

ABLEAUCTIONS COM INC
Form PRER14A
September 15, 2009

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No. 1)

Check the appropriate box:

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Under Rule 14a-12

ABLEAUCTIONS.COM, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
(1)
(1) Title of each class of securities to which transaction applies: Not applicable
(2) Aggregate number of securities to which transaction applies: Not applicable
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): Not applicable
(4) Proposed maximum aggregate value of transaction: Not applicable
(5) Total fee paid: Not applicable

 Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not applicable

Form, Schedule or Registration Statement No.: Not applicable

Filing Party: Not applicable

Date Filed: Not applicable

ABLEAUCTIONS.COM, INC.
Suite 200 - 1963 Lougheed Highway, Coquitlam,
British Columbia, Canada V3K 3T8
Telephone (604) 521-3369
Fax (604) 521-4911

September __, 2009

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To our shareholders:

The annual meeting of the shareholders of Ableauctions.com, Inc. will be held on October 16, 2009, at 10:00 a.m. local time, at 700-595 Burrard Street, Vancouver, British Columbia, Canada, V7X158 for the following purposes (each item numbered below, a "Proposal"):

1. Approval of a plan of share exchange in the form of a Share Exchange Agreement, under which we will acquire SinoCoking by issuing up to 13.2 million shares of our common stock (constituting 97% of the total shares expected to be outstanding post-acquisition) to the shareholders of Top Favour Limited, a British Virgin Islands corporation and parent holding company of Pingdingshan Hongyuan Energy Science and Technology Development Co., Ltd., which controls Henan Province Pingdingshan Hongli Coal & Coking Co., Ltd. and its subsidiaries (collectively "SinoCoking");
2. Approval of the terms of a plan of liquidation whereby the pre-acquisition business, assets and liabilities of Ableauctions.com, Inc. will be placed into a liquidating trust or other entity for the benefit of the Ableauctions.com, Inc. shareholders, as a condition to the closing of the acquisition;
3. Approval of amendments to our Articles of Incorporation to effect a reverse stock split within a range of 1-for-20 to 1-for-50 as determined by the board of directors;
4. Approval of a change of our name from "Ableauctions.com, Inc." to "SinoCoking Coal & Coke Chemical Industries Inc.";
5. Approval in connection with a debt or equity financing of the sale, issuance or potential issuance of our common stock which may equal or exceed 20% or more of our outstanding stock immediately after giving effect to the foregoing
6. share exchange;
7. Election of the four persons listed in the proxy statement that accompanies this Notice to serve as our directors; and

Ratification of the appointment of Cinnamon Jang Willoughby & Company,
Chartered Accountants as our independent auditors for the fiscal year ending
December 31, 2009.

Shareholders of record at the close of business on September 17, 2009 will be entitled to notice of and to vote at the annual meeting and at any continuation or adjournment thereof.

All shareholders are cordially invited to attend the annual meeting in person. Your vote is important. Please return the enclosed proxy as promptly as possible, whether or not you plan to attend the annual meeting. Your promptness in returning the proxy will assist in the expeditious and orderly processing of the proxies and will assist in ensuring that a quorum is present or represented. Even though you return your proxy, you may nevertheless attend the annual meeting and vote your shares in person if you wish. If you want to revoke your proxy at a later time for any reason, you may do so in the manner described in the attached proxy statement.

September __, 2009

Coquitlam, British Columbia

By Order of the Board of Directors

/s/ Abdul Ladha
Abdul Ladha,
President

ABLEAUCTIONS.COM, INC.
Suite 200 - 1963 Lougheed Highway, Coquitlam,
British Columbia, Canada V3K 3T8
Telephone (604) 521-3369 Fax (604) 521-4911

PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS
To Be Held October 16, 2009

VOTING AND PROXY

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors of Ableauctions.com, Inc., a Florida corporation (referred to as the “Company”, “we”, “our”, “us” or “Ableauctions”) for use at our annual meeting of shareholders to be held at 700-595 Burrard Street, Vancouver, British Columbia, Canada, V7X1S8 on October 16, 2009, at 10:00 a.m. local time, and at any meeting following adjournment thereof. The notice of annual meeting, this proxy statement and the accompanying proxy card are being mailed to shareholders on or about September __, 2009.

