



**BLACKGOLD INTERNATIONAL HOLDINGS LIMITED (BGG)**  
**145 095 478**

## Appendix 4E

### Results for the 12 months ended 31 October 2011

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#### 1. Details of reporting periods

Current reporting period : Twelve (12) months to 31 October 2011

Previous corresponding period : Twelve (12) months to 31 October 2010

#### 2. Results for announcement to the market

	<b>12 Months</b> <b>31 Oct 2011</b> A\$ '000	<b>12 Months</b> <b>31 Oct 2010</b> A\$ '000	<b>%</b> <b>Change</b>	<b>6 Months</b> <b>30 Apr 2011</b> A\$ '000	<b>%</b> <b>Change</b>
Revenues from ordinary activities	77,561	48,668	59.4%	43,711	77.4%
Profit from ordinary activities after tax attributable to members	23,149	14,515	59.5%	12,151	90.5%
Net profit for the period attributable to members	23,149	14,515	59.5%	12,151	90.5%



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### Brief explanation of revenue, net profit and dividends (results commentary)

#### Operating Results

Profit before tax increased by \$8.42 million or approximately. 42.9%, from A\$19.61 million for the year ended 31 October 2010 to A\$28.03 million for the year ended 31 Oct 2011.

Included in the administrative and other expenses is approximately A\$0.85 million relating to IPO expenses for the listing of the Company shares on the Australian Securities Exchange. Profit before tax would have been A\$28.88 million if this is not included.

#### Mining

- Primary development was accelerated at both Caotang Mine and Heiwan Mine. New underground locomotives were acquired and commissioned. Total coal sold from both mines has increased by approximately 212,000 tonnes or 29.0% from 732,000 tonnes in FY2010 to 944,000 tonnes in FY2011.

#### Trading

- BGG acquired and re-sold approximately 384,000 tonnes of coal for the year ended 31 October 2011.

Amount per security and franked amount per security of final and interim dividend	No dividends have been paid or provided for during the period.
Record date for determining entitlements to the dividend and payment date	Not applicable



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## **3. Statement of comprehensive income**

<b>FOR THE YEAR ENDED</b>	<b>31-Oct-11</b>	<b>31-Oct-10</b>
	<b>A\$'000</b>	<b>A\$'000</b>
Revenue	77,561	48,668
Cost of Sales	(42,957)	(26,027)
<b>Gross Profit</b>	<b>34,604</b>	<b>22,641</b>
Other Income	3,342	188
	37,946	22,829
Distribution and Marketing Expenses	(1,243)	(847)
Administrative and Other Expenses	(7,876)	(2,361)
Finance Costs	(793)	(15)
Profit before Income Tax	28,034	19,606
Income Tax Expense	(4,885)	(5,091)
<b>Profit after Income Tax</b>	<b>23,149</b>	<b>14,515</b>
<b>Other Comprehensive Income (net of tax)</b>		
- Foreign currency translation exchange differences	(876)	(963)
<b>Total Comprehensive Income for the Financial Year</b>	<b>22,273</b>	<b>13,552</b>
<b>Profit after Income Tax attributable to</b>		
Owners of the Company	23,149	14,515
<b>Total Comprehensive Income for the Financial Year</b>		
attributable to:		
Owners of the Company	22,273	13,552
<b>Earnings per share</b>		
Basic earnings per share (cents)	2.68	N/M
Diluted earnings per share (cents)	2.68	N/M

Note: N/M denotes not meaningful.



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## **4. Statement of financial position**

	31-Oct-11	31-Oct-10
	A\$'000	A\$'000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Inventories	996	956
Trade and other receivables	11,757	3,974
Amount owing by shareholders	0	196
Amount owing by related parties	0	3,552
Fixed deposits with licensed bank	17,049	0
Cash and bank balances	11,746	2,786
<b>TOTAL CURRENT ASSETS</b>	<b>41,548</b>	<b>11,464</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8,870	2,590
Land use rights	76	89
Mine development	41,726	14,614
Exploration expenditure	16,628	0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>67,300</b>	<b>17,293</b>
<b>TOTAL ASSETS</b>	<b>108,848</b>	<b>28,757</b>



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**LIABILITIES**

**CURRENT LIABILITIES**

Trade and other payables	9,879	8,104
Amount owing to shareholders	0	10,000
Amount owing to related parties	2,897	0
Borrowings	14,650	0
Provision for taxation	311	4,626
<b>TOTAL CURRENT LIABILITIES</b>	<b>27,737</b>	<b>22,730</b>

**NON-CURRENT LIABILITIES**

Provision for restoration costs	998	910
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>998</b>	<b>910</b>

<b>TOTAL LIABILITIES</b>	<b>28,735</b>	<b>23,640</b>
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<b>NET ASSETS</b>	<b>80,113</b>	<b>5,117</b>
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**EQUITY**

Share capital	67,223	14,500
Retained earnings	42,462	19,350
Merger deficit reserve	(28,186)	(28,186)
Statutory reserve	2,132	2,095
Foreign currency translation reserve	(3,518)	(2,642)
<b>TOTAL EQUITY</b>	<b>80,113</b>	<b>5,117</b>



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### 5. Statement of cash flows

