

SINOCOKING COAL & COKE CHEMICAL INDUSTRIES, INC.

Form 424B3

May 18, 2012

**Filed Pursuant to Rule 424(b)(3)**

**Registration No. 333-166720**

**PROSPECTUS SUPPLEMENT NO. 3**

**(To Prospectus dated October 11, 2011)**

**SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC.**

**11,384,566 shares of Common Stock**

**This Prospectus Supplement No. 3 is required to be delivered by certain holders of the above-referenced shares or by their transferees, pledges, donees or their successors in connection with the offer and sale of the above-referenced shares.**

This Prospectus Supplement supplements the Prospectus dated October 11, 2011 of SinoCoking Coal and Coke Chemical Industries, Inc. (the "Company") with the following additions and changes:

Update, amend and supplement the Company's Prospectus dated October 11, 2011 with information in the (1) Company's attached Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 as filed with the Securities and Exchange Commission on May 10, 2012.

**The attached information modifies and supersedes, in part, the information in the Prospectus. Any information that is modified or superseded in the Prospectus shall not be deemed to constitute a part of the Prospectus except as modified or superseded by this Prospectus Supplement No. 3. This Prospectus Supplement No. 3 should be read in conjunction with the Prospectus.**

**INVESTING IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" BEGINNING ON PAGE 3 OF THE PROSPECTUS, AND ANY OF OUR OTHER FILINGS INCORPORATED THEREIN BY REFERENCE.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**The date of this Prospectus Supplement is May 18, 2012.**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**FORM 10-Q**

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **March 31, 2012**

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to  
\_\_\_\_\_

Commission File Number: 001-15931

**SinoCoking Coal and Coke Chemical Industries, Inc.**

(Exact name of issuer as specified in its charter)

Florida  
(State or other jurisdiction of incorporation or  
organization)

98-0695811

(I.R.S. employer identification number)

**Kuanggong Road and Tiyu Road 10th Floor**

467000

**Chengshi Xin Yong She, Tiyu Road, Xinhua District**

**Pingdingshan, Henan Province**

**People's Republic of China**

(Address of principal executive offices and zip code) (Zip Code)

+86-3752882999

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every, Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer  Accelerated Filer   
Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of May 7, 2012, the registrant had 21,090,948 shares of common stock outstanding.

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## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

All statements contained in this report, other than statements of historical facts, that address future activities, events or developments, are forward-looking statements, including, but not limited to, statements containing the words “believe,” “anticipate,” “expect,” “project,” “may,” “might,” “will,” the negative forms thereof, and words of similar import. These statements are based on certain assumptions and analyses made by us in light of our experience and our assessment of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Forward-looking statements by their nature involve substantial risks and uncertainties, certain of which are beyond our control. Actual results, performance or achievements may differ materially from those expressed or implied by forward-looking statements depending on a variety of important factors, including, but not limited to, weather, local, regional, national and global coke and coal price fluctuations, levels of coal and coke production in the region, the demand for raw materials such as iron and steel which require coke to produce, availability of financing and interest rates, competition, changes in, or failure to comply with, government regulations, costs, uncertainties and other effects of legal and other administrative proceedings, and other risks and uncertainties. Such risks and uncertainties are described in greater details in the “Risk Factors” section beginning on page 23 of the registrant’s annual report on Form 10-K for the year ended June 30, 2011 filed with the SEC on September 13, 2011.

Consequently, all of the forward-looking statements made in this report are qualified by these cautionary statements, and there can be no assurance that the actual results anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the registrant’s business operations. The registrant is not undertaking to update or revise any forward-looking statement, whether as a result of new information, future events or circumstances or otherwise.

**PART I – FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

(UNAUDITED)

	March 31, 2012	June 30, 2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$3,650,347	\$26,266,687
Restricted cash	12,040,500	8,320,500
Accounts receivable, trade, net	12,220,958	8,489,272
Notes receivable, trade	1,583,000	-
Other receivables	1,661,965	232,126
Loans receivable	10,957,437	16,764,390
Receivable, mine acquisition prepayments	17,075,148	-
Inventories	7,580,251	3,010,926
Advances to suppliers	14,455,894	8,994,833
Advances to suppliers -related party	-	575,700
Total current assets	81,225,500	72,654,434
PLANT AND EQUIPMENT, net	16,515,488	17,157,542
CONSTRUCTION IN PROGRESS	39,697,825	23,204,544
<b>OTHER ASSETS</b>		
Prepayments for land use rights	11,103,542	8,980,335
Prepayments for mine acquisitions	-	25,546,922
Prepayments for construction	21,779,538	8,134,736
Intangible - land use rights, net	1,912,966	1,919,987
Intangible - mineral rights, net	29,870,000	29,408,865
Long-term investments	2,821,015	2,753,660
Other assets	111,382	108,290
Total other assets	67,598,443	76,852,795
Total assets	\$205,037,256	\$189,869,315

## LIABILITIES AND EQUITY

## CURRENT LIABILITIES

Short term loans - bank	\$5,698,800	\$4,950,400
Accounts payable, trade	4,020	144,147
Notes payable	4,749,000	-
Other payables and accrued liabilities	907,990	1,426,285
Other payables - related party	263,860	455,768
Customer deposits	90,880	127,965
Taxes payable	1,687,930	2,856,671
Total current liabilities	13,402,480	9,961,236

## LONG TERM LIABILITIES

Long term loans	56,988,000	55,692,000
Warrants liability	1,042,717	5,569,047
Total long term liabilities	58,030,717	61,261,047