Revocability of Proxy and Voting of Shares

Any shareholder giving a proxy has the power to revoke it at any time before it is exercised. The proxy may be revoked by filing an instrument of revocation or a duly executed proxy bearing a later date with our president at our executive offices. The proxy may also be revoked by attending the meeting and voting in person. If it is not revoked, and assuming it is properly executed, dated and returned, the proxy will be voted at the meeting in accordance with the shareholder’s instructions indicated on the proxy card. If no instructions are indicated, the proxy will be voted FOR all proposals, and in accordance with the judgment of the proxy holders as to any other matter that may be properly brought before the meeting or any adjournments thereof.

Record Date, Voting Rights, Outstanding Shares and Dissenters’ Rights

The board of directors has fixed September 17, 2009 as the record date (the “Record Date”) for determining holders of our common stock, \$0.001 par value per share, who are entitled to vote at the meeting. As of the Record Date, we had 8,114,197 shares of common stock issued and outstanding. Each share of common stock is entitled to one vote.

One-third of the shares of common stock issued and outstanding are required to reach a quorum. If a quorum is met, in order for the proposals to be approved by the shareholders, the holders of 50.01% or more of all of the outstanding shares entitled to vote on the matters presented must vote in favor of each of the proposals. For purposes of determining whether the affirmative vote of a majority of the shares (over 50.01%) entitled to vote on a proposal has been obtained, abstentions and shares held in “street name” by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares as to these matters (“broker non-votes”) will be included in the number of shares present and entitled to vote but will have no effect on the vote.

Votes cast by proxy or in person at the annual meeting will be tabulated by the Inspector of Election, in conjunction with information received from our transfer agent. The Inspector of Election will also determine whether or not a quorum is present.

No shareholder has the right to dissent to or to receive an appraisal of his common stock in conjunction with the proposals to be voted upon.

Solicitation

We will bear the cost of solicitation of proxies, including expenses in connection with preparing and mailing this proxy statement. Copies of solicitation materials will be furnished to brokerage houses, nominees, fiduciaries and custodians to forward to beneficial owners of common stock held in their names. We will reimburse brokerage firms and other persons representing beneficial owners of common stock for their reasonable expenses in forwarding solicitation materials to the owners. In addition to original solicitation of proxies by mail, our directors, officers and other employees may, without additional compensation, solicit proxies by telephone, facsimile and personal interviews.

We will only deliver one proxy statement to multiple shareholders sharing an address unless we have received contrary instructions from one or more of the shareholders. We will promptly deliver a separate copy of this proxy statement to a shareholder at a shared address to which a single copy of the document was delivered upon oral or written request to:

Ableauctions.com, Inc.
Attn.: President
Suite 200 - 1963 Lougheed Highway
Coquitlam, British Columbia
Canada V3K 3T8
Telephone (604)-521-3369
Fax (604)-521-4911

SUMMARY TERM SHEET

The following summary highlights selected information from this proxy statement regarding the first proposal to be considered and voted upon by the shareholders, and may not contain all of the information that is important to you. Accordingly, we encourage you to read carefully this proxy statement, its attachments and the documents referred to or incorporated by reference into this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that item.

The Acquisition (page 8)

Ableauctions proposes to acquire a 100% interest in a coal mining and coking business based in the People's Republic of China, which is referred to throughout this proxy statement as "SinoCoking," by means of a share exchange transaction ("Acquisition"). In connection with this Acquisition, Ableauctions will issue up to 13.2 million shares of its common stock to the shareholders of SinoCoking, which shall constitute approximately 97% of the Company's common stock that will be outstanding after giving effect to the Acquisition. The Acquisition will be accomplished pursuant to a Share Exchange Agreement dated as of July 17, 2009 which Ableauctions entered into with SinoCoking and its shareholders, a copy of which is included hereto as Attachment A.

