

Appendix 4D

Half Yearly Report

Name of Entity: Blackgold International Holdings Limited
ACN: 145 095 478
Reporting Period: Half year ended 30 April 2015 (“current period”)
Previous Reporting Period Half year ended 30 April 2014 (“previous corresponding period”)

1. Results for Announcement to the Market

A\$'000

Revenues from ordinary activities	Down	14%	to	194,178
Profit / (Loss) from ordinary activities after tax attributed to members	Down	64%	to	7,737
Net profit / (loss) for the period attributed to members	Down	67%	to	6,843
Dividends (distributions)	Amount per security		Franked amount per security	
<i>Current period</i>				
Interim dividend declared	Nil		Nil	
Final dividend paid	Nil		Nil	
<i>Previous corresponding period</i>				
Interim dividend declared	Nil		Nil	
Final dividend paid	Nil		Nil	
Record date for determining entitlements to the dividend	No dividends is paid or provided for during the period			

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

Operating Results

Comparing with the results for the six months ended 30 April 2014 (“HY2014”), profit from ordinary activities decreased by A\$14.0 million or approximately 64%, from \$21.7 million to \$7.7 million for the six months ended 30 April 2015 (“HY2015”).

In HY2015, there was a reversal of over-accrued expenses amounting to AUD 0.469m relating to its dual listing exercise on Hong Kong Stock Exchange. Accrued interest amounting to A\$1.4m was incurred in HY2015 pursuant to convertible bonds issued during the period.

Whilst in HY2014, the Group wrote off A\$0.7 million for its dual listing exercise.

Review of Operations

Mining operations

Total production for the HY2015 was 459,000 tonnes. This is 32.7% lower than the total production of 681,600 tonnes achieved in the HY2014.

There were some uncertainties over the general coal industry in China. As such, the Company had decided to slow down its production in the second quarter of 2014 to reassess the market condition and reserve its coal resources for better pricing in the future. Total production was thus lower in HY2015 as compared to HY2014.

Trading

At present, Blackgold sells all its thermal coal internally within mainland China.

In HY2015, our trading arm sold approximately 1,824,900 tonnes of coal (HY2014: 2,149,800 tonnes), a decrease of 15.1% when compared to HY2014 results.

Shipping Transportation

Profit before tax for GPST segment in HY2015 was AUD1,633,000 (HY2014: AUD3,371,000)

2. Net Tangible assets per security

	Current period Cts	Previous corresponding period cts
Net tangible assets per security	25.30	22.85

3. Details of entities over which control has been gained or lost during the period

Control gained over entities:

Name of entity	Nil
Date from which control was gained	NA
Where material to an understanding of the report – the contribution of such entity to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	NA

Control lost over entities:

Name of entity	Nil
Date from which control was lost	NA
Where material to an understanding of the report – the contribution of such entity to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	NA

4. Details of Individual and Total Dividends

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend Current period	Nil	NA	NA	NA
Previous corresponding period	Nil	NA	NA	NA

Total dividend per security

	Current year	Previous year
Ordinary securities	Nil	Nil

5. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation

NA

The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

NA

6. Details of Associates and Joint Ventures:

Name of associate or joint venture entity	Percentage holding	
	Current period	Previous corresponding period
Nil	Nil	Nil

Where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period:

NA

7. For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International Financial Reporting Standards)

International Financial Reporting Standards .

8. Description of dispute or qualification if the accounts have been audited or subject to review

NA

This report is based on:

Accounts that have been subject to an audit review.



Chi Ho (James) Tong

Director

Dated this 30th day of June 2015

**BLACKGOLD INTERNATIONAL HOLDINGS
LIMITED**

(Incorporated in Australia)

ACN 145 095 478

**INTERIM FINANCIAL REPORT
for the half year ended 30 April 2015**

CONTENTS

	Page
Directors' Report.....	1
Auditor's Independence Declaration.....	3
Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	4
Consolidated Statement of Financial Position.....	5
Consolidated Statement of Changes in Equity.....	7
Consolidated Statement of Cash Flows.....	9
Notes to the Financial Statements.....	11
Directors' Declaration.....	29
Independent Auditor's Report.....	30

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

DIRECTORS' REPORT

The directors' submit the financial report of the Blackgold International Holdings Limited and its controlled entities for the half year ended 30 April 2015.

