SINOCOP RESOURCES (HOLDINGS) LIMITED
中銅資源(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 476)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The board of directors (the "Directors") of Sinocop Resources (Holdings) Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Notes	**2008 HK$'000**	2007 HK$'000
CONTINUING OPERATION			
Turnover	4	**251,287**	48,833
Cost of sales		**(231,725)**	(47,456)
Gross profit		**19,562**	1,377
Other revenue	5	**5,462**	734
Selling and distribution costs		**(1,522)**	(196)
Administrative expenses		**(58,326)**	(17,660)
Other operating expenses		**-**	(198)
Finance costs	6	**(12,514)**	(232)
Gain on disposal of subsidiaries		**-**	368
Share of profits of associates		**2,602**	1,810
Loss before tax		**(44,736)**	(13,997)
Tax	7	**-**	-
Loss for the year from continuing operation		**(44,736)**	(13,997)
DISCONTINUED OPERATION			
Profit for the year from discontinued operation	8	**-**	61
LOSS FOR THE YEAR	9	**(44,736)**	(13,936)
ATTRIBUTABLE TO:			
Equity holders of the Company		**(44,000)**	(14,440)
Minority interests		**(736)**	504
		(44,736)	(13,936)
LOSS PER SHARE	10		
From continuing and discontinued operations			
- Basic (HK$)		**(0.0382)**	(0.0147)
From continuing operation			
- Basic (HK$)		**(0.0382)**	(0.0146)

CONSOLIDATED BALANCE SHEET

31 March 2008

	Notes	**2008** **HK$'000**	2007 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**20,557**	1,470
Construction in progress		**20,762**	-
Interests in associates		**1,700**	3,781
Goodwill		**52,161**	-
Other intangible assets		**8,631**	-
Available-for-sale investments		**-**	5,700
		103,811	10,951
Current assets			
Accounts receivable	11	**-**	1,034
Other receivables, deposits and prepayments		**14,152**	16,835
Value-added-tax recoverable		**5,130**	-
Pledged bank deposits		**6,201**	676
Cash and bank balances		**251,361**	5,983
		276,844	24,528
Current liabilities			
Accounts payable	12	**-**	2,338
Other payables and accrued liabilities		**2,362**	893
Receipts in advance		**566**	-
Obligations under finance leases		**6,602**	-
Due to a director		**-**	10,140
Due to a minority shareholder		**1,075**	-
Tax payable		**564**	564
		11,169	13,935
Net current assets		**265,675**	10,593
Total assets less current liabilities		**369,486**	21,544
Non-current liabilities			
Obligations under finance leases		**6,422**	-
Convertible notes	13	**88,464**	-
		94,886	-
NET ASSETS		**274,600**	21,544
EQUITY			
Share capital	14	**12,583**	10,333
Reserves		**155,882**	11,211
Equity attributable to equity holders of the Company		**168,465**	21,544
Minority interests		**106,135**	-
TOTAL EQUITY		**274,600**	21,544

NOTES

1. CORPORATE INFORMATION

Sinocop Resources (Holdings) Limited (the "Company") is incorporated in Bermuda with limited liability. Its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its head office and principal place of business is 37th Floor, China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (the "Group") are principally engaged in investment holding, trading of metals and minerals and processing of raw ores.

With effect from 2 January 2008, the name of the Company was changed from "China Elegance (Holdings) Limited" to "Sinocop Resources (Holdings) Limited 中銅資源(控股)有限公司".

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collectively include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for the current accounting period of the Group and the Company.

The impact of the adoption of HKFRS 7, *Financial Instruments: Disclosures* and HKAS 1 (Amendment), *Capital Disclosures* has been to expand the disclosures provided in these financial statements regarding the Group's financial instruments and management of capital.

