

Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1

Name of Entity	Global Gold Holdings Limited
ABN	53 123 879 416
Financial Period	Year ended 30 June 2010
Previous Corresponding Reporting Period	Year ended 30 June 2009

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	30,783	(26%)
Profit from ordinary activities after related income tax expense	2,927	N/A - loss recorded in 2009 year
Net profit attributable to members of the parent entity after adjusting for non-controlling interests	3,031	N/A - loss recorded in 2009 year

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

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

Refer Part 9 for commentary on the results for the year.

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Part 3 – Contents of ASX Appendix 4E

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Part 4 – Consolidated Statement of Comprehensive Income for the year ended 30 June 2010

	2010 \$	2009 \$
Revenue	23,939,257	38,869,552
Other revenue	1,080,971	935,800
Cost of sales	(22,292,211)	(36,627,859)
Gross Profit	<u>2,728,017</u>	<u>3,177,493</u>
Other Income	5,763,048	1,753,521
Occupancy expenses	(78,611)	(18,247)
Administrative expenses	(1,429,688)	(1,705,511)
Other expenses	(3,066,097)	(1,329,228)
Gain on measurement of investment in former associate	1,437,267	-
Share of loss of an associate	(976,272)	(1,897,731)
Profit / (loss) before income tax	<u>4,377,664</u>	<u>(19,730)</u>
Income tax	(1,450,409)	(1,407,689)
Net profit / (loss) for the year	<u>2,927,255</u>	<u>(1,427,419)</u>
Other comprehensive income / (loss)		
Foreign currency translation differences	(137,054)	84,940
Total comprehensive income./ (loss) for the year	<u>2,790,201</u>	<u>(1,342,479)</u>
Net Profit/(loss) attributable to:		
-Equity holders of the parents	3,031,338	(1,427,419)
-Non-controlling interests	<u>(104,083)</u>	<u>-</u>
	<u>2,927,255</u>	<u>(1,427,419)</u>
Total comprehensive income / (loss) attributable to :		
-Equity holders of the parents	2,894,284	(1,342,479)
-Non-controlling interests	<u>(104,083)</u>	<u>-</u>
	<u>2,790,201</u>	<u>(1,342,479)</u>

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Part 5 – Retained earnings

	2010 \$	2009 \$
Accumulated losses at the beginning of the year	(1,393,059)	666,480
Dividends	-	(632,120)
Profits / (loss) for the year	<u>3,031,338</u>	<u>(1,427,419)</u>
Retained earnings/(accumulated losses) at the end of the year	1,638,279	(1,393,059)

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Part 6 – Consolidated Statement of Financial Position as at 30 June 2010

	2010 \$	2009 \$
CURRENT ASSETS		
Cash and cash equivalents	9,224,979	10,744,330
Trade and other receivables	1,096,274	2,353,408
Inventories	4,374,893	1,592,378
Financial derivative	1,041,724	1,243,719
Other current assets	5,723	49,565
Held for trading investments	18,272,551	4,727,053
Total Current Assets	<u>34,016,144</u>	<u>20,710,453</u>
NON CURRENT ASSETS		
Trade and other receivables	15,074	2,416,863
Deferred tax asset	54,936	87,403
Investment in associates	1,027,491	4,264,861
Property, plant and equipment	1,555,330	304,541
Investment properties	468,759	494,983
Total Non Current Assets	<u>3,121,590</u>	<u>7,568,651</u>
TOTAL ASSETS	<u>37,137,734</u>	<u>28,278,104</u>
CURRENT LIABILITIES		
Current tax liability	603,880	819,143
Trade and other payables	301,416	77,614
Amount due to related company	1,398,855	-
Provisions	24,131	8,696
Total Current Liabilities	<u>2,328,282</u>	<u>905,453</u>
NON CURRENT LIABILITIES		
Deferred tax liability	2,700,857	508,668
Amount due to related companies	300,874	-
Total Non Current Liabilities	<u>3,001,731</u>	<u>508,668</u>
Total Liabilities	<u>5,330,013</u>	<u>1,414,121</u>
NET ASSETS	<u>31,807,721</u>	<u>26,864,983</u>
EQUITY		
Issued capital	28,178,986	28,178,986
Reserves	2,093,961	79,056
Retained earnings / (accumulated losses)	1,638,279	(1,393,059)
Parent entity interest	31,911,226	26,864,983
Non-controlling interests	(103,505)	-
TOTAL EQUITY	<u>31,807,721</u>	<u>26,864,983</u>

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Part 7 – Consolidated Statement of Cash Flows for the year ended 30 June 2010