Directors

The names of directors who held office during or since the end of the half year:

- Chi Ho (James) Tong - Non Executive Chairman
- Yu Guo Peng
- Jun Ou
- Prof Guangfu Yang
- Zhong Han (John) Wu
- Wei-Her (Sophia) Huang

Operating Results

The profit after tax of the Group for the half year ended 30 April 2015 ("HY2015") amounted to AUD6,843,000 (6 months ended 30 April 2014 ("HY2014"): AUD20,964,000).

Review of Operations

Mining operations

Total production for the HY2015 was 459,000 tonnes. This is 32.7% lower than the total production of 681,600 tonnes achieved in the HY2014.

There were some uncertainties over the general coal industry in China. As such, the Company had decided to slow down its production in the second quarter of 2014 to reassess the market condition and reserve its coal resources for better pricing in the future. Total production was thus lower in HY2015 as compared to HY2014.

Trading

At present, Blackgold sells all its thermal coal internally within mainland China.

In HY2015, our trading arm sold approximately 1,824,900 tonnes of coal (HY2014: 2,149,800 tonnes), a decrease of 15.1% when compared to HY2014 results.

Shipping Transportation

Profit before tax for GPST segment for the HY2015 was AUD1,633,000 (HY2014: AUD3,371,000).

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

DIRECTORS' REPORT

Current corporate development

On 30 December 2014, the Company entered into a Heads of Agreement (“**HOA**”) with Matex International Limited (“**Matex**”), a company incorporated under the laws of Singapore and listed on the Mainboard of the Singapore Exchange Securities Tradings Limited (“**SGX-ST**”).

Matex will purchase the Company’s wholly owned subsidiary, Blackgold Holdings Hong Kong Limited (“**BGG HK**”), for a total purchase price of S\$475 million (“**Proposed Acquisition**”) on the terms of the sales and purchase agreement to be entered into by the Company and Matex.

The proposed acquisition is likely to constitute:

- In respect to Matex, a reverse takeover, under Chapter 10 of the SGX-ST listing manual and will be subject to, *inter alia*, the approval of Matex’s shareholders and SGX-ST; and
- In respect to the Company, a disposal of the Company’s major undertaking under ASX listing rule 11.2, which will be subject to, *inter alia*, the approval of the Company’s shareholders.

The Company will continue to provide material updates on the progress of this exercise.

Rounding of Amounts

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order, amounts in the directors’ report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor’s Declaration

The lead auditor’s independence declaration under s 307C of the Corporations Act 2001 is set out on page 3 for the half year financial statements ended 30 April 2015.

This Report of the directors is signed in accordance with a resolution of the Board of Directors.



James Tong Chi Ho
Director

Dated this 30 day of June 2015

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Blackgold International Holdings Ltd and its controlled entities for the half-year ended 30 April 2015, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Crowe Horwath Perth



Sean McGurk
Partner

Signed at Perth, 30 June 2015

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 APRIL 2015

	Consolidated 30.4.2015 AUD'000	Consolidated 30.4.2014 AUD'000
Note		
Revenue	194,178	224,680
Cost of sales	(179,270)	(190,206)
Gross profit	14,908	34,474
Other income	3,004	1,698
	17,912	36,172
Distribution and marketing expenses	(1,327)	(3,629)
Administrative expenses	(3,689)	(4,320)
Other expenses	(747)	(1,591)
Finance costs	(4,858)	(4,998)
Share of loss in an associate using equity method	(17)	-
Profit before taxation	7,274	21,634
Income Tax Expense	(431)	(670)
Profit after taxation	6,843	20,964
Other comprehensive income (net of tax)		
<u>Item that may be reclassified subsequently to profit or loss</u>		
- Foreign currency translation exchange differences	18,819	2,199
Total comprehensive income for the financial period	25,662	23,163
Profit after taxation attributable to:-		
Members of the parent entity	6,843	20,964
Total comprehensive income attributable to:-		
Members of the parent entity	25,662	23,163
Earnings per share		
Basic earnings per share (cents)	0.77	2.36
Diluted earnings per share (cents)	0.77	2.36

