

SINOCOKING COAL & COKE CHEMICAL INDUSTRIES, INC.
Form 10-K/A
September 29, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K/A
(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2011

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE 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)

65-0420146
(I.R.S. employer identification number)

Kuanggong Road and Tiyu Road 10th Floor,
Chengshi Xin Yong She, Tiyu Road, Xinhua District,
Pingdingshan, Henan Province, China 467000
(Address of principal executive offices and zip code)

+86-3752882999
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock \$0.001 Par Value	NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 (§ 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained herein, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

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

As of December 31, 2010, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$162.8 million based on a closing price of \$11.97 per share of common stock as reported on such date.

The registrant had a total of 21,090,948 shares of common stock outstanding as of September 6, 2011.

EXPLANATORY NOTE

The purpose of this amendment on Form 10-K/A (the “Amendment”) to the registrant’s Annual Report on Form 10-K for the fiscal year ended June 30, 2011, filed with the Securities and Exchange Commission on September 13, 2011 (the “Form 10-K”), is solely to furnish a revised report by Friedman LLP, the registrant’s independent registered public accounting firm (“Friedman”), with respect to the registrant’s financial statements as of and for the fiscal year ended June 30, 2011, and the registrant’s internal control over financial reporting as of June 30, 2011. Friedman’s original report contains a typographical error in its second-to-last paragraph, located on page F-2 of the Form 10-K, with respect to the financial statement year audited by Friedman. Friedman’s revised report corrects such error by replacing “2010” with “2011.”

As required by Rule 12b-15 of the Securities Exchange Act of 1934, as amended, this Amendment contains new certifications by the registrant’s principal executive officer and principal financial and accounting officer, filed as exhibits hereto. The “Exhibit Index” under Part IV, Item 15, has been updated accordingly.

Except for the inclusion of the information described above (including the exhibits filed herewith), this Amendment is not intended to revise any other information presented in the Form 10-K. No other changes have been made to the Form 10-K, which continues to speak as of its original filing date, does not reflect events that may have occurred subsequent to the original filing date and does not modify or update in any way disclosure made in the Form 10-K. Accordingly, this Amendment should be read in conjunction with the registrant’s other filings made with the Securities and Exchange Commission subsequent to the filing of the Form 10-K, including any amendments to such filings. The filing of this Amendment shall not be deemed to be an admission that the Form 10-K, when made, included any untrue statement of a material fact or omitted to state a material fact necessary to make a statement not misleading.

PART II

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
SinoCoking Coal and Coke Industries, Inc.

We have audited the accompanying consolidated balance sheet of SinoCoking Coal and Coke Chemical Industries, Inc. as of June 30, 2011, and the related consolidated statements of income and comprehensive income, equity, and cash flows for the year then ended. We also have audited SinoCoking Coal and Coke Chemical Industries, Inc.'s internal control over financial reporting as of June 30, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). SinoCoking Coal and Coke Chemical Industries, Inc.'s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audit of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment as of June 30, 2011:

- a) Inadequate U.S. GAAP expertise - The current staff in the accounting department is inexperienced in applying United States generally accepted accounting principles ("U.S. GAAP") standards and they were primarily engaged in ensuring compliance with PRC accounting and reporting requirements for our operating subsidiaries. The staff needs substantial training to meet the higher demands of being a U.S. public company. The current staff's accounting skills and their understanding as to how to fulfill the requirements of U.S. GAAP-based reporting, including their skills related to subsidiary financial statements consolidation, is inadequate.
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- b) Inadequate internal audit resources - The Company lacks qualified resources to perform the internal audit functions properly. In addition, the scope and effectiveness of the Company's internal audit function are yet to be developed. The Company was not able to hire sufficient internal audit resources to perform the internal audit functions properly.
- c) Inadequate control on corporate governance - During this fiscal year, the Company conducted several material amount investment activities, such as lending a short-term loan to an unrelated party, acquiring a coal mine company, investing to a local commercial bank, and setting up a joint venture, without proper preapproval process in accordance with the internal control policy over investments.
- d) Lack of internal control documentations - The Company has set up internal control policies over all major business cycles, however, due to lack of internal audit function and employee trainings, those internal control policies were not completely implement at the operation level. Some material amount cash disbursement transactions, such as construction prepayments, raw material purchases, and investment payments, were orally approved without written approval documentations.

- e) Inadequate Segregation Duties - The Company has an inadequate number of personnel to properly implement control procedures.
- f) Lack of internal control over maintaining accounting records - Some external shipping documents were not kept in place due to inadequate management control over maintaining accounting records. The Company was not able to obtain the extra copies from the external carriers; this significant deficiency delayed our monthly closing process.
- g) Lack of timely internal communications - Due to the lack of timely internal communication and approval process, the information and documents of certain material amount transactions were not delivered to the accounting department timely and resulted in delaying on the monthly and annual closing process.

