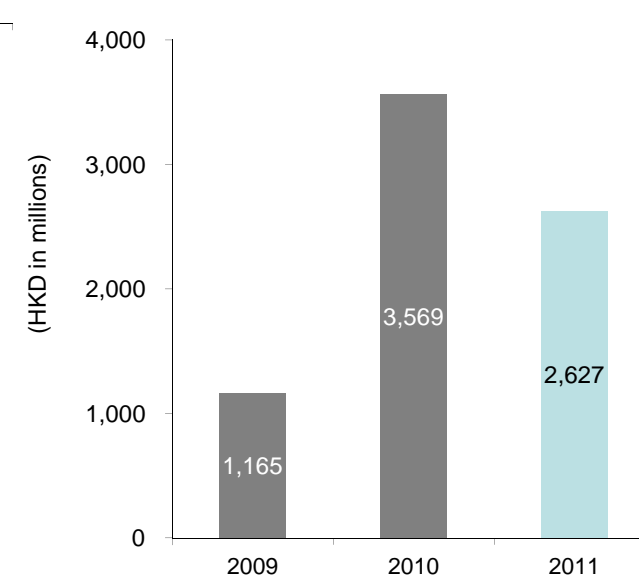
Operating Cash Flow



Investing Cash Flow



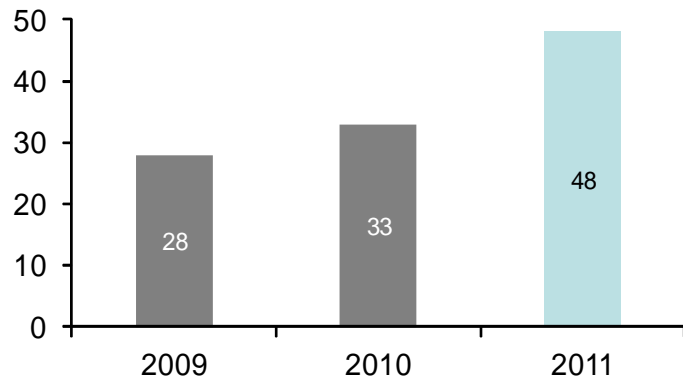
Financing Cash Flow



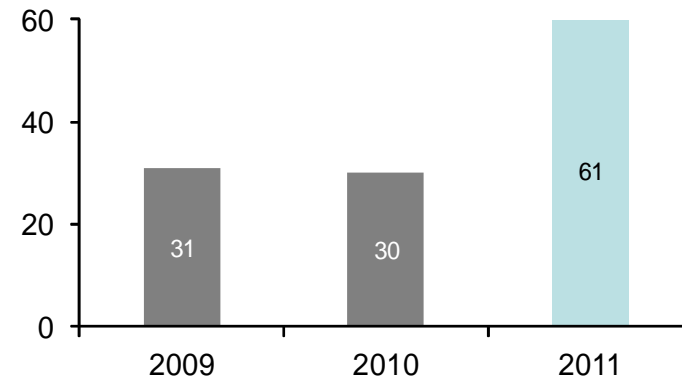
Strong Working Capital Management



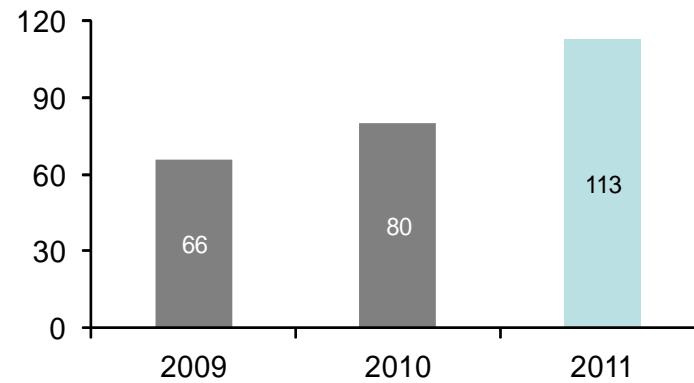
A/R Turnover Days



A/P Turnover Days



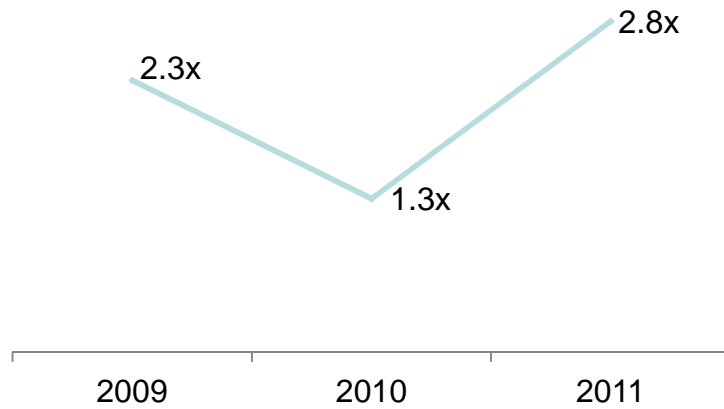
Inventory Turnover Days



Healthy Credit Ratios

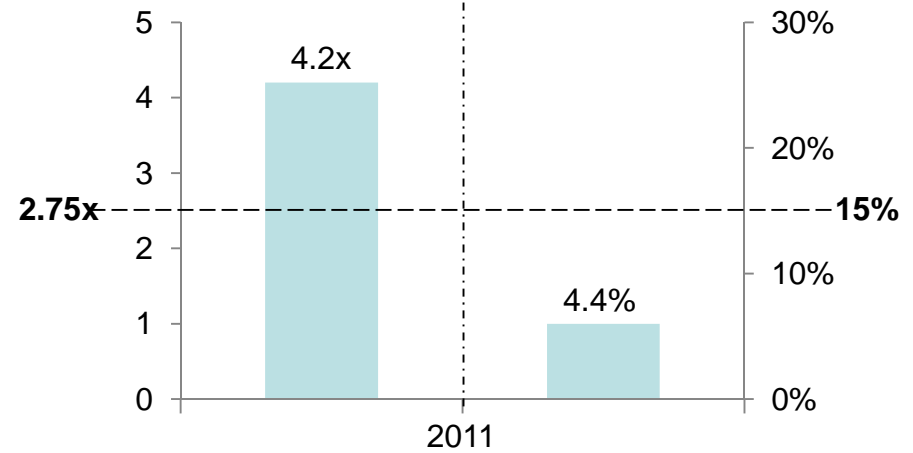


Total Debt/EBITDA

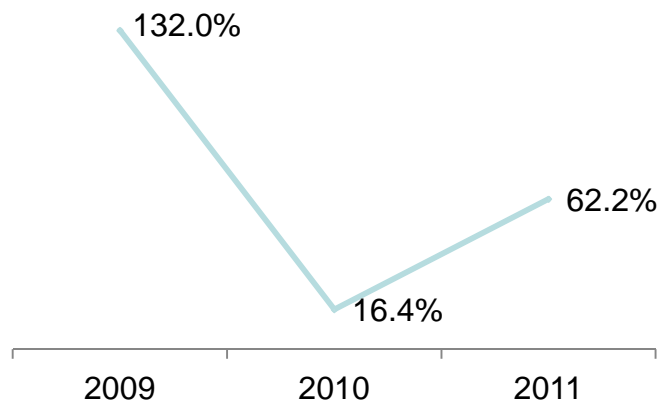


FCCR

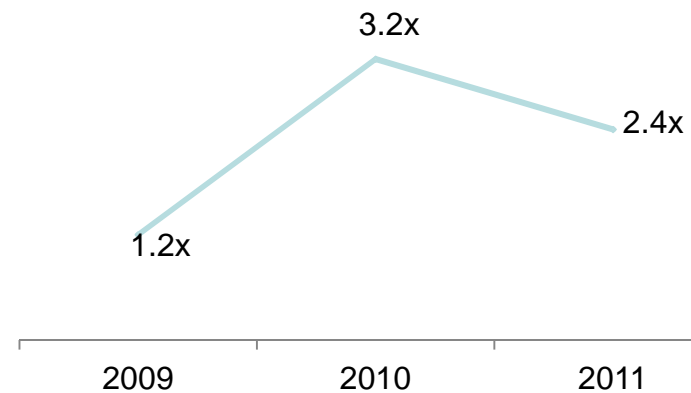
PSI



Total Debt/Equity



Current Ratio





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III. A Transformational Acquisition

Transaction Highlights



Grande Cache Coal shareholders realize compelling value

- All cash consideration of C\$10.00 per share provides certainty in volatile markets
