

SINOCOKING COAL & COKE CHEMICAL INDUSTRIES, INC.
Form 424B3
May 19, 2011

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-166720

PROSPECTUS SUPPLEMENT NO. 4
(To Prospectus dated October 15, 2010)

SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC.

11,384,566 shares of Common Stock

This Prospectus Supplement No. 4, together with the Prospectus listed above and Prospectus Supplement No. 1 dated October 21, 2010, Prospectus Supplement No. 2 dated November 22, 2010, and Prospectus Supplement No. 3 dated February 18, 2011, are 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 15, 2010 of SinoCoking Coal and Coke Chemical Industries, Inc. (the "Company") with the following additions and changes:

- (1) Amend the Selling Security Holder information set forth in the Prospectus; and
- (2) Update, amend and supplement the Company's Prospectus dated October 15, 2010 with information in the Company's attached Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 as filed with the Securities and Exchange Commission on May 16, 2011.

The attached information modifies and supersedes, in part, the information in the Prospectus, as previously supplemented. Any information that is modified or superseded in the Prospectus shall not be deemed to constitute a part of the Prospectus except as modified or superseded by this Prospectus Supplement No. 4. This Prospectus Supplement No. 4 should be read in conjunction with the Prospectus, as previously supplemented.

INVESTING IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" BEGINNING ON PAGE 6 OF THE PROSPECTUS, AS PREVIOUSLY SUPPLEMENTED, 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 19, 2011.

AMENDMENT TO SELLING SECURITY HOLDER INFORMATION

This Prospectus Supplement No.4 is being filed in connection with a change to the Selling Security Holder information as set forth in the Prospectus. Specifically, Cape Diem Partners LLC transferred its warrant for the purchase of up to 10,000 shares of the Company's common stock to its investment manager Carpe Diem Capital Management LLC.

As a result, this Prospectus Supplement No. 4 is being filed to amend the Selling Security Holders table in the Prospectus so that it reflects: (1) the change of numbers of securities owned by Carpe Diem Partners LLC resulting from the above-referenced warrant transfer; and (2) the addition of Carpe Diem Capital Management LLC as a new Selling Security Holder.

All other information in the Prospectus shall remain unchanged. Percentage of beneficial ownership was calculated based on 21,087,645 shares of SinoCoking common stock outstanding as of May 12, 2011. This Prospectus Supplement No. 4 reflects only the total number of Shares registered for resale by Carpe Diem Capital Management LLC, and we note that it does not reflect sales of Shares by Carpe Diem Partners LLC pursuant to the Prospectus that may have occurred prior to the date of this Prospectus Supplement No. 4.

Name (A)	Securities Beneficially Owned Prior to Offering (1) (B)	Securities Being Offered (C)	Securities Beneficially Owned After Offering (2) (D)	% Beneficial Ownership After Offering (4) (E)
Carpe Diem Partners LLC (43)	20,000(44)	20,000(44)	0	0%
Carpe Diem Capital Management LLC (331)	10,000(332)	10,000(332)	0	0%

(43) The address of this security holder is 3400 N. Lake Shore Drive, 2nd Floor, Chicago, IL 60657. John Ziegelman, as president and chief executive officer of Carpe Diem Capital Management, LLC, which is investment manager of this security holder, has dispositive and voting power over these securities and may be deemed to be the beneficial owner of these securities.

(44) Includes 20,000 shares of Common Stock issued to this selling security holder in the Financing, all of which we are registering for resale pursuant to the Securities Purchase Agreement.

(331) The address of this security holder is 3400 N. Lake Shore Drive, 2nd Floor, Chicago, IL 60657. John Ziegelman, as president and chief executive officer of this security holder, has dispositive and voting power over these securities and may be deemed to be the beneficial owner of these securities.

(332) Includes 10,000 shares of Common Stock underlying the Warrants owned by this selling security holder in connection with the Financing, all of which are registered for resale pursuant to the Securities Purchase Agreement.

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, 2011

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)

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: Common Stock, par value \$0.001 per share
Securities registered pursuant to Section 12(g) of the Act: None

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 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
Non-accelerated filer

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 12, 2011, the Registrant had 21,087,645 shares of common stock outstanding.

SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC.
FORM 10-Q

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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” 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. Whether actual results will conform to the expectations and predictions of management, however, is subject to a number of risks and uncertainties that may cause actual results to differ materially. Such risks are in the section entitled “Risk Factors” beginning on page 21 of our Annual Report on Form 10-K for the year ended June 30, 2010 filed with the SEC on September 29, 2010.

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 our business operations.

ITEM 1.