The annexed notes form an integral part of these financial statements.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 APRIL 2015

	Note	Consolidated 30.4.2015 AUD'000	Consolidated 31.10.2014 AUD'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		14,475	15,103
Held-to-maturity investments	5	22,949	17,553
Trade and other receivables		110,617	86,730
Inventories		1,535	1,259
TOTAL CURRENT ASSETS		149,576	120,645
NON-CURRENT ASSETS			
Investments accounted for using the equity method		375	392
Other financial assets		4,092	3,706
Property, plant and equipment		98,306	92,683
Land use rights		93	86
Mine development		173,154	153,730
Intangible assets - goodwill		2,297	2,081
Intangible assets - other		2,405	2,489
TOTAL NON-CURRENT ASSETS		280,722	255,167
TOTAL ASSETS		430,298	375,812
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		114,860	98,116
Amount owing to a related party	6	557	8,071
Amount owing to an associate		-	227
Borrowings	7	59,661	59,563
Financial liabilities	8	447	-
Deferred consideration		-	433
Provision for taxation		3,852	3,553
TOTAL CURRENT LIABILITIES		179,377	169,963
NON-CURRENT LIABILITIES			
Provision for restoration costs		1,589	1,392
Deferred tax liabilities		2,564	2,438
Financial liabilities	8	19,087	-
TOTAL NON-CURRENT LIABILITIES		23,240	3,830
TOTAL LIABILITIES		202,617	173,793
NET ASSETS		227,681	202,019

The annexed notes form an integral part of these financial statements.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 APRIL 2015 (CONT'D)

	Consolidated 30.4.2015	Consolidated 31.10.2014
	Note	
	AUD'000	AUD'000
EQUITY		
Share capital	65,363	65,363
Retained earnings	142,602	136,250
Merger deficit reserve	(28,186)	(28,186)
Statutory reserve	3,823	3,332
Foreign currency translation reserve	43,990	25,171
Options reserve	89	89
TOTAL EQUITY	227,681	202,019

The annexed notes form an integral part of these financial statements.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 APRIL 2015

	Issued Capital AUD'000	Retained Profits AUD'000	Merger Deficit Reserve * AUD'000	Statutory Reserve AUD'000	Foreign Currency Translation Reserve AUD'000	Options Reserve AUD'000	Total Equity AUD'000
Half year ended 30 April 2014							
Consolidated							
Balance at 1 November 2013	65,363	132,119	(28,186)	2,496	12,437	-	184,229
Comprehensive income:							
Profit after taxation for the financial period	-	20,964	-	-	-	-	20,964
Other comprehensive income:							
- Foreign currency translation exchange differences	-	-	-	-	2,199	-	2,199
Total comprehensive income for the period	-	20,964	-	-	2,199	-	23,163
Other transaction							
- Transfer to statutory reserve	-	(844)	-	844	-	-	-
Balance at 30 April 2014	65,363	152,239	(28,186)	3,340	14,636	-	207,392

The annexed notes form an integral part of these financial statements.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 APRIL 2015 (CONT'D)

	Issued Capital AUD'000	Retained Profits AUD'000	Merger Deficit Reserve * AUD'000	Statutory Reserve AUD'000	Foreign Currency Translation Reserve AUD'000	Options Reserve AUD'000	Total Equity AUD'000
Half year ended 30 April 2015							
Consolidated							
Balance at 1 November 2014	65,363	136,250	(28,186)	3,332	25,171	89	202,019
Comprehensive income:							
Profit after taxation for the financial period	-	6,843	-	-	-	-	6,843
Other comprehensive income:							
- Foreign currency translation exchange differences	-	-	-	-	18,819	-	18,819
Total comprehensive income for the period	-	6,843	-	-	18,819	-	25,662
Other transaction							
- Transfer to statutory reserve	-	(491)	-	491	-	-	-
Balance at 30 April 2015	65,363	142,602	(28,186)	3,823	43,990	89	227,681

* - arising from merger accounting during the financial year ended 31 October 2010.