- 70% premium based on Grande Cache Coal's closing price on the TSX on 28 October 2011
- Total offer value of approximately C\$983 million⁽¹⁾ (60% Winsway ownership)

A transformational transaction for Winsway

- Proven producing asset with significant expansion potential
- Planned production growth to 3.5 million tonnes per annum and 30+ year mine life
- First major step in vertical integration through upstream investment in mining assets
- Platform for growth in a world-class coal mining region
- Diversifies Winsway's political and geographic risk profile
- Marubeni Corporation ("Marubeni") is a strong partner (40% ownership)
- Significant synergy potential
- Grande Cache Coal's low-volatility coking coal provides excellent blending stock

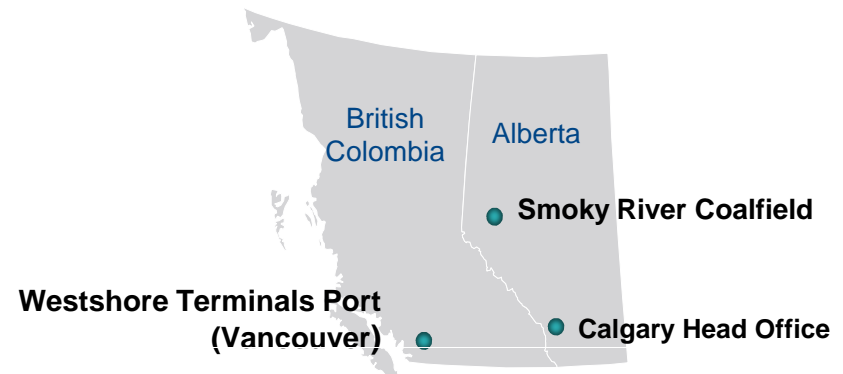
(1) 1 C\$ = 1.0082 US\$ as at 28 October 2011