The Acquisition will involve the acquisition by Ableauctions of 100% of the issued and outstanding capital stock of SinoCoking from the shareholders of SinoCoking. As a result of the share exchange:

- We will acquire and own 100% of the issued and outstanding shares of capital stock of SinoCoking from the shareholders of SinoCoking, making SinoCoking our wholly-owned subsidiary;
- We will issue up to 13.2 million shares of our common stock to the former shareholders of SinoCoking;
- The shareholders of Ableauctions immediately prior to the Acquisition will, after completion of the Acquisition, own approximately 3% of the outstanding shares of the Company; and
- The former shareholders of SinoCoking will own approximately 97% of the outstanding shares of the Company.

Prior to the consummation of the Acquisition, the Company will distribute all of the assets relating to the Ableauctions business to a liquidating trust or other entity, which will also assume or otherwise dispose of the liabilities, for the benefit of the Company's existing shareholders. (See the section in this proxy statement entitled "Proposal 2 – Approval of Terms of Plan of Liquidation".)

Following the Acquisition, the Company will cease operating the Ableauctions business, and the business of SinoCoking will be continued and will constitute the principal business and operations of the Company.

The Parties to the Acquisition

The parties to the Acquisition are:

Ableauctions.com, Inc.
Suite 200 – 1963 Lougheed Highway
Coquitlam, British Columbia, Canada V3K 3T8
Telephone: (604)-521-3369

and

Top Favour Limited and its Shareholders
c/o Pingdingshan Hongyuan Energy Science and Technology Development Co., Ltd.
Kuanggong Road and Tiyu Road (10th Floor, Chengshi Xin Yong She, Tiyu Road)
Xinhua District, Pingdingshan, Henan Province, China

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and

Abdul and Hanifa Ladha, as shareholders of Ableauctions

Brief Description of Business of Ableauctions Presently Conducted (page 14)

We provide liquidation and merchandizing services to businesses to assist them with managing the sale of their products. In the past, we also provided on-line auction technology and point-of-sale technology to businesses for this same purpose. On May 21, 2009 and June 1, 2009, respectively, we licensed each of these technologies to unrelated third parties who pay us a percentage of what they earn by providing these services. We also provide mortgages and loans to individuals and companies, and develop real estate.

Opinion of Advisor (page 12)

In deciding to approve the merger, one of the factors that the Ableauctions board of directors considered was the opinion of its advisor, RWE Growth Partners, Inc., that, as of August 31, 2009, the aggregate consideration was fair to the holders of shares of Ableauctions common stock from a financial point of view. The full text of the opinion describes the basis on which the opinion was rendered and is attached as Attachment B to this proxy statement/prospectus. You are urged to read the entire opinion carefully.

Our Reasons for the Acquisition (page 10)

Our live auction business was adversely effected by the termination of the eBay Live Auctions platform in December 2008 and our liquidation business continues to be adversely effected by the weakness in the U.S. economy. We do not believe that these operations are likely to be profitable in the future, therefore we have been exploring a broad range of options in an attempt to provide value to our shareholders, including potential business combinations. In February 2009, we obtained a proposal from SinoCoking, which is described in more detail in the section of this proxy statement entitled "Proposal 1 – Approval of Acquisition". On July 17, 2009, the board of directors approved the terms of the Share Exchange Agreement with SinoCoking.

SinoCoking's Reasons for the Acquisition (page 11)

SinoCoking's management has recently decided that it is in SinoCoking's best interest to become a publicly traded company in the U.S. to better position the company to raise capital from outside sources. In addition, management believes that for SinoCoking to effectively compete in its industry and realize its potential, it must have access to capital at a reasonable cost.