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

		Effective for annual periods beginning on or after
HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 23 (Revised)	Borrowing costs	1 January 2009
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 32 & 1, Amendments	Puttable financial instruments and obligations arising on liquidation	1 January 2009
HKFRS 2 Amendment	Share-based payment – vesting conditions and cancellation	1 January 2009
HKFRS 3 (Revised)	Business combinations	1 July 2009
HKFRS 8	Operating segments	1 January 2009
HK(IFRIC) – Int 12	Service concession arrangements	1 January 2008
HK(IFRIC) – Int 13	Customer loyalty programmes	1 July 2008
HK(IFRIC) – Int 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction	1 January 2008

The adoption of HKFRS 3 (Revised) may affect the accounting of business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the results and financial position of the Group.

3. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared on the historical cost convention, as modified by the revaluation of available-for-sale investments.

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (the "Companies Ordinance"). The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

4. SEGMENT INFORMATION

Turnover represents the sales value of goods supplied to customers. An analysis of turnover and results by business and geographical segments is as follows:

Primary reporting format - business segments
For the year ended 31 March 2008

	Metals and minerals trading HK$'000	Ores processing and trading HK$'000	Unallocated HK$'000	Consolidated HK$'000
Revenue from external customers	251,287	-	-	251,287
Segment results	12,904	(2,037)	-	10,867
Unallocated operating income and expenses				(45,691)
Finance costs	(1,380)	-	(11,134)	(12,514)
Share of profits of associates	2,602	-	-	2,602
Loss for the year				(44,736)
Depreciation of property, plant and equipment	-	392	733	1,125
Segment assets	39,740	318,344	-	358,084
Interests in associates	1,700	-	-	1,700
Unallocated assets				20,871
Total assets				380,655
Segment liabilities	421	14,806	-	15,227
Unallocated liabilities				90,828
Total liabilities				106,055
Capital expenditure incurred during the year	-	4,825	1,655	6,480

For the year ended 31 March 2007

	Continuing operation	Discontinued operation		
	Metals and minerals trading	Consumer products trading and manufacture	Unallocated	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from external customers	48,833	7,636	-	56,469
Segment results	(3,144)	(13)	-	(3,157)
Unallocated operating income and expenses				(12,799)
Gain on disposal of subsidiaries	-	74	368	442
Finance costs	(232)	-	-	(232)
Share of profits of associates	1,810	-	-	1,810
Loss for the year				(13,936)
Depreciation of property, plant and equipment	-	107	495	602
Impairment loss of debts, net	-	200	225	425
Segment assets	19,484	-	-	19,484
Interests in associates	3,781	-	-	3,781
Unallocated assets				12,214
Total assets				35,479
Segment liabilities	12,569	-	-	12,569
Unallocated liabilities				1,366
Total liabilities				13,935
Capital expenditure incurred during the year	-	320	1,801	2,121

Secondary reporting format - geographical segments

As over 90% of the Group's business revenue was generated from the People's Republic of China (the "PRC"), including Hong Kong, no geographical segments information regarding the Group's business revenue and results is presented.

The following is an analysis of carrying amount of segment assets and capital expenditure incurred, analysed by the geographical areas in which the assets are located:

	Carrying amount of segment assets		**Capital expenditure incurred**	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
PRC (including Hong Kong)	**250,327**	10,220	**1,655**	2,121
South America	**113,603**	-	**4,825**	-
Asia Pacific	**7,946**	9,659	**-**	-
Europe	**-**	15,600	**-**	-
Others	**8,779**	-	**-**	-
	380,655	35,479	**6,480**	2,121

5. OTHER REVENUE

	Continuing operation		Discontinued operation		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Sundry Income	**152**	481	**-**	172	**152**	653
Administration fee income, net	**-**	-	**-**	348	**-**	348
Interest income	**3,205**	241	**-**	3	**3,205**	244
Gain on disposal of available-for-sale investments	**2,105**	-	**-**	-	**2,105**	-
Exchange gains, net	**-**	12	**-**	29	**-**	41
	5,462	734	**-**	552	**5,462**	1,286

6. FINANCE COSTS

	2008	2007
	HK$'000	HK$'000
Interest on convertible notes	**11,090**	-
L/C charges and trust receipt loans interest	**1,380**	232
Finance charges on obligations under finance leases	**144**	-
Total interest expenses	**12,614**	232
Less: amount capitalised into construction in progress	**(100)**	-
	12,514	232

7. TAX

No Hong Kong profits tax has been provided for the Company and its subsidiaries as the Group sustained a loss for the year (2007: Nil).