Grande Cache Coal Overview



- Pure play metallurgical coal mining company
- Headquartered in Calgary, Alberta
- Listed on the Toronto Stock Exchange (TSX: GCE)
- Primary asset is the Smoky River Coalfield in West Central Alberta
- 14 coal leases held totaling over 22,000 hectares
- Operating both surface and underground mines
- Experienced management team
- Employs over 625 individuals on a full time basis
- Strong financial position as of 30 June 2011
 - C\$21 million cash
 - No debt
 - C\$75 million finance leases

Western Canada



Surface Mining Operations



Grande Cache Coal Pit 8

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Grande Cache Coal

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A Transformational Transaction **WINSWAY**[®]

Proven producing asset with significant expansion potential

First major step in vertical integration through upstream investment in mining assets

Platform for growth in a world-class coal mining region

Diversifies Winsway's political and geographic risk profile

Marubeni is a strong partner

Significant synergy potential

Low-volatility coking coal provides excellent blending stock

Proven Producing Asset with Significant Production Expansion Potential

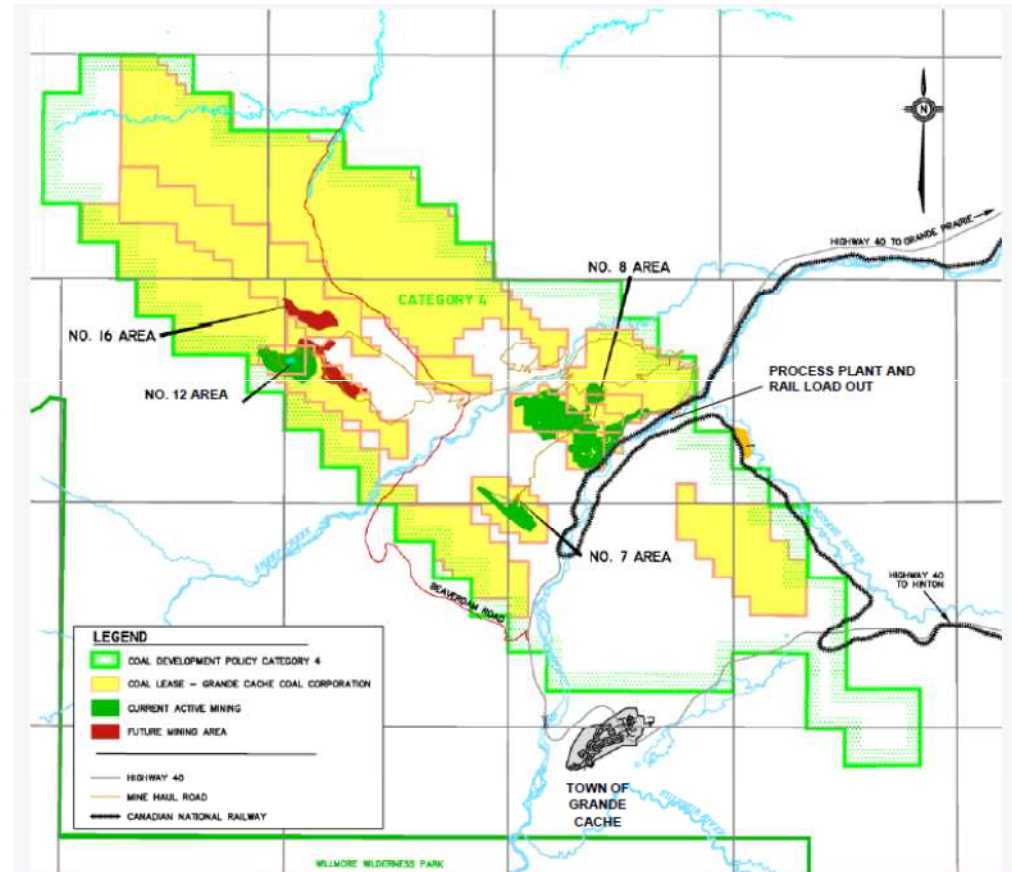


Smoky River Coal Field

Ownership:	100% Grande Cache Coal
Location:	West Central Alberta, Canada
Coal Leases:	14 leases, over 22,000 hectares
Primary Product:	Low-volatility hard coking coal
Mine Life:	30+ years
Operation:	Surface and underground mines
Plant Capacity:	3+ million tonnes
Production:	1.4 million tonnes in FY2011

- Currently operating in the No. 8 surface pits and No. 7 underground
- Development production underway at the No. 12 South B2 underground, which will replace No.7
- Planned production growth to an annual run rate of 3.5 million tonnes by the end of fiscal 2013
 - Further growth beyond 3.5 million tonnes to be studied
- Expansion largely complete after significant capex program in fiscal 2010 and 2011
- Handling agreement with Westshore Terminals that allows for increased volumes from mine expansion

Coal Leases



Note: Grande Cache Coal's fiscal year end is March 31 (e.g. FY2011 is 12 months ended 31 March 2011). Fiscal years referenced on this page are Grande Cache Coal's fiscal year end.