SinoCoking's management considered a traditional initial public offering in the U.S.; however, it concluded that the cost, time and market risks associated with such a transaction outweighed the potential benefits. Management of SinoCoking then explored the possibility of acquiring a public shell for purposes of completing a reverse take-over transaction. SinoCoking's management believes that a reverse take-over by a public reporting company that is trading on a national exchange and reporting with the SEC would provide SinoCoking with the benefits that it is seeking by becoming a publicly traded company.

Transactions Related to the Acquisition (pages 56 – 64)

Conditioned upon closing of the Acquisition, we will (i) adopt and execute a plan of liquidation whereby the pre-acquisition business, assets and liabilities of Ableauctions will be placed into a liquidating trust or other entity

(referred to in this proxy statement as the “Liquidating Entity”) for the benefit of the Ableauctions shareholders, (ii) we will conduct a reverse stock split of our outstanding common stock, within a range of 1-for-20 to 1-for-50, with the exact ratio to be determined by our board of directors, (iii) we will change our name to “SinoCoking Coal & Coke Chemical Industries Inc.”, and (iv) we will conduct a financing with gross proceeds of over \$50 million, in the form of debt or equity securities, which may involve the issuance of shares of our common stock which will exceed 20% of our then-outstanding shares (these items are sometimes collectively referred to in this proxy statement as the “Transactions”). Although we have entered into a binding Share Exchange Agreement, the board of directors has approved the Transactions, and Mr. and Mrs. Ladha have entered into a voting agreement with us requiring them to vote in favor of the proposals, nonetheless we cannot provide assurance that the Acquisition will be successfully consummated. If the Acquisition is not consummated for any reason, the Transactions described above, including the liquidation of our pre-acquisition business, reverse stock split, name change and financing, will be abandoned without any further action by our shareholders.

Proposed Financing

The closing of the Acquisition will be contingent on the simultaneous closing of a proposed financing of \$50 million to \$75 million, which may be comprised of debt or equity securities or both, to be determined by the board of directors in consultation with SinoCoking. This contingency may be waived by SinoCoking.

The financing is expected to result in dilution to the holders of shares after giving effect to the Acquisition, including both the shareholders of Ableauctions immediately prior to the Acquisition who will own approximately 3% of the outstanding shares, and the former shareholders of SinoCoking who will own 97% of the outstanding shares. Since, as of the date of this proxy statement, the terms of the financing have not been determined, the Company is unable to determine the degree of dilution that will result to the Company's shareholders. Solely for purposes of illustration, if investors in the financing were to be issued new shares constituting 20% of the outstanding shares of the Company's common stock post-financing, then the amount of dilution would be as shown below:

	Pre-Financing(1)		Post-Financing(2)	
Investors in the Financing	-		20.0	%
Ableauctions Shareholders(3)	3.0	%	2.40	%
Former SinoCoking Shareholders (4)	97	%	77.60	%
	100.00	%	100.00	%

(1) Percentage of outstanding shares of Ableauctions held by shareholders after giving effect to the Acquisition, but excluding the effect of any financing.

(2) Percentage of outstanding shares of Ableauctions held by shareholders after giving effect to both the Acquisition, and the effect of a hypothetical financing involving issuance of shares of common stock constituting 20% of the total issued and outstanding shares post-financing.

(3) Holders of all Ableauctions shares outstanding after giving effect to the Acquisition. These are the holders of 100% of the issued and outstanding common stock of Ableauctions prior to the Acquisition.

(4) Holders of shares of SinoCoking, who agreed to transfer their SinoCoking shares to Ableauctions in exchange for shares of Ableauctions under the Share Exchange Agreement.

If the financing occurs, the actual total number of shares of common stock issued in the financing could be greater than or less than 20% of the total number of issued and outstanding shares of the Company post-financing.