The annexed notes form an integral part of these financial statements.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 APRIL 2015

	Consolidated 30.4.2015 AUD'000	Consolidated 30.4.2014 AUD'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,274	21,634
Adjustment for:-		
Allowance for impairment loss on other receivables	140	-
Amortisation of intangible assets	342	302
Amortisation of land use rights	2	2
Amortisation of mine development	1,834	2,368
Depreciation of property, plant and equipment	5,515	4,864
Inventories written down	119	-
Share of loss in an associate	17	-
Interest charged on convertible bond	1,363	-
Interest expense	3,043	4,469
Interest income	(287)	(527)
Reversal of allowance for impairment loss on other receivables	(47)	
Operating profit before working capital changes	19,315	33,112
(Increase)/Decrease in inventories	(395)	257
(Increase)Decrease in receivables	(23,967)	3,626
Increase/(Decrease) in payables	16,744	(16,340)
Cash from operations	11,697	20,655
Interest paid	(2,424)	(3,971)
Income tax paid	(629)	(1,030)
NET CASH FROM OPERATING ACTIVITIES	8,644	15,654
 BALANCE CARRIED FORWARD	 8,644	 15,654

The annexed notes form an integral part of these financial statements.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 APRIL 2015 (CONT'D)

	Consolidated 30.4.2015 AUD'000	Consolidated 30.4.2014 AUD'000
BALANCE BROUGHT FORWARD	8,644	15,654
CASH FLOWS USED IN INVESTING ACTIVITIES		
Disposal of held-to-maturity investment	19,343	14,501
Purchase of held-to-maturity investment	(22,904)	-
Purchase of property, plant and equipment	(1,495)	(17,044)
Sales proceed from disposal of property, plant and equipment	2	-
Mine development expenditure	(5,240)	(18,949)
Interest received	287	527
NET CASH USED IN INVESTING ACTIVITIES	<u>(10,007)</u>	<u>(20,965)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of short-term borrowings	59,545	1,807
Net (repayment to)/advances from a related party	(7,634)	1,009
Proceeds from issuance of convertible bonds	17,724	-
Repayment of short-term borrowings	(65,638)	(3,408)
Repayment of deferred consideration	(477)	(10,300)
Repayment to an associate	(227)	(413)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	<u>3,293</u>	<u>(11,305)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,930	(16,616)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(2,558)	(540)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>15,103</u>	<u>24,202</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>14,475</u>	<u>7,046</u>

The annexed notes form an integral part of these financial statements.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated under the Corporations Act 2001 on 8 July 2010 and is domiciled in Australia. The registered office and the principal place of business are as follows:-

Registered office: Level 2
1139 Hay Street
West Perth WA 6005
Australia

Principal place of business: 12th Floor, No. 18, Mian Hua Street
Yu Zhong District, Chongqing City
The People's Republic of China
Postal Code 400011

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134: ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made during the half year.

(b) Basis of preparation

These general purpose interim financial statements for half year reporting period ended 30 April 2015 have been prepared in accordance with requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Blackgold International Holdings Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the 31 October 2014 annual financial statements together with any public announcements made during the following half year.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed in Note 2(e) to the financial statements.

(d) Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the October 2014 annual report.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) New and Revised Accounting Requirements Applicable to the Current Half Year Reporting Period

For the half year reporting period to 30 April 2015, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Group. A discussion of these new and revised requirements that are relevant to the Group is provided below:-

New accounting standards that are applicable for the first time for the April 2015 half-year report are:

- AASB 10 *Consolidated Financial Statements*,
- AASB11 *Joint Arrangements*,
- AASB 13 *Fair Value Measurement*;
- AASB2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities* and
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*.

AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 *Consolidation - Special Purpose Entities*.

Under the new principles, the Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB 10 than under AAB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

Under AASB 11 Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Group has no joint arrangements, hence AASB 11 is not applicable to its operations at this point in time.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) New and Revised Accounting Requirements Applicable to the Current Half Year Reporting Period (Cont'd)

AASB 13 Fair Value Measurement, AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities and AASB 2012-5 Amendments to Australian Accounting Standards Arising from Annual Improvements 2009-2011 Cycle have introduced new disclosures for the interim report but did not affect the entity's accounting policies or any of the amounts recognised in the financial statements.