Significant Reserve and Resource Expansion Potential

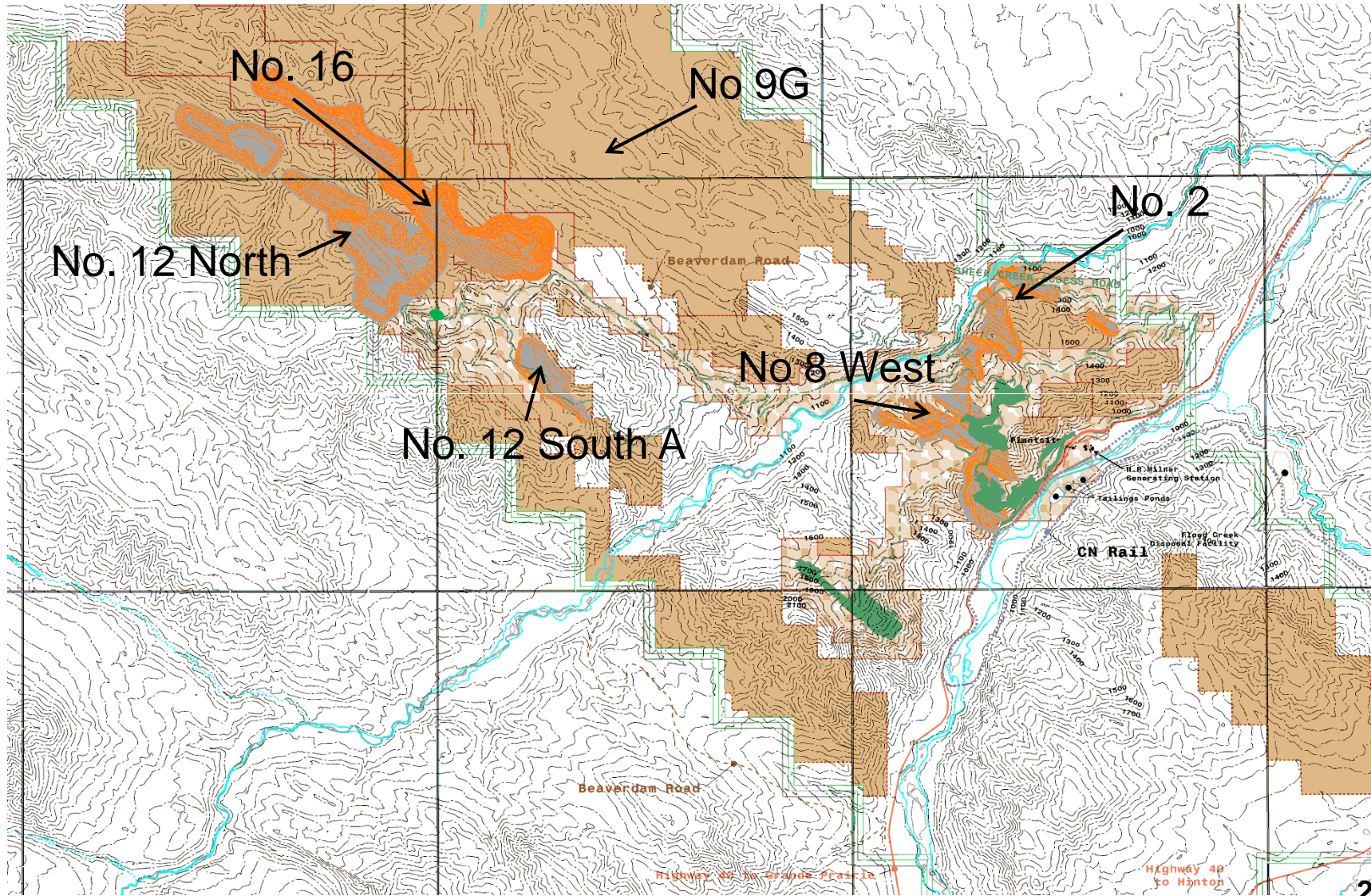


- Current 137 million tonne run-of-mine reserve supports a 30+ year mine life
- Reserves are contained within a total measured, indicated and inferred resource base of 346 million tonnes
 - Will perform further drilling intended to convert a portion of these resources into reserves, increasing life of mine
- 14 coal leases held totaling over 22,000 hectares
 - Potential for resource expansion