Effect of the Transactions on Shareholders of Ableauctions (page 8)

If the Transactions are consummated, the persons who, after the reverse stock split, were shareholders of Ableauctions prior to the closing will continue to hold shares of Ableauctions common stock, and in addition these shareholders will become beneficiaries or beneficial owners of the Liquidating Entity. The pre-acquisition business, assets and liabilities of Ableauctions will be transferred to the Liquidating Entity, which will then proceed to wind down the business, pay liabilities, sell and liquidate property, and distribute the net proceeds to the beneficiaries or the

beneficial owners of the Liquidating Entity. In addition, the shares of Ableauctions common stock held by the Ableauctions shareholders immediately prior to the Acquisition will be diluted, such that the holders of 100% of the issued and outstanding shares of Ableauctions common stock pre-Acquisition will hold 3% of the issued and outstanding shares of Ableauctions common stock post-transaction. Following the closing of the Acquisition, the business, as well as the properties, assets and liabilities of Ableauctions that are not transferred to the Liquidating Entity or assumed by it, shall become those of SinoCoking.

Interest of Certain Persons in Matters to be Acted Upon (page 56)

Abdul Ladha is our Chief Executive Officer, President and Chairman of the board of directors, a significant shareholder, and a creditor of the Company. If the Acquisition, Plan of Liquidation, and related matters described in Proposals 1 through 4 are implemented, Mr. Abdul's employment as Chief Executive Officer and Chairman will terminate, the outstanding balance of any loans he has made to the Company will be repaid by the Company and the Company will pay him certain fees and expenses as more fully discussed in the section of this proxy statement entitled "Proposal 2 – Approval of Terms of Plan of Liquidation" on page 56. Furthermore, we expect to appoint the members of our board of directors as the managers or the trustees of the Liquidating Entity, and we expect to pay each of these individuals a fee for managing the Liquidating Entity, although no final determination of how the fee will be calculated has been made. Except for the foregoing, no other officer, director or associate of such persons has any substantial direct or indirect interest in the Acquisition or Plan of Liquidation that differs from or that is in addition to interests of the other shareholders of the Company. A description of the transactions entered into by the Company and Mr. Ladha, his affiliates or other members of the board of directors is included in the section entitled "Certain Relationships and Related Party Transactions" on page 54.

All Proposals Relating to the Acquisition Must Be Approved to Complete the Acquisition and Related Transactions

The Company's implementation of Proposals 1, 2, 3, 4 and 5 are conditioned upon shareholder approval of each and every of the Proposals 1, 2, 3, 4 and 5. If the Company waives the implementation of Proposal 5, the implementation of Proposals 1, 2, 3 and 4 will be conditioned on shareholder approval of Proposals 1, 2, 3 and 4.

Vote Required for Approval of the Proposals and Election of Directors

One-third of the shares of common stock issued and outstanding are required to reach a quorum for the annual meeting. If a quorum is met, in order for the proposals (other than election of the directors) to be approved by the shareholders, the holders of 50.01% or more of all of the outstanding shares entitled to vote on the matters presented must vote in favor of each of the proposals. For purposes of determining whether the affirmative vote of shareholders entitled to vote on a proposal has been obtained, abstentions and shares held in "street name" by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares as to these matters ("broker non-votes") will be included in the number of shares present and entitled to vote but will have no effect on the vote. Mr. Ladha has indicated that he intends to vote in favor of all of the proposals and for the nominees to the board of directors. As of the date of this proxy statement, Mr. Ladha and his spouse beneficially own 3,981,483 shares of our outstanding common stock, which represents approximately 49% of our issued and outstanding shares of common stock on the Record Date. On July 17, 2009 Mr. Ladha and his spouse entered into a voting agreement with SinoCoking. A description of this agreement is included in the section of this proxy statement entitled "Certain Relationships and Related Party Transactions" on page 54.

Vote Required for Election of Directors

If a quorum is met, directors will be elected by a plurality of the votes cast by the shares entitled to vote in the election. Shareholders do not have the right to cumulate their votes for directors.

Dissenters' or Appraisal Rights

Shareholders will not be entitled to dissenters' or appraisal rights as a result of the Transactions.