These material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the 2011 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, SinoCoking Coal and Coke Industries, Inc. has not maintained effective internal control over financial reporting as of June 30, 2011, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also in our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SinoCoking Coal and Coke Industries, Inc. as of June 30, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Friedman LLP

New York, New York
September 13, 2011

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(3) Exhibits

EXHIBIT INDEX

Exhibit Number	Description
2.1	Share Exchange Agreement dated July 17, 2009 between Ableauctions.com, Inc., Abdul Ladha and Hanifa Ladha and Top Favour Limited and the shareholders of Top Favour Limited (6)
2.2	First Amendment to the Share Exchange Agreement between Ableauctions.com, Inc., Abdul Ladha and Hanifa Ladha and Top Favour Limited and the shareholders of Top Favour Limited dated November 25, 2009 (9)
3.1	Articles of Incorporation, as amended (1)
3.2	Articles of Amendment to Articles of Incorporation (2)
3.3	Bylaws (1)
4.1	Specimen Stock Certificate of SinoCoking Coal and Coke Chemical Industries, Inc. (2)
10.1	1999 Stock Option Plan (4)
10.2	2002 Stock Option Plan for Directors (3)
10.3	2002 Consultant Stock Plan (5)
10.4	License Agreement dated May 15, 2009 between the Company and iCollector Technologies Ltd. and ABC Live Auction World Ltd. (7)
10.5	License Agreement dated June 1, 2009 between the Company and RapidFusion, Inc. and Pacific Amber Technologies, Inc. (7)
10.6	Voting Agreement dated July 17, 2009 between Abdul Ladha and Hanifa Ladha and Top Favour Limited (6)
10.7	Agreement establishing the Able (U.S.) Liquidating Trust (7)
10.8	Agreement establishing the Able (U.S.) Distribution Trust (7)
10.9	Agreement establishing the Able (Canada) Distribution Trust (7)
10.10	Transfer and Assignment of Assets and Assumption of Liabilities (7)
10.11	Form of Securities Purchase Agreement (Regulation S) (1)
10.12	Form of Warrant dated February 5, 2010 (Regulation S) (1)
10.13	Form of Director's Offer and Acceptance Letter (2)
10.14	Form of Officer's Offer and Acceptance Letter (2)
10.15	Consulting Services Agreement dated March 18, 2009 (2)
10.16	Operating Agreement dated March 18, 2009 (2)
10.17	Equity Pledge Agreement dated March 18, 2009 (2)
10.18	Option Agreement dated March 18, 2009 (2)
10.19	Voting Rights Proxy Agreement dated March 18, 2009 (2)
10.20	Form of Warrant dated March 11, 2010 (Regulation S) (10)
10.21	Form of Securities Purchase Agreement (Regulation D) (10)
10.22	Form of Registration Rights Agreement (10)
10.23	Form of Warrant dated March 11, 2010 (Regulation D) (10)
10.24	Placement Agent Agreement (10)
10.25	Re-execution of Equity Pledge Agreement dated September 9, 2011 (15)
10.26	Re-execution of Operating Agreement dated September 9, 2011(15)
10.27	Re-execution of Option Agreement dated September 9, 2011 (15)