	Proven & Probable ROM Reserves (mt)	Proven & Probable Saleable Reserves (mt)	Measured & Indicated (mt)	Inferred (mt)	Measured, Indicated & Inferred (mt)
Surface Mining Areas					
No. 2	19.0	13.6	68.8	7.0	75.8
No. 8	25.0	17.1	58.6	3.1	61.7
No. 12 South A	11.0	7.9	26.2	9.3	35.5
No. 12 South B2	–	–	3.6	0.5	4.1
No. 12 North	43.5	31.1	54.7	2.6	57.3
No. 16	29.3	21.4	76.2	22.0	98.2
Total Surface Mining Areas	127.7	91.0	288.1	44.5	332.6
Underground Areas					
No. 7 Underground	1.0	0.7	1.1	–	1.1
No. 12 South B2 Underground	8.2	5.9	11.6	0.7	12.3
Total Underground Areas	9.2	6.5	12.7	0.7	13.4
Grand Total	136.9	97.5	300.8	45.2	346.0

Source: Grande Cache Coal 2011 NI 43-101 Technical Report effective 31 March 2011. Coal resources are inclusive of coal reserves.

Future Open Pit Mining Areas

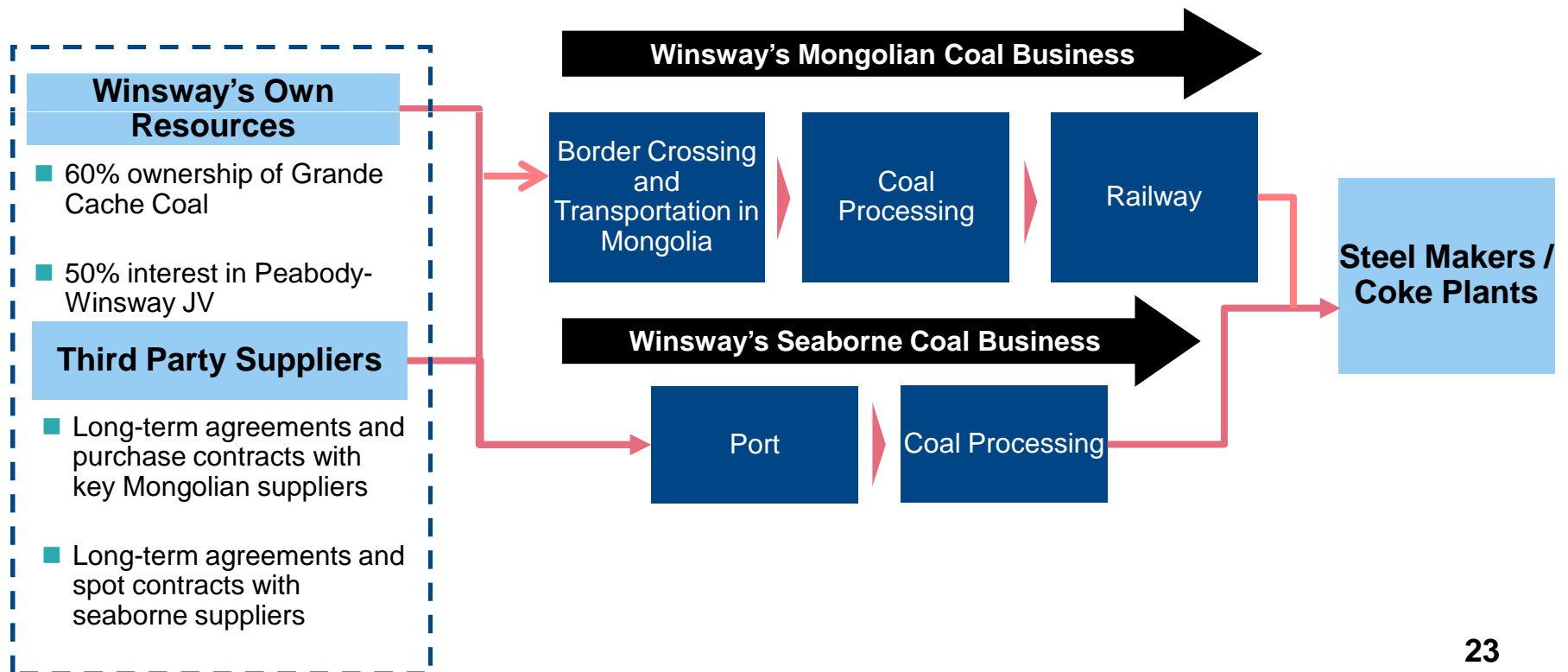


Vertical Integration through Upstream Investment in Mining Assets

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- With the acquisition of Grande Cache Coal, Winsway becomes vertically integrated from mining, sourcing third party coal, logistics, processing, blending and marketing
- Complements the existing Peabody-Winsway JV, which is conducting exploration in Mongolia and provides further long-term growth potential for Winsway's upstream business