Accounting Treatment

For accounting purposes, the Acquisition will be treated as a reverse acquisition which results in the legal acquirer, the Company, being treated as being acquired by SinoCoking under purchase accounting.

Effective Date of the Transactions

A definitive closing date for the Transactions has not been established at this time, however, management anticipates that the Transactions will close not later than November 30, 2009.

OVERVIEW OF PROPOSALS

This proxy statement includes seven proposals requiring shareholder action, numbered below (each, a “Proposal”):

1. Approval of a plan of share exchange in the form of a Share Exchange Agreement, under which we will acquire SinoCoking by issuing up to 13.2 million shares of our common stock (constituting 97% of the total shares expected to be outstanding post-acquisition) to the shareholders of Top Favour Limited, a British Virgin Islands corporation and parent holding company of Pingdingshan Hongyuan Energy Science and Technology Development Co., Ltd., which controls Henan Province Pingdingshan Hongli Coal & Coking Co., Ltd. and its subsidiaries (collectively “SinoCoking”);
2. Approval of the terms of a plan of liquidation whereby the pre-acquisition business, assets and liabilities of Ableauctions will be placed into a Liquidating Entity for the benefit of the Ableauctions shareholders, as a condition to the closing of the Acquisition;
3. Approval of amendments to our Articles of Incorporation to effect the Reverse Stock Split, which will be within a range of 1-for-20 to 1-for-50 as determined by the board of directors;
4. Approval of a change of our name from “Ableauctions.com, Inc.” to “SinoCoking Coal & Coke Chemical Industries Inc.”;
5. Approval, in connection with a financing, of the sale, issuance or potential issuance of our common stock which may equal or exceed 20% or more of our outstanding stock immediately after giving effect to the foregoing share exchange;
6. Election of 4 persons to our board of directors; and
7. Ratifying the appointment of Cinnamon Jang Willoughby & Company, Chartered Accountants as our independent auditors for the fiscal year ending December 31, 2009.

The proposals are discussed in more detail below.

PROPOSALS

PROPOSAL 1

APPROVAL OF ACQUISITION

We intend to acquire a 100% interest in SinoCoking by means of a share exchange transaction. In connection with the Acquisition, the Company will issue up to 13.2 million shares of its common stock to the shareholders of SinoCoking, which shall constitute approximately 97% of the Company’s common stock that will be outstanding after giving effect to the Acquisition.

Section 713 of the NYSE Amex Company Guide (or successor provision) requires approval by our shareholders for the acquisition of stock or assets of another company in the following circumstances (in relevant part):

- (b) when the issuance or potential issuance of additional shares will result in a change of control of the issuer, including, but not limited to, those issuances that constitute a Reverse Merger as specified in §341.

The Company's board of directors has approved the acquisition of SinoCoking through a share exchange transaction with the holders of capital stock of SinoCoking. Under Florida law, the shareholders of the Company must approve the plan of share exchange in connection with the Acquisition. In addition, the transaction contemplated by the Share Exchange Agreement would be considered a "reverse merger" under the rules of the NYSE Amex Company Guide, and accordingly, the transaction must be approved by the shareholders of the Company in order to comply with the requirements of NYSE Amex Equities.

DESCRIPTION OF THE ACQUISITION

The Acquisition is described below, and the full text of the Share Exchange Agreement dated as of July 17, 2009 (the “Share Exchange Agreement”) setting forth the terms and conditions of the Acquisition is attached hereto as Attachment A.

The Acquisition will consist of the acquisition of 100% of the issued and outstanding capital stock of SinoCoking from the shareholders of SinoCoking. As a result of the share exchange:

- We will acquire and own 100% of the issued and outstanding shares of capital stock of SinoCoking from the shareholders of SinoCoking, making SinoCoking our wholly-owned subsidiary;
- We will issue up to 13.2 million shares of our common stock to the former shareholders of SinoCoking;
- The shareholders of Ableactions immediately prior to the Acquisition will, after completion of the Acquisition, own approximately 3% of the outstanding shares of the Company; and
- The former shareholders of SinoCoking will own approximately 97% of the outstanding shares of the Company.