FOR THE YEAR ENDED	31-Oct-11	31-Oct-10
	A\$'000	A\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	28,034	19,606
Adjustment for:		
Property, plant and equipment written off	5	0
Amortisation of land use rights	10	6
Amortisation of mine development	3,481	271
Depreciation of property, plant and equipment	620	1,001
Interest expense	426	13
Interest income	(641)	0
Unrealised foreign exchange gain	(153)	0
Gain on bargain purchase	(131)	0
Operating profit before working capital changes	31,651	20,897
Increase/(Decrease) in inventories	103	(644)
Increase in receivables	(7,716)	(3,401)
Increase in payables	6,565	3,742
Cash from operations	30,603	20,594
Interest paid	(302)	(13)
Income tax paid	(249)	(153)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>30,052</b>	<b>20,428</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(6,220)	(9,379)
Increase in mine development	(17,970)	0
Increase in exploration expenditure	(586)	0
Net cash outflow from acquisition of subsidiaries	(24,792)	(14,550)
Net repayment from shareholders	196	9,804
Net repayment/advances to a related party	(12,410)	(3,552)
Interest received	641	0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(61,141)</b>	<b>(17,677)</b>
 BALANCE CARRIED FORWARD	 (31,089)	 2,751



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	31-Oct-11	31-Oct-10
	A\$'000	A\$'000
BALANCE BROUGHT FORWARD	(31,089)	2,751
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	58,500	0
Treasury shares acquired	(623)	0
Net drawdown of short-term borrowing	14,650	0
Net repayment to shareholders	(10,000)	(93)
Payment for capital raising cost	(5,154)	0
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>57,373</b>	<b>(93)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>26,284</b>	<b>2,658</b>
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(275)	(409)
CASH AND CASH EQUIVALENT AT BEGINNING OF THE FINANCIAL PERIOD	2,786	537
<b>CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD</b>	<b>28,795</b>	<b>2,786</b>



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## **6. Dividend payments**

No dividends were declared during the period.

## **7. Dividend reinvestment plans**

Not applicable.

## **8. Statement of changes in equity**

	Share Capital	Retained Profits	Merger Deficit*	Statutory Reserve	Foreign Currency Translation Reserve	Total Equity
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>Consolidated</b>						
<b>Balance at 1 November 2010</b>	14,500	19,350	(28,186)	2,095	(2,642)	5,117
Issue of shares	53,346					53,346
Shares bought back	(623)					(623)
Total comprehensive income for the financial year		23,149				23,149
Transfer to Statutory Reserve		(37)		37	(876)	(876)
<b>Balance at 31 October 2011</b>	<b>67,223</b>	<b>42,462</b>	<b>(28,186)</b>	<b>2,132</b>	<b>(3,518)</b>	<b>80,113</b>

\* - arising from merger accounting

## **9. Net tangible assets per security**

	30 Oct 2011 Cents	30 Oct 2010 Cents
Net tangible assets per ordinary security	5.83	0.43





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### 10. Gain or loss of control over entities

During the year, the Company completed the acquisition of the Wushan MaoJia Wang Coal Mine and the QiJiang ChangHong Mine for considerations of A\$12.1 million and A\$14.4 million respectively.

### 11. Associates and joint ventures

Not applicable.

### 12. Notes to the financial statements for the year ended 31 October 2011

#### a) Basis of preparation

The preliminary figures presented above for the year ended 31 October 2011 has been prepared in accordance with Australian Accounting Standards. The accounting policies adopted and methods of computation have been consistently applied in this report as compared to all other periods presented unless otherwise stated. Reference should be made to previous year audited financial report.

This report is based on financial statements which are in the process of being audited.

#### b) Interest-bearing borrowings

	31-Oct-11	31-Oct-10
	A\$'000	A\$'000
<b>Current</b>		
Borrowings:		
Secured short-term loan	14,650	0

*Note: The short-term loan is secured by a fixed deposit with a licensed bank.*



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### c) Share Capital

	31-Oct-11	31-Oct-10
	A\$'000	A\$'000
<i>Beginning of period/Date of incorporation</i>		
675,000,000 fully paid ordinary shares (2010: 1)	14,500	^
<i>Issued during the year</i>		
225,000,000 fully paid ordinary shares (2010: 674,999,999)	58,500	14,500
Capital raising cost	(5,154)	0
<i>Cancelled during the period</i>		
3,180,875 fully paid ordinary shares. (2010:nil)	(623)	0
	67,223	14,500

^ - Represent A\$ 1.00

### 13. Other significant information

#### Share buy back

In October 2011, the Company commenced its on-market share buy-back activity. Further details on the share buyback activities can be found in announcements made to the ASX.

#### Dual listing in Hong Kong

In November 2011, the Company announced the appointment of Daiwa Capital Markets Hong Kong Limited as its advisor for a proposed dual listing on the Hong Kong Stock Exchange. To date, the Company has not submitted any application for listing with the HKSE and no assurance is given that the proposed dual listing will materialise.

### 14. Foreign entities

Subsidiaries incorporated in Hong Kong and China is using International Financial Reporting Standards to prepare their report.



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**15. Commentary on results for the period**

Upon completion of the acquisition of two new mines during the financial period, the company currently owns four thermal coals mines. The two producing mines (Caotang and Heiwan) produced approximately 944,000 tonnes of coal for the financial year ended 31 October 2011 (FY2011). This is 29% above the previous financial year's production of 732,300 tonnes (FY2010) and is in line with the Company's previously announced forecasts of approx. 1Mt.

Earnings per share for the year ended 31 October 2011 was 2.68cents. Total comprehensive income attributable to owners has increased by 64.4% or A\$8.72 million from A\$13.6 million in FY2010 to A\$22.3 million in FY2011.

The Company commenced its share buy-back activity on 20 October 2011. Approximately 3.43million shares were purchased from the market for an aggregate consideration of A\$0.67 million, out of which, 3.18 million shares were cancelled as at 31 October 2011.

**Signed:** Chi Ho (James) Tong

**Date:** 30 December 2011

Chairman