Total liabilities	71,433,197	71,222,283
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## COMMITMENTS AND CONTINGENCIES

## EQUITY

Common shares, \$0.001 par value, 100,000,000 authorized, 21,090,948 issued and outstanding as of March 31, 2012 and June 30, 2011, respectively	21,091	21,091
Additional paid-in capital	3,442,083	3,442,083
Statutory reserves	3,687,214	3,403,793
Retained earnings	110,134,963	98,004,993
Accumulated other comprehensive income	7,655,508	5,111,872
Total SinoCoking Coal and Coke Chemicals Industries, Inc's equity	124,940,859	109,983,832

NONCONTROLLING INTERESTS	8,663,200	8,663,200
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Total equity	133,604,059	118,647,032
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Total liabilities and equity	\$205,037,256	\$189,869,315
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The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.



## SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(UNAUDITED)

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2012	2011	2012	2011
REVENUE	\$ 16,804,057	\$ 19,872,461	\$ 56,252,724	\$ 49,626,255
COST OF REVENUE	14,166,799	12,636,751	43,122,271	30,635,815
GROSS PROFIT	2,637,258	7,235,710	13,130,453	18,990,440
OPERATING EXPENSES:				
Selling	43,602	75,894	168,469	231,808
General and administrative	648,834	870,284	1,982,620	2,541,924
Total operating expenses	692,436	946,178	2,151,089	2,773,732
INCOME FROM OPERATIONS	1,944,822	6,289,532	10,979,364	16,216,708
OTHER INCOME (EXPENSE)				
Interest income	222,583	105,403	999,883	113,433
Interest expense	(302,746 )	(120,401 )	(1,033,768 )	(393,933 )
Other finance expense	(34,002 )	(104,313 )	(107,435 )	(408,867 )
Other income (expense), net	(47 )	(542 )	(9,136 )	(109,929 )
Change in fair value of warrants	163,394	12,191,235	4,526,330	13,663,378
Total other income, net	49,182	12,071,382	4,375,874	12,864,082
INCOME BEFORE INCOME TAXES	1,994,004	18,360,914	15,355,238	29,080,790
PROVISION FOR INCOME TAXES	576,341	1,222,473	2,983,158	3,450,074
NET INCOME	1,417,663	17,138,441	12,372,080	25,630,716
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment	714,277	2,680,710	2,543,636	2,680,710
COMPREHENSIVE INCOME	\$ 2,131,940	\$ 19,819,151	\$ 14,915,716	\$ 28,311,426

WEIGHTED AVERAGE NUMBER OF  
COMMON SHARES

Basic	21,090,948	21,043,206	21,090,948	20,927,453
Diluted	21,090,948	21,057,332	21,090,948	20,941,252

EARNINGS PER SHARE

Basic	\$ 0.07	\$ 0.81	\$0.59	\$1.22
Diluted	\$ 0.07	\$ 0.81	\$0.59	\$1.22

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

## SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	For the Nine Months ended March 31	
	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 12,372,080	\$ 25,630,716
Adjustments to reconcile net income to cash used in operating activities:		
Depreciation	1,037,539	1,074,925
Amortization and depletion	273,024	1,175,244
Bad debt expense	362,544	31,479
Change in fair value of warrants	(4,526,330 )	(13,663,378 )
Warrants granted for service	-	325,285
Reservation of mine maintenance fee	43,674	212,259
Equity investment income	(3,252 )	-
Change in operating assets and liabilities		
Accounts receivable, trade	(3,509,574 )	(10,167,772 )
Notes receivable	(1,572,000 )	(1,932,432 )
Other receivables	(1,198,467 )	(1,974,874 )
Inventories	(4,467,994 )	(4,991,051 )
Advances to suppliers	(4,104,990 )	26,108
Accounts payable, trade	(142,481 )	137,638
Other payables and accrued liabilities	(536,543 )	(876,867 )
Customer deposits	(39,784 )	46,838
Taxes payable	(1,226,634 )	367,959
Net cash used in operating activities	(7,239,188 )	(4,577,923 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Principal advances of loans receivable	(1,901,400 )	(2,056,795 )
Repayment of loans receivable	-	2,513,308
Long-term investment	-	(1,199,200 )
Repayment of loans receivable	7,832,653	-
Payments on equipment and construction-in-progress	(15,845,887 )	(2,022,663 )
Prepayments on construction-in-progress	(13,362,000 )	(515,607 )
Refunds of coal mine acquisition prepayments	7,893,012	-
Refunds of construction prepayments	-	4,646,900
Prepayments on land use rights	(1,900,925 )	(3,537,640 )
Prepayments on mine acquisitions	-	(8,095,177 )
Net cash used in investing activities	(17,284,547 )	(10,266,874 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		

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Change in restricted cash	(3,644,000	)	3,747,500
Cash proceeds from exercise of warrants	-		1,318,536
Proceeds from notes payable	4,716,000		19,487,000
Repayments of notes payables	-		(22,485,000
Proceeds from short-term loans - bank	10,689,600		-
Repayments of short-term loans - bank	(10,060,800	)	(524,650
Proceeds from (repayments of) related parties	(201,572	)	800,780
Net cash provided by financing activities	1,499,228		2,344,166
EFFECT OF EXCHANGE RATE ON CASH	408,167		220,486
DECREASE IN CASH	(22,616,340	)	(12,280,145