



BLACKGOLD INTERNATIONAL HOLDINGS LIMITED (BGG)
145 095 478

Appendix 4E

Results for the 12 months ended 31 October 2016

1. Details of reporting periods

Current reporting period : Twelve (12) months to 31 October 2016

Previous corresponding period : Twelve (12) months to 31 October 2015

2. Results for announcement to the market

	12 Months 31 Oct 2016 A\$ '000	12 Months 31 Oct 2015 A\$ '000	% Change	6 Months 30 Apr 2016 A\$ '000	% Change
Revenues from ordinary activities	350,288	419,401	(16.5%)	176,754	98.2%
Profit from ordinary activities after tax attributable to members	7,451	19,356	(61.5%)	4,582	62.6%
Net profit for the period attributable to members	8,290	34,111	(75.7%)	5,441	52.4%



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Brief explanation of any of the figures reported above necessary to enable the figures to be understood

Operating Results

Revenues from ordinary activities for the year decreased by approximately A\$69.1 million or 16.5% to approximately A\$350.3 million for the year ended 31 October 2016 ("FY2016"), mainly attributable to a decrease in revenue from our trading division.

The general weakening of coal prices affected the coal mining and coal trading sales, resulting in lower gross margin and profit in FY2016. Profit from ordinary activities after tax attributable to members decreased by approximately 61.5% from A\$19.4 million in FY2015 to A\$7.5 million in FY2016.

Net profit for the year attributable to members decreased from A\$34.1 million in FY2015 to A\$8.3 million in FY2016 mainly due to the above reasons, and the provision/reversal of impairment of non-current assets made.

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

FOR THE YEAR ENDED	<u>31-Oct-16</u>	<u>31-Oct-15</u>
	A\$'000	A\$'000
Revenue	350,288	419,401
Cost of Sales	(325,255)	(387,053)
Gross Profit	25,033	32,348
Other Income	7,433	12,371
	32,466	44,719
Changes in fair value of financial liabilities at fair value through profit or loss	989	2,659
Distribution and Marketing Expenses	(1,454)	(2,779)
Administrative Expenses	(5,771)	(8,378)
Other Expenses	(6,035)	(4,762)
Finance Costs	(12,089)	(11,166)
Impairment of Non-Current Assets	(8,823)	(4,126)
Reversal of Impairment of Non-Current Assets	9,662	18,881
Share of Results in an Associate	(57)	39
Profit before Income Tax	8,888	35,087
Income Tax Expense	(598)	(976)
Profit after Income Tax	8,290	34,111
Other Comprehensive Income (net of tax)		
- Exchange differences on translating foreign controlled entities	(34,012)	35,595
Total Comprehensive Income for the Financial Year	(25,722)	69,706
Profit after Income Tax attributable to		
Members of the Company	8,290	34,111
Total Comprehensive Income/(Loss) for the Financial Year		
attributable to:		
Members of the Company	(25,722)	69,706
Earnings per share		
Basic earnings per share (cents)	0.93	3.84
Diluted earnings per share (cents)	0.93	3.49



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4. Statement of financial position

FOR THE YEAR ENDED	31-Oct-16	31-Oct-15
	A\$'000	A\$'000
Assets		
Current Assets		
Cash and cash equivalents	13,315	18,319
Held-to-maturity investments	-	7,389
Trade and other receivables	109,179	225,824
Amount due from related company	70	-
Inventories	6,625	1,894
Total current assets	129,189	253,426
Non-current Assets		
Investment in an associate	375	431
Other financial asset	3,884	4,434
Property, plant and equipment	84,994	105,145
Land use rights	83	98
Mine development	180,659	201,567
Intangible assets - goodwill	2,181	2,489
Intangible assets - others	1,307	2,235
Total non-current assets	273,483	316,399
TOTAL ASSETS	402,672	569,825



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	31-Oct-16	31-Oct-15
	A\$'000	A\$'000
Liabilities		
Current Liabilities		
Trade and other payables	24,574	150,963
Amount owing to a related party	622	641
Amount owing to an associate	264	93
Borrowings	102,359	112,714
Financial liabilities	21,096	19,944
Provision for taxation	3,738	4,053
Total current liabilities	152,653	288,408
Non-current Liabilities		
Provision for restoration costs	2,036	1,775
Borrowings	-	5,329
Deferred tax liabilities	1,980	2,588
Total non-current liabilities	4,016	9,692
TOTAL LIABILITIES	156,669	298,100
NET ASSETS	246,003	271,725
	31-Oct-16	31-Oct-15
	A\$'000	A\$'000
Equity		
Share capital	65,363	65,363
Retained earnings	177,704	169,852
Merger deficit reserve	(28,186)	(28,186)
Statutory reserve	4,368	3,841
Foreign currency translation reserve	26,754	60,766
Options reserve	-	89
TOTAL EQUITY	246,003	271,725