- 10.28 Re-execution of Voting Rights Proxy Agreement dated September 9, 2011 (15)
 - 10.29 Supplemental Agreement between Hongli and the Owners of Shuangrui Coal dated September 2, 2011 (15)
 - 10.30 Supplemental Agreement between Hongli and the Owners of Xingsheng Coal dated September 2, 2011 (15)
 - 10.31 Supplemental Agreement between Hongchang and the Owners of Shunli Coal dated September 2, 2011 (15)
 - 14 Code of Ethics (8)
 - 21.2 Subsidiaries of SinoCoking Coal and Coke Chemical Industries, Inc. (7)
 - 23.1 Consent of Frazer Frost LLP (15)
 - 31.1 Certification Pursuant to Rule 13a-14(a) and 15d-14(a) (4) of Chief Executive Officer *
 - 31.2 Certification Pursuant to Rule 13a-14(a) and 15d-14(a) (4) of Chief Financial Officer *
 - 32.1 Certification Pursuant to Section 1350 of Title 18 of the United States Code of Chief Executive Officer*
 - 32.2 Certification Pursuant to Section 1350 of Title 18 of the United States Code of Chief Financial Officer*
 - 99.1 Equity Interests Transfer Agreement between Henan Province Pingdingshan Hongli Coal & Coke Co., Ltd. on the one hand, and Dongping Wu, Xiaoling Zhao and Dianqing Li on the other, for the Shuangrui Equity Interests dated August 10, 2010 (11)
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- 99.2 Equity Interests Transfer Agreement between Henan Province Pingdingshan Hongli Coal & Coke Co., Ltd. on the one hand, and Mingxun Du and Xingling Li on the other, for the Xingsheng Equity Interests dated August 10, 2010 (11)
- 99.3 Bank Acceptance Agreement between Hongli and Pingdingshan Rural Cooperative Bank dated January 7, 2011 (12)
- 99.4 Loan Agreement by and between Hongli and Bairei Trust Co., Ltd. dated April 2, 2011 (13)
- 99.5 Security Deposit Payment Agreement by and between Hongli and Bairei Trust Co., Ltd. dated April 2, 2011 (13)
- 99.6 Guarantee Agreement by and between Hongyuan and Bairei Trust Co., Ltd. dated April 2, 2011 (13)
- 99.7 Loan Agreement between Top Favour Limited and Ziben Tiantang Co., Ltd. dated June 17, 2011 (14)
- 99.8 Supply Agreement between Hongli and Wuhan Railway Zhongli Group Co., Ltd. dated January 1, 2011 (15)
- 99.9 Supply Agreement between Hongli and Daye Xinye Tegang Co., Ltd. dated January 2, 2011 (15)
- 99.10 Supply Agreement between Hongchang Coal and Wuhan Tieying Commerce Co., Ltd. dated January 3, 2011 (15)
- 99.11 Purchase Agreement between Baofeng Coking and Hongfeng Coal Processing and Coking Co., Ltd. dated January 1, 2011 (15)
- 99.12 Purchase Agreement between Baofeng Coking and Gansu Senbao Commerce Co., Ltd. dated January 3, 2011 (15)
- 99.13 Purchase Agreement between Baofeng Coking and Shaanxi Xiansheng Industry and Commerce Co., Ltd. dated January 3, 2011 (15)
- 99.14 Equity Interest Transfer Agreement between Baofeng Hongchang Coal Co., Ltd. on the one hand, and Jianguo Yang, Yaoqun Wang and Zhanjing Yang on the other, for the Shunli Equity Interests dated May 19, 2011 (15)

* Filed herewith.

- (1) Incorporated by reference to the Form 10-SB filed by the Company with the Securities and Exchange Commission on November 18, 1999.
- (2) Incorporated by reference to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on February 8, 2010.
- (3) Incorporated by reference to the Annual Report on Form 10-KSB for the fiscal year ended December 31, 2002 filed by the Company with the Securities and Exchange Commission on March 27, 2003.
- (4) Incorporated by reference to the Form S-8 Registration Statement filed by the Company with the Securities and Exchange Commission on June 13, 2003.
- (5) Incorporated by reference to the Form S-8 Registration Statement filed by the Company with the Securities and Exchange Commission on May 8, 2002.
- (6) Incorporated by reference to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on July 17, 2009.
- (7)

Incorporated by reference to the registration statement on Form 10-K filed by the Company with the Securities and Exchange Commission on March 31, 2010.

- (8) Incorporated by reference to the Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003 filed by the Company on March 30, 2004.
 - (9) Incorporated by reference to the Form 8-K Current Report filed by the Company with the Securities and Exchange Commission on November 25, 2009.
 - (10) Incorporated by reference to the Form 8-K Current Report filed by the Company with the Securities and Exchange Commission on March 15, 2010.
 - (11) Incorporated by reference to the Form 8-K Current Report filed by the Company with the Securities and Exchange Commission on August 10, 2010.
 - (12) Incorporated by reference to the Form 8-K Current Report filed by the Company with the Securities and Exchange Commission on January 18, 2011.
 - (13) Incorporated by reference to the Form 8-K Current Report filed by the Company with the Securities and Exchange Commission on April 5, 2011.
 - (14) Incorporated by reference to the Form 8-K Current Report filed by the Company with the Securities and Exchange Commission on June 23, 2011.
 - (15) Incorporated by reference to the Annual Report on Form 10-K for the fiscal year ended June 30, 2011 filed by the Company with the Securities and Exchange Commission on September 13, 2011.
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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: September 29, 2011

SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES,
INC.

By: /s/ Jianhua Lv
Jianhua Lv
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jianhua Lv Jianhua Lv	Chairman of the Board, Chief Executive Officer and President (Principal Executive Officer)	September 29, 2011
/s/ Zan Wu Zan Wu	Chief Financial Officer (Principal Financial Officer and Accounting Officer)	September 29, 2011
/s/ Hui Huang Hui Huang	Director	September 29, 2011
/s/ Haoyi Zhang Haoyi Zhang	Director	September 29, 2011
/s/ Yushan Jiang Yushan Jiang	Director	September 29, 2011