FINANCIAL STATEMENTS

SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	March 31, 2011 (Unaudited)	June 30, 2010
ASSETS		
CURRENT ASSETS		
Cash	\$5,122,863	\$17,403,008
Restricted cash	19,297,500	22,902,000
Loans receivable	2,075,125	2,513,308
Notes receivable	3,048,700	1,045,830
Accounts receivable, trade, net	15,836,081	5,304,684
Other receivables	3,307,921	479,121
Other receivables - related parties	-	477,052
Inventories	7,419,285	2,261,816
Advances to suppliers	5,136,004	4,995,703
Total current assets	61,243,479	57,382,522
PLANT AND EQUIPMENT, net	27,591,252	20,930,413
OTHER ASSETS		
Prepayments for land use rights	8,852,625	5,074,485
Prepayments for mine acquisitions	17,406,705	8,858,398
Prepayments for construction of new operating plant	7,919,053	17,303,883
Intangible - land use rights, net	1,909,286	1,892,292
Intangible - mineral rights, net	1,576,441	2,629,437
Long-term investment	1,220,000	-
Other assets	116,083	103,110
Total other assets	39,000,193	35,861,605
Total assets	\$127,834,924	\$114,174,540
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable, trade	\$433,107	\$291,750
Notes payable	-	2,946,000
Short term loans - bank	15,250,000	14,730,000
Short term loans - others	-	515,550
Other payables and accrued liabilities	591,180	1,433,121
Other payables - related party	380,622	51,381
Customer deposits	158,252	106,830
Taxes payable	1,646,746	1,229,019
Total current liabilities	18,459,907	21,303,651

OTHER LIABILITIES

Warrant derivative liability	15,041,496	30,436,087
Total other liabilities	15,041,496	30,436,087
Total liabilities	33,501,403	51,739,738

COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' EQUITY

Common shares, \$0.001 par value, 100,000,000 authorized, 21,090,948 and 20,871,192 issued and outstanding as of March 31, 2011 and June 30, 2010, respectively	21,091	20,871
Additional paid-in capital	3,442,083	67,269
Statutory reserves	2,049,654	1,837,395
Retained earnings	85,004,442	59,373,726
Accumulated other comprehensive income	3,816,251	1,135,541
Total shareholders' equity	94,333,521	62,434,802
Total liabilities and shareholders' equity	\$ 127,834,924	\$ 114,174,540

SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	For the three months ended March 31,		For the nine months ended March 31,	
	2011	2010	2011	2010
REVENUE	\$19,872,461	\$15,247,494	\$49,626,255	\$48,140,913
COST OF REVENUE	12,636,751	9,605,889	30,635,815	27,411,765
GROSS PROFIT	7,235,710	5,641,605	18,990,440	20,729,148
OPERATING EXPENSES:				
Selling	75,894	96,549	231,808	400,544
General and administrative	870,284	1,369,063	2,541,924	1,823,661
Total operating expenses	946,178	1,465,612	2,773,732	2,224,205
INCOME FROM OPERATIONS	6,289,532	4,175,993	16,216,708	18,504,943
OTHER INCOME (EXPENSE), NET				
Finance expense, net	(119,311)	(8,666)	(689,367)	(124,629)
Other income (expense), net	(542)	109,980	(109,929)	109,791
Change in fair value of warrants	12,191,235	(39,869,662)	13,663,378	(39,869,662)
Total other income (expense), net	12,071,382	(39,768,348)	12,864,082	(39,884,500)
INCOME(LOSS) BEFORE INCOME TAXES	18,360,914	(35,592,355)	29,080,790	(21,379,557)
PROVISION FOR INCOME TAXES	1,222,473	1,283,907	3,450,074	4,213,029
NET INCOME (LOSS)	17,138,441	(36,876,262)	25,630,716	(25,592,586)
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment	2,680,710	29,304	2,680,710	81,976
COMPREHENSIVE INCOME (LOSS)	\$19,819,151	\$(36,846,958)	\$28,311,426	\$(25,510,610)
WEIGHTED AVERAGE NUMBER OF COMMON SHARE				
Basic	21,043,206	15,441,258	20,927,453	14,086,729
Diluted	21,057,332	15,441,258	20,941,252	14,086,729
EARNINGS (LOSS) PER SHARE				
Basic	\$0.81	\$(2.39)	\$1.22	\$(1.82)
Diluted	\$0.81	\$(2.39)	\$1.22	\$(1.82)

SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	Common Share Shares	Share Par Value	Additional paid-in capital	Retained earnings Statutory reserves	Unrestricted	Accumulated other comprehensive income	Total
BALANCE, June 30, 2009	13,117,952	\$ 13,118	\$ 3,531,959	\$ 1,127,710	\$ 29,754,451	\$ 779,804	\$ 35,207,042
Shares and warrants issued in reverse merger recapitalization	405,710	406	(406)				-
Shares and warrants sold for cash	7,344,935	7,345	44,062,265				44,069,610
Offering costs related to shares and warrants sold			(12,015,273)				(12,015,273)
Warrants issued reclassified to derivative liability			(35,578,543)		(8,491,067)		(44,069,610)
Cumulative effect of reclassification of existing warrants					(631,002)		(631,002)
Fractional shares due to the one-for-twenty reverse split	2,595	2	(2)				-
Net income					(25,592,586)		(25,592,586)
Adjustment of statutory reserve				594,731	(594,731)		-
Foreign currency translation adjustments						81,976	81,976
BALANCE, March 31, 2010 (Unaudited)	20,871,192	\$ 20,871	\$ -	\$ 1,722,441	\$ (5,554,935)	\$ 861,780	\$ (2,949,843)
Net income					64,527,083		64,527,083
Adjustment of statutory reserve				114,954	401,578		516,532
Imputed interests on loans from related parties			67,269				67,269

waived							
Foreign currency translation adjustments						273,761	273,761
BALANCE, June 30, 2010	20,871,192	\$ 20,871	\$ 67,269	\$ 1,837,395	\$ 59,373,726	\$ 1,135,541	\$ 62,434,802
Warrants exercised - cash proceeds	219,756	220	1,318,316				1,318,536
Warrants exercised - derivative value			2,056,498				2,056,498
Net income					25,630,716		25,630,716
Adjustment of statutory reserve				212,259			212,259
Foreign currency translation adjustments						2,680,710	2,680,710
BALANCE, March 31, 2011 (Unaudited)	21,090,948	\$ 21,091	\$ 3,442,083	\$ 2,049,654	\$ 85,004,442	\$ 3,816,251	\$ 94,333,521

SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the nine months ended March 31, 2011	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$25,630,716	\$(25,592,586)
Adjustments to reconcile net income (loss) to cash (used in) provided by operating activities:		
Depreciation	1,074,925	1,924,036
Amortization and depletion	1,175,244	2,086,470
Bad debt expense	31,479	-
Change in fair value of warrants	(13,663,378)	39,869,662
Warrants granted for service	325,285	-
Reservation of mine maintenance fee	212,259	-
Change in operating assets and liabilities		
Notes receivable	(1,932,432)	(2,268,574)
Accounts receivable, trade	(10,167,772)	(838,340)
Other receivables	(1,974,874)	(2,455,188)
Other receivables - related party	-	30,400
Inventories	(4,991,051)	(3,275,383)
Advances to suppliers	26,108	3,687,493
Accounts payable, trade	137,638	(82,926)
Other payables and accrued liabilities	(876,867)	91,788
Customer deposits	46,838	(1,956,041)
Taxes payable	367,959	(1,019,987)
Net cash (used in) provided by operating activities	(4,577,923)	10,200,824
CASH FLOWS FROM INVESTING ACTIVITIES:		
Principal of loans receivable	(2,056,795)	-
Repayment of loans receivable	2,513,308	-
Long-term investment	(1,199,200)	-
Payments on equipment and construction-in-progress	(2,022,663)	(3,157,908)
Prepayments on construction-in-progress	(515,607)	(15,883,831)
Refunds of construction prepayments	4,646,900	-
Prepayments on land use rights	(3,537,640)	-
Prepayments on mine acquisitions	(8,095,177)	-
Net cash used in investing activities	(10,266,874)	(19,041,739)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in restricted cash	3,747,500	-
Cash proceeds from sale of common stock and warrants	-	44,069,610
Cash proceeds from exercise of warrants	1,318,536	-
Cash offering cost related to common stock	-	(2,263,391)
Repayments of notes payables	(22,485,000)	-
Proceeds from notes payables	19,487,000	-

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Repayments of short-term loans	(524,650)	(2,808,156)
Payments to related parties	-	(33,878)
Proceeds from related parties	800,780	-
Net cash provided by financing activities	2,344,166	38,964,185
EFFECT OF EXCHANGE RATE ON CASH	220,486	24,085
(DECREASE) INCREASE IN CASH	(12,280,145)	30,147,355
CASH, beginning of period	17,403,008	278,399
CASH, end of period	\$5,122,863	\$30,425,754
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for income tax	\$3,033,071	\$4,425,065
Cash paid for interest expense, net of capitalized interest	\$393,933	\$106,789
NON-CASH TRANSACTIONS OF INVESTING AND FINANCING ACTIVITIES		
Warrants issued for placement agent fee	\$-	\$9,751,882
Reclassification of derivative liability to equity related to exercise of warrants	\$2,056,498	\$-
Construction-in-progress acquired with prepayments made in prior period		