Upstream Assets Significantly Strengthen Winsway's Business Model

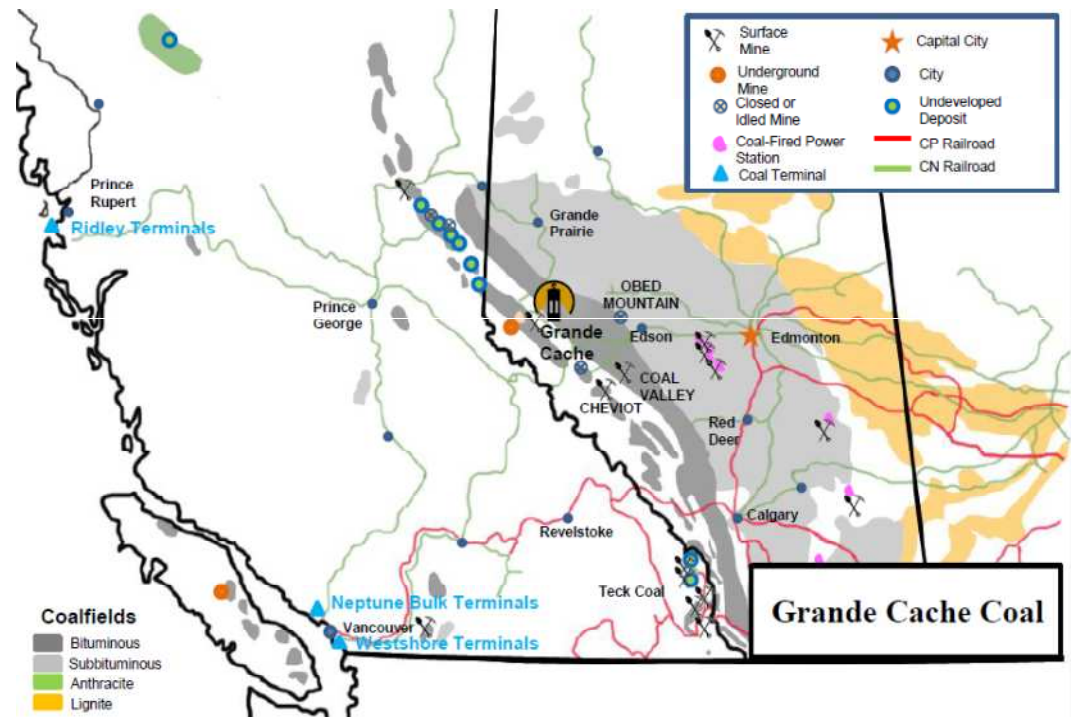


Platform for Growth in a World-class Coal Mining Region

WINSWAY®

- Platform for further expansion in one of the world's major high-quality coking coal producing regions
- Proven platform with access to rail and long-term port capacity
- Winsway estimates that a greenfield startup in Western Canada would take 3-5 years
- One of only four major coking-coal producing companies in Western Canada (Teck, Walter, Anglo American's Peace River Coal)
- Grande Cache Coal's experienced management team will facilitate expansion efforts involving existing operations and external opportunities