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5. Statement of cash flow

FOR THE YEAR ENDED	31-Oct-16	31-Oct-15
	A\$'000	A\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,888	35,087
<u>Adjustment for:-</u>		
Allowance for impairment loss on other receivables	225	191
Changes in fair value of financial liabilities at fair value through profit or loss	(989)	(2,659)
Amortisation of land use rights	3	4
Amortisation of mine development	3,404	5,210
Amortisation of intangible assets	687	710
Depreciation of property, plant and equipment	11,625	12,093
Impairment of property, plant and equipment	1,945	1,610
Impairment of mine development	6,878	2,516
Reversal of impairment of property, plant and equipment	(3,580)	(4,909)
Reversal of impairment of mine development	(6,082)	(13,972)
Inventories written down	380	129
Interest expense	5,625	6,227
Interest expense on convertible bond	2,083	3,748
Loss (gain) on disposal of property, plant and equipment	-	(4)
Share of loss (profit) in an associate	57	(39)
Interest income	(5,639)	(585)
Unrealised gain on foreign exchange	(1,182)	(10,110)
Reversal of impairment loss on other receivables	(450)	(90)
Operating profit before working capital changes	23,878	35,157
Decrease/(Increase) in inventories	(5,111)	(764)
Decrease/(Increase) in receivables	116,820	(139,166)
Increase/(Decrease) in payables	(126,389)	52,847
Cash (used in)/from operations	9,198	(51,926)
Interest paid	(5,137)	(5,982)
Income tax paid	(703)	(1,479)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	3,358	(59,387)
BALANCE CARRIED FORWARD	3,358	(59,387)



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	31-Oct-16	31-Oct-15
	A\$'000	A\$'000
BALANCE BROUGHT FORWARD	3,358	(59,387)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,485)	(3,311)
Mine development expenditure	(8,521)	(10,607)
Purchase of held-to-maturity investments	-	(7,059)
Disposal of held-to-maturity investments	6,836	20,063
Sales proceeds from disposal of property, plant and equipment	-	8
Interest received	5,639	585
NET CASH USED IN INVESTING ACTIVITIES	1,469	(321)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible bond	-	18,750
Net advances from/(repayment to) an associate	175	(134)
Net advances from/(repayment to) related parties	38	(7,570)
Drawdown of short-term and long-term borrowings	103,457	112,772
Repayment of short-term borrowings	(97,379)	(68,081)
Repayment of deferred consideration	-	(495)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	6,291	55,242
NET DECREASE IN CASH AND CASH EQUIVALENTS	11,118	(4,466)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(16,122)	7,682
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	18,319	15,103
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	13,315	18,319

6. Dividend payments

No dividends were declared during the period.

7. Dividend reinvestment plans

Not applicable.



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8. Statement of changes in equity

	Share Capital	Retained Earnings	Merger Deficit Reserve	Statutory Reserve	Foreign Currency Translation Reserve	Options Reserve	Total Equity
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Balance at 31.10.2014	65,363	136,250	(28,186)	3,332	25,171	89	202,019
Total comprehensive income for the financial year	-	34,111	-	-	35,595	-	69,706
Transfer to statutory reserve	-	(509)	-	509	-	-	-
Balance at 31.10.2015	65,363	169,852	(28,186)	3,841	60,766	89	271,725
Total comprehensive income for the financial year	-	8,290	-	-	(34,012)	-	(25,722)
Transfer to statutory reserve	-	(527)	-	527	-	-	-
Transfer to retained earnings	-	89	-	-	-	(89)	-
Balance at 31.10.2016	65,363	177,704	(28,186)	4,368	26,754	-	246,003

9. Net tangible assets per security

	31 Oct 2016 Cents	31 Oct 2015 Cents
Net tangible assets per ordinary security	22.58	24.91

10. Gain or loss of control over entities

NIL.

11. Associates and joint ventures

No updates.



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12. Notes to the financial statements for the year ended 31 October 2016

a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 November 2015 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

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.



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b) Interest-bearing borrowings

	31-Oct-16	31-Oct-15
	A\$'000	A\$'000
Current (secured liabilities):-		
Short-term loans	102,359	112,714
Long-term loans	-	5,329
Bills payable	9,663	5,322
Letters of credit	-	15,761
	112,022	139,126

Note: The short-term and long-term loans are secured by fixed deposits with a licensed bank, pledged shares of certain subsidiaries, mining rights and barges. Corporate guarantee had also been provided by subsidiaries and a third party.

c) Share Capital

	31-Oct-16	31-Oct-15
	A\$'000	A\$'000
Share Capital		
Beginning (888,003,622 fully paid ordinary shares)	65,363	65,363
Issued during the year	-	-
Cancelled during the year	-	-
	65,363	65,363
Options		
Beginning	89	89
Issued during the year	-	-
Expired during the year	(89)	-
	-	89



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13. Other significant information

Nil

14. Foreign entities

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

15. Commentary on results for the period

The Company currently owns four thermal coal mines, with two mines in production. The Company also continues to operate its shipping business and coal trading business in the PRC.

Revenue for FY2016 has decreased by approximately A\$69.1 million or 16.5% to A\$350.3 million as compared to FY2015. Earnings per share (basic) had also decreased from 3.84 cents in FY2015 to 0.93 cents in FY2016 mainly due to the general weakening of coal prices which affected the coal mining operations and there was also a higher reversal of impairment of non-current assets in FY2015. Total comprehensive income attributable to owners also decreased from A\$69.7 million in FY2015 to a loss of A\$25.7 million in FY2016.

Signed: Dr. Chi Ho (James) Tong

Non-Executive Chairman

Date: 29 December 2016