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 and has therefore not been early adopted.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

3. DIVIDENDS

No dividends were paid or provided for during the half year.

4. OPERATING SEGMENTS

(a) Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of the nature of the business activities. Operating segments are therefore determined on the same basis.

(b) Inter-segment transactions

All intra segment transactions, assets and liabilities are eliminated on consolidation of the Group's financial statements.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

4. OPERATING SEGMENTS (CONT'D)

(c) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other items:

	Mining sales		Coal trading		Mining fees	
	30.4.2015	30.4.2014	30.4.2015	30.4.2014	30.4.2015	30.4.2014
	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000
Revenue from external customers	318	4,567	177,060	195,446	11,669	16,225
Inter-segment revenue	9,714	17,416	1,074	-	-	-
Reportable segment revenue	10,032	21,983	178,134	195,446	11,669	16,225
Reportable segment profit before taxation	(283)	6,295	(618)	(307)	8,869	13,970
Interest income from bank deposit	-	3	287	524	-	-
Finance costs	813	441	2,112	4,400	-	-
Depreciation						
- Property, plant and equipment	2,873	2,759	165	151	1,727	1,293
Amortisation						
- Intangible assets	-	-	-	-	-	-
- Land use rights	-	1	-	-	2	1
- Mine development	789	1,437	-	-	1,045	931

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

4. OPERATING SEGMENTS

(c) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other items:

	Shipping transportation		Others		Total	
	<u>30.4.2015</u>	<u>30.4.2014</u>	<u>30.4.2015</u>	<u>30.4.2014</u>	<u>30.4.2015</u>	<u>30.4.2014</u>
	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000
Revenue from external customers	5,130	8,377	1	65	194,178	224,680
Inter-segment revenue	-	1,512	210	195	10,998	19,123
Reportable segment revenue	<u>5,130</u>	<u>9,889</u>	<u>211</u>	<u>260</u>	<u>205,176</u>	<u>243,803</u>
Reportable segment profit before taxation	<u>1,028</u>	<u>3,371</u>	<u>34</u>	<u>1</u>	<u>9,030</u>	<u>23,330</u>
Interest income from bank deposit	-	-	-	-	287	527
Finance costs	-	1	-	154	2,925	4,996
Depreciation						
- Property, plant and equipment	702	626	49	35	5,515	4,864
Amortisation						
- Intangible assets	342	302	-	-	342	302
- Land use rights	-	-	-	-	2	2
- Mine development	-	-	-	-	1,834	2,368

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

4. OPERATING SEGMENTS (CONT'D)

(c) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other items (Cont'd):

	Mining sales		Coal trading		Mining fees	
	<u>30.4.2015</u>	<u>30.4.2014</u>	<u>30.4.2015</u>	<u>30.4.2014</u>	<u>30.4.2015</u>	<u>30.4.2014</u>
	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000
Segment assets	285,766	255,081	306,912	238,905	-	-
Segment asset increases for the period						
- capital expenditure	<u>6,735</u>	<u>35,448</u>	<u>6</u>	<u>5</u>	<u>-</u>	<u>-</u>
Segment liabilities	<u>97,473</u>	<u>83,604</u>	<u>259,972</u>	<u>207,083</u>	<u>-</u>	<u>-</u>

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

4. OPERATING SEGMENTS (CONT'D)

(c) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other items (Cont'd):

	Shipping transportation		Others		Total	
	<u>30.4.2015</u>	<u>30.4.2014</u>	<u>30.4.2015</u>	<u>30.4.2014</u>	<u>30.4.2015</u>	<u>30.4.2014</u>
	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000
Segment assets	40,364	33,310	40,956	2,109	673,998	529,405
Segment asset increases for the period						
- capital expenditure	<u>-</u>	<u>1</u>	<u>-</u>	<u>551</u>	<u>6,741</u>	<u>36,005</u>
Segment liabilities	<u>5,287</u>	<u>6,373</u>	<u>36,489</u>	<u>20</u>	<u>399,221</u>	<u>297,080</u>