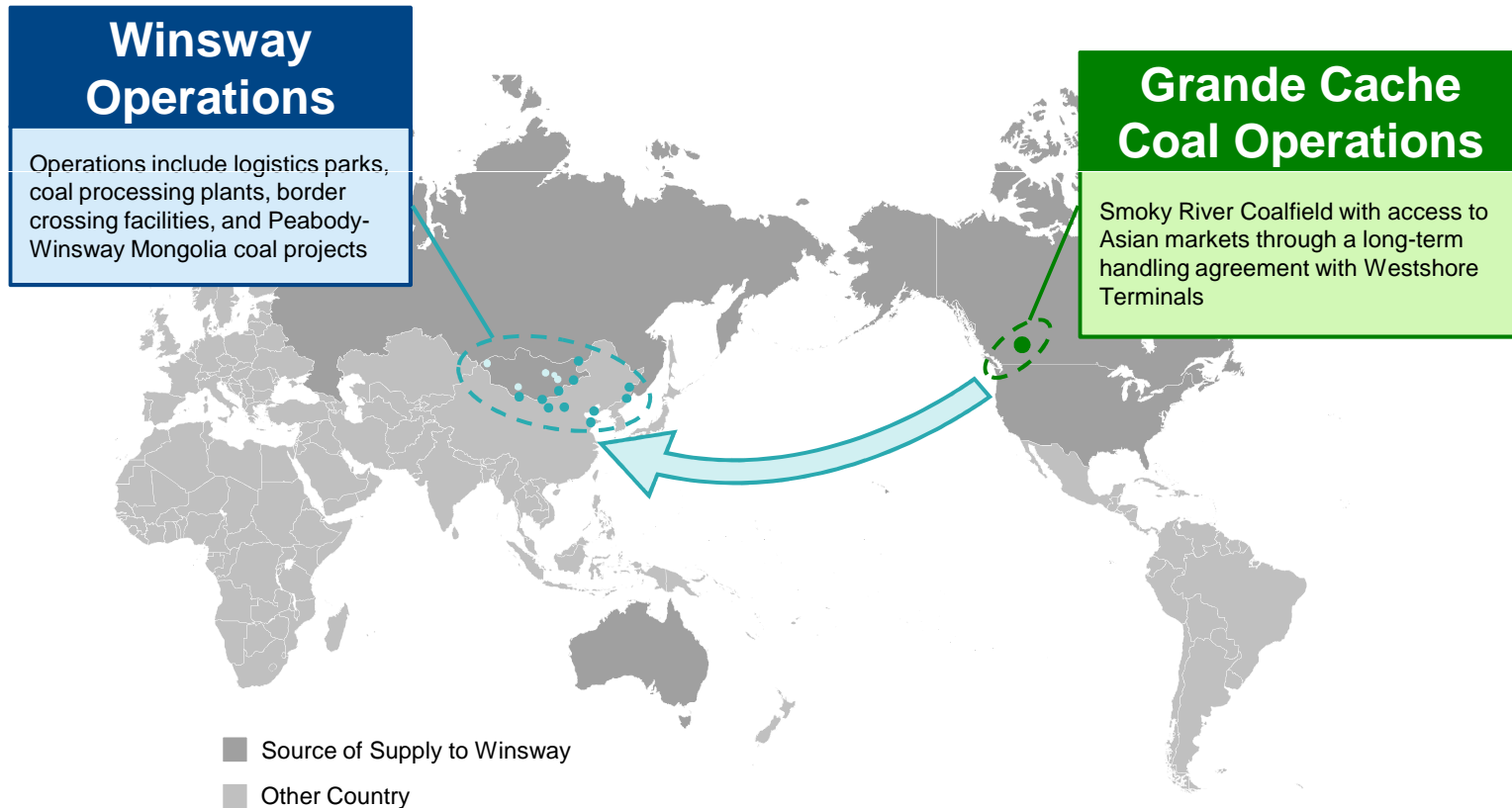
World-class Coal Mining Region



Diversifies Winsway's Political and Geographic Risk Profile

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- Grande Cache Coal provides upstream assets in a politically stable jurisdiction with a clear regulatory framework
- Grande Cache Coal's Canadian coal will be coupled with Winsway's current supply from third party sources:
 - Mongolia
 - Seaborne (Australia, Canada, US and Russia)

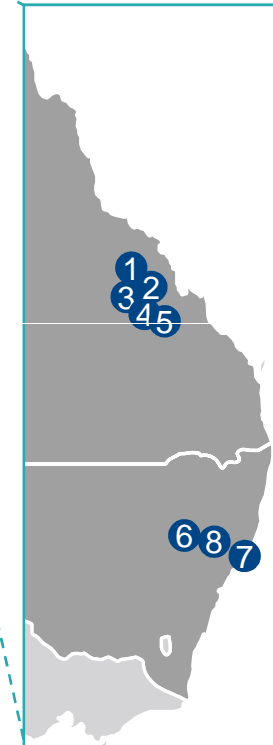


Marubeni is a Strong Partner



- Headquartered in Tokyo, Japan
- Publicly traded company with a market capitalization in excess of US\$10.7 billion as of 28 October 2011
- Total revenues of US\$44.4 billion for fiscal year ended 31 March 2011
- One of the largest trading houses in Japan
 - Involved in metal, minerals and energy resources, food products and materials, paper and pulp, chemicals, textiles, transportation machinery, electric power and other infrastructure projects
 - Traded 14 million tonnes of coal in the 2010 Japanese fiscal year ended 31 March 2011
- Invested in various Australian coal mines with equity coal output during the 2010 Japanese fiscal year of 5.8 million tonnes
- Involved in the Canadian coal industry since the 1960s
 - Senior coal management and geologists have spent several years stationed in Canada and have relationships with rail and port operators and local coal industry management teams

Marubeni Australian Coal Operations



Operation (Ownership)

- 1 Hail Creek (6.67%)
- 2 Coppabella / Moorvale / Codrilla (7.00%)
- 3 Lake Vermont (33.33%)
- 4 German Creek East (13.64%)
- 5 Jellinbah East (38.33%)
- 6 Dartbrook (16.67%)
- 7 Macquarie (17.00%)
- 8 Ravensworth UG (20.00%)

Significant Synergy Potential

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- Winsway and Marubeni expect to leverage their experience in the world's two largest destinations for coking coal (China and Japan) to improve Grande Cache Coal's marketing efficiency
 - Marubeni has been an agent for coal produced from the Smoky River Coalfield into Japan for more than 30 years and has been sole sales agent since 2004
 - Winsway has been one of Grande Cache Coal's largest offtakers for China
- Winsway and Marubeni will study ways to extract synergies using Winsway's facilities on the East Coast of China to increase production efficiency and lower operating costs
- Winsway and Marubeni expect to leverage their other international partners' operational expertise and infrastructure to improve Grande Cache Coal's operations