	2010 \$	2009 \$
Cash flow from operation activities		
Cash receipts in the course of operations	22,538,854	43,627,242
Cash payments in the course of operations	(24,104,860)	(34,763,011)
Interest received	1,054,939	512,302
Income tax paid	(221,360)	-
<i>Net Cash for / (used in) operating activities</i>	<u>(732,427)</u>	<u>9,376,533</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	51,409	66
Acquisition of held for trading investments	(6,065,762)	(4,045,927)
Proceeds from sale of held for trading investments	3,651,247	2,301,435
Acquisition of investments in associate	-	(155,643)
Advancement of loans by other entities	(60,470)	-
Repayment of loans by other entities	2,444,751	-
Payments for property, plant and equipment	(859,038)	(164,138)
<i>Net cash used in investing activities</i>	<u>(837,863)</u>	<u>(2,064,207)</u>
Cash flows from financing activities		
Equity dividends paid	-	(632,120)
<i>Net cash provided by financing activities</i>	<u>-</u>	<u>(632,120)</u>
Net increase in cash held	(1,570,290)	6,680,206
Cash at the beginning of the year	10,744,330	4,027,189
Effect of exchange rate fluctuations on cash held	50,939	36,935
CASH AT THE END OF THE YEAR	<u>9,224,979</u>	<u>10,744,330</u>

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Part 8 – Other income and expenses

	2010	2009
	\$	\$
(a) Other revenue		
Interest income	367,699	512,301
Interest - Noble	683,137	404,739
Dividends	28,276	12,681
Other	1,859	6,079
	<u>1,080,971</u>	<u>935,800</u>
(b) Other income		
Net gain on disposal of property, plant and equipment	-	66
Net gain on foreign exchange	-	1,747,876
Gain on disposal of held for trading investments	362,511	-
Fair value gain on held for trading investments	5,326,507	-
Sales commissions	34,067	-
Other	39,963	5,579
	<u>5,763,048</u>	<u>1,753,521</u>
(c) Other expenses		
Impairment losses on investments classified as available-for-sale	1,427,502	1,043,350
Impairment losses on investments classified as held for trading	-	285,878
Impairment loss on fair value of inventory gold	85,647	-
Allowance for doubtful debts	1,552,948	-
	<u>3,066,097</u>	<u>1,329,228</u>
(d) Personnel expenses		
Wages and salaries costs	545,716	518,794
Superannuation costs	14,862	17,727
Other employee benefits expenses	29,469	66,019
	<u>590,047</u>	<u>602,540</u>

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Part 9 – Commentary on Results

The net profit after tax attributable to members of the parent entity of \$3,031,338 for the consolidated entity is inclusive of:

1. \$4,712,250 being revaluation on investment in former associate.
2. \$1,437,269 being gain on measurement of investment in former associate.
3. (\$976,273) being share of losses in associates.
4. (\$1,450,409) being income tax expenses.
5. (\$1,427,502) being impairment loss on investment in an associate.

The consolidated entity generated a gross profit of \$2,728,017 from revenue of \$23,939,257.

During the year, the holding company realized a profit of \$362,511 from selling its shares in listed securities of Australian gold companies.

The financial year saw a net gain of \$296,502 from its wholly owned subsidiary GGHL(HK) which trade in “MACES” paper gold exclusive to HSBC bank of Hong Kong.

The year also witnessed the entry of Global Gold Holding Limited into Shenzhen, China with an established and reputable partner in Hong Kong. The 60 : 40 partnership between GGHL(HK) and Yue Hing Gold Jewelry Company Limited respectively, is in the production of gold & gold plated ornaments for the consumer and corporate market of China. This investment is expected to see positive results in the coming financial years.