Ableactions has agreed to adopt a plan of liquidation reasonably acceptable to SinoCoking under which it shall establish a Liquidating Entity for purposes of assuming outstanding liabilities and distributing the assets of Ableactions to its shareholders as of a certain record date prior to the closing of the Acquisition. (See the section of this proxy statement entitled “Proposal 2 – Approval of Terms of Plan of Liquidation”.) Ableactions and Abdul Ladha agreed to cause such plan of liquidation to include a covenant to indemnify the Top Favour shareholders for certain claims, damages, costs and expenses, and provide for a reserve fund of at least \$1,000,000 in cash, cash equivalents or other assets acceptable to SinoCoking which shall remain in place for at least 12 months following the closing of the Acquisition and shall be used to discharge any remaining liabilities of Ableactions not discharged prior to closing. The plan of liquidation will also include a covenant to indemnify Abdul Ladha for certain claims, damages, costs and expenses.

Following the Acquisition, the Company will cease operating the Ableactions business, and the business of SinoCoking will be continued and will constitute the principal business and operations of the Company.

The closing of the Acquisition will be contingent on the simultaneous closing of a proposed financing of \$50 million to \$75 million, which may be comprised of debt or equity securities or both, to be determined by the board of directors in consultation with SinoCoking. SinoCoking may waive this condition.

As a condition to and prior to the Acquisition, we agreed to amend our Articles of Incorporation to effect a reverse stock split which will range between 1-for-20 and 1-for-50 and change our name to “SinoCoking Coal & Coke Chemical Industries Inc.” (See the section in this proxy statement entitled “Proposal 3 – Reverse Stock Split and Approval of Amendment to Articles of Incorporation”). Following the Acquisition, members of SinoCoking’s management will also be appointed as our officers and directors, as described in this proxy statement.

In addition to the conditions described above, the Share Exchange Agreement contains representations, warranties and conditions customary for transactions of this nature. The Share Exchange Agreement provides for indemnification of

SinoCoking and its shareholders by Ableauctions, and indemnification of Ableauctions and Mr. Ladha by Top Favour, for breaches of representations, warranties and covenants. In the event that any of the conditions to the Acquisition are not satisfied, the Acquisition may not be consummated. Neither the Company nor SinoCoking can provide any assurances that the Acquisition will ultimately be consummated.

Following the consummation of the Acquisition contemplated by the Share Exchange Agreement, our hypothetical capital structure, in the event of either a 1-for-20 reverse stock split or a 1-for-50 reverse stock split, would be as follows:

Category of Holders	Shares (1-for-20 reverse stock split)(1)	Shares (1-for-50 reverse stock split)(1)	Percentage Owned (2)
SinoCoking Shareholders	13,117,952	5,247,181	97%
Original Ableauctions Shareholders	415,710	162,284	3%
TOTAL(2):	13,523,662	5,409,465	100%

- (1) Subject to adjustment to address fractional shares. Each of the Company's shareholders entitled to a fractional share of the Company's common stock as a result of the reverse stock split will receive a whole share of the Company's common stock in lieu of such fractional share.
- (2) Excludes the effect of the anticipated financing, the terms of which have yet to be determined.

For accounting purposes, the Acquisition will be treated as a reverse acquisition which results in the legal acquirer, the Company, being treated as being acquired by SinoCoking under purchase accounting.

SinoCoking has agreed to file a listing application with the NYSE Amex Equities exchange, with the intent of maintaining the listing of Ableauctions' shares on the exchange.

Closing of the Acquisition will require the satisfaction of a number of conditions, briefly described below. Among these conditions, the current officers and directors of Ableauctions must resign. The board of directors of Ableauctions must appoint Jianhua Lv as Chairman of the board of directors, and appoint his designees to the board of directors to take office immediately after the closing. As of the date of this proxy statement, SinoCoking