Winsway's Longkou Plant, East Coast of China



Winsway's Yingkou Plant, East Coast of China

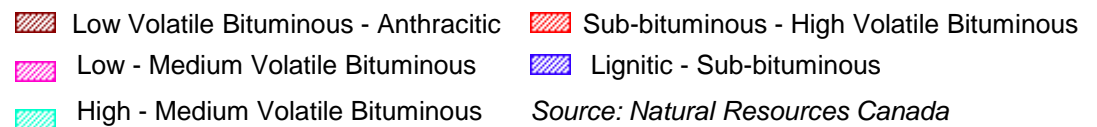
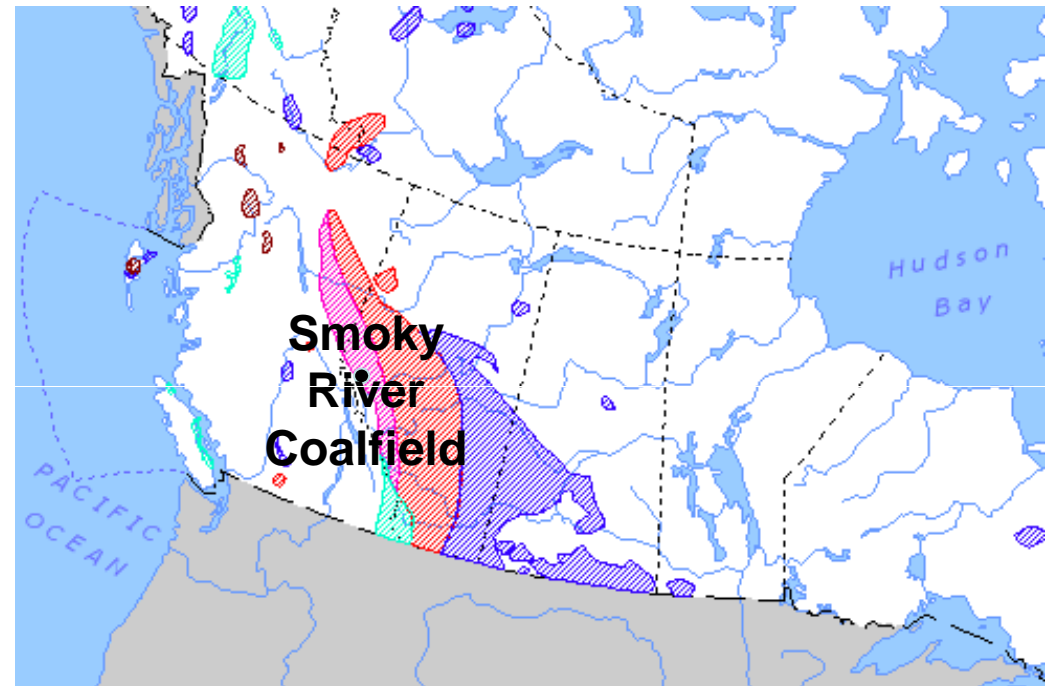


Low-volatility Coking Coal Provides Excellent Blending Stock

WINSWAY®

- Winsway has built a strong position in the market due to its ability to supply various types of coking coal products with different characteristics, from around the world, to meet the requirements of its customers
- Grande Cache Coal produces high-quality, low-ash, low-volatile hard coking coal
 - Blending opportunity to complement medium and high-volatility coking coal from most of the world's supply bases (China, Mongolia, Russia and the United States)
- China's coal resources lack low-to-medium volatility, hard coking coal
 - Low-volatility hard coking coal is becoming increasingly scarce worldwide

Coal Distribution in Western Canada



Effectively Deploys Capital to Benefit Both Equity and Bond Investors in the Long-Run

WINSWAY®

Equity Investors

- Upstream integration to provide sustained growth and to diversify supply base away from Mongolia-concentrated risks
- Secured access to low-volatility coking coal provides blending opportunities for Winsway's volume driven business
- Over time, scarcity of global low-volatility coking coal supply and further industry consolidation will create significant opportunity for equity value appreciation
- Financed by cash on hand and potential low-cost acquisition financing

Bond Investors

- Expected acquisition financing is non-recourse to Winsway
- Grande Cache Coal is self-financed so no outgoing cash injections expected from Winsway in the near future
- Support of a strong strategic partner with a healthy balance sheet
- Expect to be in compliance with incurrence covenants based on consolidated financials upon closing
- Geographic and business diversification mitigates concentration risk

Outlooks

- 2012 will be a challenging year due to lack of strong demand in the first few months of the year
- Increasing thermal coal output from Inner Mongolian to compete with railway allocation for Republic of Mongolia coal
- Increasing coking coal output from Mongolia
- Stagnant railway capacity growth
- Coking coal market will most likely stabilize during the second half of 2012 due to stronger global economic recovery
- Significantly more competition on the Chinese side

Outlooks

- Cooperate with upstream suppliers to reduce inventory levels and still meet the demands of our customers
- Synergy with Marubeni
 - Improve marketing, operational, and logistics
 - Reduce production cost and increase efficiency
- Continue to improve our working relationships with Chinese companies to further secure our allocation capacity
- Expand our logistic services for Mongolian iron ore import



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IV. Q&A