Part 10– Notes to the Consolidated Statement of Cash Flows

	2010	2009
	\$	\$
(a) Reconciliation of cash		
For the purposes of the consolidated statement of cash flow, cash and cash equivalents are comprised of the followings:		
Cash at bank and on hand	5,653,461	10,289,291
Term deposit	3,571,518	455,039
	<u>9,224,979</u>	<u>10,744,330</u>
(b) Reconciliation of net cash flows used in operating activities to profit/(loss) after income tax		
Profit / (loss) for the year	2,927,255	(1,427,419)
Adjustment for:		
- Impairment losses on investments classified as available-for-sale	1,427,502	1,043,350
- Impairment (profit)/losses on investment classified as held for trading	(5,311,827)	285,878
- Impairment loss on fair value of inventory gold	85,647	-
- Allowance for doubtful debts	1,552,948	-
- Net gain on disposal of property, plant and equipment	-	(66)
- Net gain on disposal of held for trading investments	(377,191)	-
- Gain on measurement of investment in former associates	(1,437,267)	-
- Property, plant and equipment written off	6,711	-
- Interest on loan to associate	-	(404,739)
- Interest from investments in unit trust	(20,549)	-
- Share of loss of equity accounted investee	976,272	1,897,731
- Depreciation	50,491	75,192
- Brokerage fee on investment in unit trust	11,808	-
- Income tax expenses	286,059	1,164,351
	<u>177,859</u>	<u>2,634,278</u>
Operating loss before changes in working capital and provisions		
Change in trade and other receivables	1,259,080	4,733,509
Change in inventories	(2,554,449)	2,036,678
Change in employee benefits	15,435	512
Change in trade and other payables	369,648	(28,444)
Net cash from / (used in) operating activities	<u>(732,427)</u>	<u>9,376,533</u>

Part 11 – Details Relating to Dividends

Date the dividend is payable	Not Applicable
Record date to determine entitlement to the dividend	Not Applicable
Amount per security	Not Applicable
Total dividend	Not Applicable
Amount per security of foreign sourced dividend or distribution	Not Applicable
Details of any dividend reinvestment plans in operation	Not Applicable
The last date of receipt of an election notice for participation in any dividend reinvestment plans	Not Applicable

Part 12 – Profit / (Loss) per share

	2010	2009
	\$	\$
Basis earnings / (loss) per share	0.46 cents	(0.22 cents)
Ordinary shares	No	No
Weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per shares	632,120,001	632,120,001
There are no potential ordinary shares on issue		

Part 13 – Net Tangible Assets per Security

	2010	2009
Net tangible asset backing per ordinary security	5.45 cents	4.56 cents

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Part 14– Details of Entities Over Which Control has been Gained or Lost

(a) Elite Jewellery Holdings Limited

On 27 October 2009, the consolidated entity acquired 60% of the issued capital in Elite Jewellery Holdings Limited for HKD 6,000(A\$867.05) satisfied in cash. Elite Jewellery Holdings Limited 's principal activity is holding an unlisted investment in Mainland China.

From the date of acquisition, Elite Jewellery contributed \$9,709.28 net loss to the net profit of the consolidated entity.

(b) Elite Jewellery China

On 2 April 2010, the consolidated entity (via Elite Jewellery Holdings Limited) acquired 100% of the issued capital in Elite Jewellery China for HKD 1,200,000 (A\$173,410.4) satisfied in cash. Elite Jewellery China principal activity is production, processing and selling of gold and Jewellery.

From the date of acquisition, Elite Jewellery China contributed \$146,415.99 net loss to the net profit of the consolidated entity.

Note that the financial statements of the foreign controlled entities have been prepared in accordance with International Financial Reporting Standards (IFRS).

Part 15 – Details of Associates

(a) Investment details

	2010	2009
	\$	\$
Noble Mineral Resources Limited	-	1,869,517
Yikon Corporation Bhd	1,027,491	2,395,344
	<u>1,027,491</u>	<u>4,264,861</u>

The consolidated entity has a 18% interest in Noble Mineral Resources Limited (2009:25.29%) and a 29.37% in Yikon Corporation Bhd at 30 June 2010. Equity accounting in Noble has ceased with effect from 30 June 2010, as the consolidated entity no longer has any significant influence over Noble.

(b) Movements in the carrying amount of the consolidated entity's investment in associates

Noble Mineral Resources Limited:		
At 1 July	1,869,517	2,487,829
Acquisition of investment in associate		
Share of loss after income tax	(806,785)	(618,312)
Transfer to held for trading investments	<u>(1,062,732)</u>	
At 30 June	<u>-</u>	<u>1,869,517</u>

Yikon Corporation Bhd:	2010	2009
	\$	\$
At 1 July	2,395,344	-
Transfer from available for sale investments	-	4,542,226
Acquisition of investment in associate	-	155,643
Impairment loss	(1,427,503)	(1,043,350)
Exchange differences	2,179	20,244
Transfer from asset revaluation reserves	226,959	
Share of loss after income tax	(169,488)	(1,279,419)
At 30 June	<u>1,027,491</u>	<u>2,395,344</u>

(c) Fair value of investment in listed associate

The fair value of the consolidated entity's investment in listed associated are:

	2010	2009
	\$	\$
Yikon Corporation Berhad	1,027,491	2,395,344

(d) Summarised financial information

The following table illustrates summarized financial information relating to the consolidated entity's associate:

Extract from the associates' balance sheet:

	2010	2009
	\$	\$
	(Yikon)	(Yikon & Noble)
Current assets	10,431,758	20,394,931
Non-current assets	422,028	2,143,809
Total assets	<u>10,853,786</u>	<u>22,538,740</u>
Current Liabilities	3,531,553	10,120,825
Non-current liabilities	3,256,208	4,624,104
Total liabilities	<u>6,787,761</u>	<u>14,744,929</u>
Net Assets	<u>4,066,025</u>	<u>7,793,811</u>
Extract from the associates' income statement:		
Revenue	5,529,826	8,852,305
Net loss	(802,279)	(6,800,453)

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Part 16 – Issued Capital

	2010	2009
	\$	\$
Issued capital		
632,120,001(2009:632,120,001) fully paid ordinary shares	<u>28,187,345</u>	<u>28,187,345</u>

Part 17 - Subsequent Events

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Part 18 – Segment Reporting

(i) Segment Performance

The following table presents segment revenue and profit information for the respective year ends.

	Gold Trading
	\$
year ended 30 June 2010	
Revenue	
Sales to external customers	23,939,257
Interest income	1,050,836
Other revenue	<u>30,135</u>
Total segment revenue	<u>25,020,228</u>
Total Segment Result before tax	<u>(710,533)</u>

Reconciliation of segment result to group net profit/(loss) before tax

Amounts not included in segment result but reviewed by the Board:

Unallocated items:

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• Net gain on foreign exchange	325,724
• Profit on sale of investments	362,511
• Gain on measurement of investments in former associate	1,437,267
• Gain on fair value revaluation of investments	5,326,507
• Other income	39,963
• Share of loss of associates	(976,272)
• Impairment loss on available-for-sale-investment	(1,427,503)
Net profit/(loss) before tax	4,377,664

Year ended 30 June 2009	Gold trading
Revenue	\$
Sales to external customers	38,869,552
Interest income	917,040
Other revenue	18,760
Total segment revenue	39,805,352
Total Segment Result before tax	1,510,274

Reconciliation of segment result to group net profit/(loss) before tax

Amounts not included in segment result but reviewed by the Board:

Unallocated items:

• Net gains on foreign exchange	1,747,876
• Other income	5,579
• Share of loss of associates	(1,897,731)
• Impairment loss of available-for-sale investments	(1,043,350)
• Impairment loss of held for trading investments	(342,379)
Net profit/(loss) before tax	(19,731)

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(ii) Segment assets

	\$
As at 30 June 2010	
Segment assets	16,272,273
Increases for the period:	
• capital expenditure	859,038
• acquisitions	
	<u>859,038</u>
<i>Reconciliation of segment assets to group assets</i>	
Unallocated assets:	
• Held for trading investments	18,272,551
• Financial derivative	1,041,724
• Deferred tax assets	54,936
• Investments in associates (equity accounted)	1,027,491
• Investment Property	468,759
Total group assets at 30.6.2010	<u><u>37,137,734</u></u>

As at 30 June 2009

Segment assets	17,956,069
Increases for the period:	
• capital expenditure	164,138
• acquisitions	
	<u>164,138</u>
<i>Reconciliation of segment assets to group assets</i>	
Unallocated assets:	
• Held for trading investments	4,727,053
• Financial derivative	1,243,718
• Deferred tax assets	87,403
• Investments in associates (equity accounted)	4,264,861
Total group assets at 30.6.09	<u><u>28,279,104</u></u>

(iii) Segment Liabilities

(ii) All liabilities of the Group relate to the gold trading segment

(iv) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

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	For the year ended 30.6.2010	For the year ended 30.6.2009
	\$	\$
Hong Kong	23,650,482	38,869,552
China	288,775	-
Total revenue	<u>23,939,257</u>	<u>38,869,552</u>

(vi) Assets by geographical region

The location of segment assets is disclosed below by geographical location of the assets:

	Balance as at 30.6.2010	Balance as at 30.6.2009
	\$	\$
Australia	20,368,426	9,503,421
Malaysia	6,460,629	10,711,998
China	4,092,630	-
Hong Kong	6,216,049	8,063,685
Total Assets	<u>37,137,734</u>	<u>28,279,104</u>

(vii) Major customers

The Group has two major customers in the gold trading segment which accounts for 98.79% of external revenue (2009: 100%). The total revenue derived from the two customers during the year ended 30 June 2010 was \$11,895,522 and \$11,754,960 respectively.

Part 19 – Audit Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	V	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not Applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not Applicable