

SINOCOKING COAL & COKE CHEMICAL INDUSTRIES, INC.

Form 424B3

November 16, 2012

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-166720

PROSPECTUS SUPPLEMENT NO. 1

(To Prospectus dated October 24, 2012)

SINOCOKING COAL AND COKE CHEMICAL INDUSTRIES, INC.

11,384,566 shares of Common Stock

This Prospectus Supplement No. 1 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 24, 2012 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 24, 2012 with information in the (1) Company's attached Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012 as filed with the Securities and Exchange Commission on November 14, 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 Any information that is modified or superseded in the Prospectus shall not be deemed to constitute a part of the Prospectus except as modified or superseded by this Prospectus Supplement No. 1. This Prospectus Supplement No. 1 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 November 16, 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 **September 30, 2012**

or

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

For the
transition _____ to _____
period from

Commission
File 001-15931
Number:

SinoCoking Coal and Coke Chemical Industries, Inc.
(Exact name of registrant as specified in its charter)

Florida 98-0695811
(State or other jurisdiction of incorporation or
organization) (I.R.S. Employer Identification Number)

Kuanggong Road and Tiyu Road 10th Floor

Chengshi Xin Yong She, Tiyu Road, Xinhua District

Pingdingshan, Henan Province

People's Republic of China 467000
(Address of principal executive offices) (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 November 9, 2012, the registrant had 21,121,372 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 21 of the registrant’s annual report on Form 10-K for the year ended June 30, 2012 filed with the Securities and Exchange Commission (the “SEC”) on September 28, 2012 (the “Annual Report”).

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)

ASSETS

	September 30, 2012	June 30, 2012
CURRENT ASSETS		
Cash	\$410,594	\$2,366,718
Restricted cash	8,081,000	9,668,000
Accounts receivable, trade, net	11,632,935	12,017,231
Notes receivable, trade	6,388,164	14,176,800
Notes receivable, mine acquisition	-	9,155,520
Other receivables	635,932	1,412,008
Loans receivable	8,933,037	9,849,937
Refundable deposit	4,743,000	4,752,000
Inventories	3,543,090	2,382,444
Advances to suppliers	7,344,232	12,267,806
Prepaid expenses	391,870	633,313
Total current assets	52,103,854	78,681,777
PLANT AND EQUIPMENT, net	15,861,813	16,211,984
CONSTRUCTION IN PROGRESS	39,304,970	39,379,553
OTHER ASSETS		
Prepayments	60,635,515	36,071,853
Intangible assets, net	31,558,360	31,635,487
Long-term investments	2,820,378	2,825,730
Other assets	110,670	110,880
Total other assets	95,124,923	70,643,950
Total assets	\$202,395,560	\$204,917,264

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Short term loans - banks	\$26,244,600	\$26,294,400
Accounts payable, trade	570	4,023
Notes payable	3,162,000	4,752,000
Other payables and accrued liabilities	878,330	802,028
Other payables - related parties	188,829	156,227
Acquisition payable	4,584,900	4,593,600
Customer deposits	138,195	138,457
Taxes payable	914,981	1,522,062
Total current liabilities	36,112,405	38,262,797

LONG TERM LIABILITIES

Long term loans	36,363,000	36,432,000
Warrants liability	43,118	716,648
Total long term liabilities	36,406,118	37,148,648

Total liabilities	72,518,523	75,411,445
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COMMITMENTS AND CONTINGENCIES

EQUITY

Common shares, \$0.001 par value, 100,000,000 authorized, 21,121,372 issued and outstanding as of September 30, 2012 and June 30, 2012	21,121	21,121
Additional paid-in capital	3,592,053	3,592,053
Statutory reserves	3,689,941	3,689,941
Retained earnings	110,917,045	110,257,132
Accumulated other comprehensive income	7,325,277	7,613,972
Total SinoCoking Coal and Coke Chemicals Industries, Inc's equity	125,545,437	125,174,219

NONCONTROLLING INTERESTS	4,331,600	4,331,600
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Total equity	129,877,037	129,505,819
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Total liabilities and equity	\$202,395,560	\$204,917,264
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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 INCOME AND COMPREHENSIVE INCOME

(UNAUDITED)

For the Three Months
Ended
September 30,
2012 2011

REVENUE	\$17,562,194	\$22,151,334
COST OF REVENUE	15,652,938	14,947,457
GROSS PROFIT	1,909,256	7,203,877
OPERATING EXPENSES:		
Selling	43,581	81,543
General and administrative	626,828	427,419
Total operating expenses	670,409	508,962
INCOME FROM OPERATIONS	1,238,847	6,694,915
OTHER INCOME (EXPENSE)		
Interest income	222,640	558,551
Interest expense	(1,021,604)	(415,559)
Other finance expense	(72,244)	(35,666)
Other (expense) income, net	-	(17,581)
Change in fair value of warrants	673,530	3,019,722
Total other (expense) income, net	(197,678)	3,109,467
INCOME BEFORE INCOME TAXES	1,041,169	9,804,382
PROVISION FOR INCOME TAXES	381,256	1,495,669
NET INCOME	659,913	8,308,713
OTHER COMPREHENSIVE INCOME (LOSS)		
Foreign currency translation adjustment	(288,695)	1,188,744
COMPREHENSIVE INCOME	\$371,218	\$9,497,457
WEIGHTED AVERAGE NUMBER OF COMMON SHARES		

Basic	21,121,372	21,090,948
Diluted	21,121,372	21,090,948

EARNINGS PER SHARE

Basic	\$0.03	\$0.39
Diluted	\$0.03	\$0.39

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 Three Months Ended September 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 659,913	\$ 8,308,713
Adjustments to reconcile net income to cash used in operating activities:		
Depreciation	320,043	421,287
Amortization and depletion	17,212	236,821
Change in fair value of warrants	(673,530)	(3,019,722)
Reservation of mine maintenance fee	-	43,313
Change in operating assets and liabilities		
Accounts receivable, trade	361,536	(3,791,984)
Notes receivable, trade	(15,557,964)	(4,054,959)
Other receivables	775,616	(516,448)
Inventories	(1,165,156)	(2,487,100)
Advances to suppliers	13,674,890	(488,437)
Prepaid expenses	240,245	-
Accounts payable, trade	(3,445)	(47,030)
Other payables and accrued liabilities	76,740	(569,367)
Customer deposits	-	(39,455)
Taxes payable	(604,198)	(976,874)
Net cash used in operating activities	(1,878,098)	(6,981,242)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Principal advances of loans receivable	(350,000)	(1,892,300)
Repayment of loans receivable	316,500	8,718,653
Payments on equipment and construction in progress	(575)	(10,519,831)
Prepayments on construction in progress	-	(9,598,763)
Refunds of coal mine acquisition prepayments	-	-