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

4. OPERATING SEGMENTS (CONT'D)

(d) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other items:

	30.04.2015	30.04.2014
	AUD'000	AUD'000
i) Revenue		
Reportable segment revenue	205,176	243,803
Elimination of inter-segment revenue	(10,998)	(19,123)
Consolidated revenue	<u>194,178</u>	<u>224,680</u>
ii) Profit		
Reportable segment profit before taxation	9,030	23,330
Unallocated corporate expense	177	(1,540)
Unallocated finance costs	(1,933)	(156)
Combined profit before tax	<u>7,274</u>	<u>21,634</u>
iii) Assets		
Reportable segment assets	673,998	529,405
Elimination of inter-segment assets	(251,375)	(155,965)
	<u>422,623</u>	<u>373,440</u>
Unallocated corporate assets	7,675	8,405
Combined total assets per consolidated statement of financial position	<u>430,298</u>	<u>381,845</u>
iv) Liabilities		
Reportable segment liabilities	399,221	297,080
Elimination of inter-segment liabilities	(223,712)	(136,227)
	<u>175,509</u>	<u>160,853</u>
Unallocated corporate liabilities	25,745	13,600
Combined total liabilities per consolidated statement of financial position	<u>201,254</u>	<u>174,453</u>

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

5. HELD-TO-MATURITY INVESTMENTS

	CONSOLIDATED 30.4.2015 AUD'000	CONSOLIDATED 31.10.2014 AUD'000
Fixed deposits with licensed banks	22,949	17,553

The fixed deposits with a licensed bank (in PRC) are pledged to licensed banks as security for banking facilities granted to the Group, as disclosed in Note 7 to the financial statements.

The effective interest rate of the fixed deposits at the end of the reporting period is at 2.60% (2014: 3.08%) per annum. The fixed deposits have maturity period of 6 months (2014: 6 months) from the issuance date.

6. AMOUNT OWING TO A RELATED PARTY

	CONSOLIDATED 30.4.2015 AUD'000	CONSOLIDATED 31.10.2014 AUD'000
Principal	541	7,500
Accrued interest	16	571
	557	8,071

The amount owing represents loans from a related party (Prima Network Financial Group Limited ("Prima Network"), a company in which Mr. James Tong is a director and shareholder amounting to USD0.433m (2014: USD6.600m) equivalent to approximately AUD0.541m (2014: AUD7.500m) at the end of the reporting period. The loans are subject to interest rate of 5% (2014: 5%) per annum and repayable together with the accrued interest.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

6. AMOUNT OWING TO A RELATED PARTY (CONT'D)

The maturity profiles of the loans from a related party at the end of the reporting period are as follows:-

	Principal	Accrued	Total	Date of
	AUD'000	Interest	AUD'000	repayment
	AUD'000	AUD'000	AUD'000	
Loan 5	167	1	168	31 December 2015 *
Loan 6	374	15	389	31 December 2015 *
	<hr/>			
	541	16	557	
	<hr/>			

* Pursuant to the supplementary agreement dated on 18 April 2015, the date of repayment was rescheduled to 31 December 2015.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)
ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

7. BORROWINGS

	CONSOLIDATED 30.4.2015 AUD'000	CONSOLIDATED 31.10.2014 AUD'000
Current (secured liabilities):-		
Short-term loans	53,114	59,563
Bills payable	6,547	-
	59,661	59,563
Loan facilities:-		
Amount of utilised bank facilities:		
- short-term loans	53,114	59,563
- bills payable	22,711 *	-
- letters of credit	68,242 *	58,051 *
	144,067	117,614
Offset against held-to-maturity investments pledged to the licensed banks (in the PRC) (Note 5)	(22,949)	(17,553)
	121,118	100,061
Amount of unutilised bank facilities	2,460	22,237
Total bank facilities granted	123,578	122,298

* - Included in the facility utilised for bills payable and letters of credit are bill payables and letters of credit amounting to AUD16.164m (2014: Nil) and AUD68.242m (2014:AUD 58.051m) that have been issued to creditors for settlement of amounts owing to them, which will be due within 6 months from the date of drawdown.

The current secured borrowings have been obtained from China Minsheng Banking Corp. Ltd., Hua Xia Banking Corp. Ltd. and Chongqing Three Gorges Banking Corp. Ltd (licensed banks in the PRC).

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

7. BORROWINGS (CONT'D)

The short-term loans, bill payables and letters of credit totalling RMB251.430m (AUD51.443m) at 30 April 2015 expired in May 2015. The remainder of the short-term loans, bills payables and letters of credit totalling RMB452.710m (AUD92.624m) expiring at various times between July 2015 and April 2016. Refer to Note 10 for further details of the status of the Group's borrowing facilities subsequent to year end.

The effective interest rates of the Group for the above borrowings are as follows:-

	CONSOLIDATED 30.4.2015 % p.a.	CONSOLIDATED 31.10.2014 % p.a.
Secured liabilities:-		
Short-term loans	8.28	6.69

The borrowings are secured as follows:-

- held-to-maturity investments with China Minsheng Banking Corp. Ltd. and China Hankou Banking Corp. Ltd. (licensed banks in the PRC), as disclosed in Note 5 to the financial statements;
- collateral over certain vessels owned by GPST with carrying value of Nil (2014: AUD17.899m, equivalent to Nil (2014: RMB96.592m));
- collateral over mining rights owned by the Group with carrying value of AUD41.021m (2014: AUD38.493m), equivalent to RMB200.493m (2014: RMB207.732m).
- collateral over 0.320m ordinary shares of Qijiang Changhong Coal Industry Co., Ltd and 8.000m ordinary shares of Chongqing Baolong Mining Co., Ltd, representing the entire equity interest in the respective companies, held by Chongqing Blackgold Mining Co., Ltd. ("Heijin");
- collateral over 0.300m ordinary shares of Chongqing Caotang Coal Mine Resources Development Co., Ltd and 0.500m ordinary shares of Chongqing Guoping Heiwan Coal Mine Resources Co., Ltd, representing the entire equity interest in the respective companies, held by Chongqing Guoping Shangmao Trading Co., Ltd. ("Shangmao");
- collateral over entire equity interest of Chongqing Guoping Industrial (Group) Co., Ltd. ("CGI") held by Peng YuGuo and Ou XiaoPeng; and
- corporate guarantees provided by subsidiaries, a related party and a director amounting to AUD92.650m (RMB500.000m) each and by a customer amounting to AUD37.860m (RMB200.000m).

The borrowings are repayable within 1 year from the date of drawdown.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

7. BORROWINGS (CONT'D)

The Group is required to comply with certain covenants in relation to the borrowings of its subsidiaries. The salient covenants are as follows:-

- (i) the borrower has not used the loan funds for the purpose stated in the agreement, or fails to meet the terms and conditions of withdrawals and repayment of loan fund;
- (ii) the borrower has significant financial difficulties, or exceeded the limit of financial borrowings which stated in the agreement;
- (iii) gross default on any indebtedness which is not discharged at maturity or when called or goes into default under, or commits a breach of, any instrument or agreement relating to such indebtedness; and
- (iv) the borrower provide false or conceal any important facts in the statement of financial position, statement of profit or loss and other comprehensive income, or refuse to accept the supervision on production, management and financial activity from banks for loan purpose, or the borrower provide untrue or inaccurate or misleading fact on the statement of fact stated in agreement.

The Group has on 30 April 2015 complied with all the requirements of the covenants.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

8. FINANCIAL LIABILITIES

	CONSOLIDATED 30.4.2015 AUD'000	CONSOLIDATED 31.10.2014 AUD'000
<u>Current</u>		
Convertible bonds - accrued interest	447	-
<u>Non-current</u>		
Convertible bonds		
- Principal	12,817	-
- Accrued interest	1,363	-
Conversion option	4,907	-
	19,087	-
	19,534	-

The amount recognised in the consolidated statement of financial position may be analysed as follows:-

	CONSOLIDATED 30.4.2015 AUD'000	CONSOLIDATED 31.10.2014 AUD'000
<u>Current:</u>		
Not later than one year	447	-
<u>Non-current:</u>		
Later than one year and not later than two years	19,087	-
	19,534	-

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

8. FINANCIAL LIABILITIES (CONT'D)

On 18 November 2014, the Company entered into term sheet with Vibrant Group Limited and Blackgold Holdings HongKong Limited ("BHHK") to set out the terms on which the Company grants LionHeart Holding Group Corp ("LionHeart") a right to nominate an entity listed on the Mainboard of the Singapore Exchange Securities Trading Limited to acquire the issued share capital of BHHK via a reverse take over.

LionHeart agrees to subscribe for convertible bonds with a total face value of SGD25.000m to be issued by BIHL under the following tranches:-

- (i) Tranche 1 - SGD15.000m by no later than 28 November 2014;
- (ii) Tranche 2 - SGD3.750m by no later than 28 February 2015; and
- (iii) Tranche 3 - SGD6.250m upon Completion. If Completion does not takes place, trache 3 shall not be issued and subscribed to and the total value of the issued Convertible Bond shall be SGD 18.75m.

The salient terms of the convertible bonds and financial liabilities as constituted in the convertible bond terms signed with LionHeart dated 8 December 2014 are as follows:-

Terms	Details
Interest rate	<p>7.5% per annum on the outstanding amount from the date of its issue up to but excluding the date the convertible bond is converted in entirety shares or redeemed in full.</p> <p>Interest accrues daily, and shall be paid by the Company to the Bondholder annually in arrears, by electronic transfer to a bank account nominated by the Bondholder.</p>
Redemption	<p>If the RTO completion occurs no later than 5pm on the Completion end date, the Company shall upon completion, and simulatneously, with RTO Competition:</p> <ul style="list-style-type: none">(i) pay to the Bondholder the outstanding amount (including unpaid interest which has accrued.(ii) Procures that SGX Listco issues the 25% Consideration Shares to the bondholder.
Voting rights	<p>The Convertible bond shall not provide for any voting rights at Shareholders meeting of the Company.</p>

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 APRIL 2015

8. FINANCIAL LIABILITIES (CONT'D)

Terms (Cont'd)

Conversion

Details (Cont'd)

If the execution of the RTO Agreement does not occur by the Right to Nominate End Date or, subject to Term 6.3, RTO Completion does not occur by 5.00 pm on the Completion End Date, the Company shall issue to the Bondholder Conversion Shares up to the maximum number of Conversion Shares that can be issued by the Company and deliver to the Bondholder a holding statement for the Conversion Shares.

Conversion shares =	Australian Dollar Equivalent of SGD18,750,000
	0.1

9. CONTINGENT LIABILITIES

During the financial year, a subsidiary of the Group, Heijin has provided corporate guarantee to China Minsheng Banking Corp. Ltd. ("China Minsheng") (a licensed bank in the PRC) in relation to bank borrowings between China Minsheng and a Customer of Heijin, Jiangsu Huayu Energy Group Co., Ltd. The value of this guarantee is AUD40.496m (RMB197.930m). The corporate guarantee will lapse in September 2015.

Heijin has also received a corporate guarantee from Jiangsu Huayu Energy Group Co., Ltd with a value of AUD40.920m (RMB200.000m). This corporate guarantee will lapse in June 2015.

10. SUBSEQUENT EVENTS

Subsequent to year end, bills payables amounting to RMB55.000m has expired in May 2015. Short-term loans and letter of credits totalling RMB196.430m which have expired in May 2015 have been renewed with RMB196.520m and is expiring in November 2015.

BLACKGOLD INTERNATIONAL HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

(Incorporated in Australia)

ACN 145 095 478

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 29, are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 April 2015 and of its performance for the half year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Chi Ho (James) Tong

Director

Dated this 30 day of June 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BLACKGOLD INTERNATIONAL HOLDINGS LIMITED**

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Blackgold International Holdings Limited and its controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 30 April 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Blackgold International Holdings Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of consolidated entity's financial position as at 30 April 2015 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Blackgold International Holdings Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Blackgold International Holdings Limited and its controlled entities is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 April 2015 and of its performance for the half-year ended on that date; and
- b) complying with AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



Crowe Horwath Perth



Sean McGurk
Partner

Signed at Perth, WA, 30 June 2015