Overseas taxes on assessable profits of the Company and its subsidiaries, if any, are calculated at the rates of tax prevailing in the respective jurisdictions in which they operate, based on the prevailing legislation, interpretations and practices in respect thereof.

There were no significant unprovided deferred tax liabilities at the balance sheet date (2007: Nil). The unprovided deferred tax assets at the balance sheet date amounted to approximately HK$6,029,000 (2007: HK$3,160,000) related primarily to tax losses.

8. DISCONTINUED OPERATION

On 17 August 2006, the Company, through its wholly-owned subsidiary, entered into a sale and purchase agreement with a third party to dispose of its entire 60% interest in Unicon Spirit Development Ltd. ("Unicon Spirit"). Unicon Spirit and its subsidiaries ("Unicon Group") are engaged in the manufacture, trading and distribution of consumer products. The disposal represented the discontinuance of the Group's consumer products operation in prior year.

An analysis of the results of the discontinued operation is as follows:

	Notes	**2008 HK$'000**	2007 HK$'000
Turnover	4	**-**	7,636
Cost of sales		**-**	(5,179)
Gross profit		**-**	2,457
Other revenue	5	**-**	552
Selling and distribution costs		**-**	(832)
Administrative expenses		**-**	(2,190)
Loss before tax		**-**	(13)
Tax	7	**-**	-
Loss after tax of discontinued operation		**-**	(13)
Gain on disposal of discontinued operation		**-**	74
Profit for the year from discontinued operation		**-**	61
Attributable to:			
Equity holders of the Company		**-**	(8)
Minority interests		**-**	69
		-	61

9. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging:

	Continuing operation		**Discontinued operation**		**Consolidated**	
	2008 HK$'000	2007 HK$'000	**2008 HK$'000**	2007 HK$'000	**2008 HK$'000**	2007 HK$'000
Auditor's remuneration	**500**	350	**-**	-	**500**	350
Property, plant and equipment written off	**-**	9	**-**	25	**-**	34
Exchange losses	**533**	-	**-**	-	**533**	-
Goodwill written off	**-**	12	**-**	-	**-**	12
Impairment loss of debts, net	**-**	225	**-**	200	**-**	425
Operating lease rentals on leasehold land and buildings	**2,706**	2,050	**-**	144	**2,706**	2,194
Depreciation of property, plant and equipment	**1,125**	495	**-**	107	**1,125**	602
Less: amount capitalised in construction in progress	**(266)**	-	**-**	-	**(266)**	-
	859	495	**-**	107	**859**	602
Staff costs (including directors' remuneration)						
- Salaries and wages	**4,364**	4,359	**-**	678	**4,364**	5,037
- Other benefits	**103**	843	**-**	-	**103**	843
- Share-based payments	**35,494**	-	**-**	-	**35,494**	-
- Pension contributions	**141**	146	**-**	34	**141**	180
	40,102	5,348	**-**	712	**40,102**	6,060

10. LOSS PER SHARE

The calculation of the basic loss per share from continuing and discontinued operations attributable to the equity holders of the Company is based on the following data:

Loss

	2008	2007
	HK$'000	HK$'000
Loss for the year attributable to equity holders of the Company for the purpose of basic loss per share	**(44,000)**	(14,440)
Less:		
Loss for the year from discontinued operation attributable to equity holders of the Company	**-**	8
Loss for the purpose of basic loss per share from continuing operation	**(44,000)**	(14,432)

Number of shares

	2008	2007
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,151,906,300**	985,625,567

No diluted loss per share for the year ended 31 March 2008 has been presented as the share options granted and convertible notes issued during the year had an anti-dilutive effect on the basic loss per share for the year. No diluted loss per share for the year ended 31 March 2007 had been calculated as no diluting event existed in that year.

11. ACCOUNTS RECEIVABLE

The ageing analysis of the Group's accounts receivable is as follows:

	2008		2007	
	HK$'000	**Percentage**	HK$'000	Percentage
Current to three months	**-**	**-**	1,034	100

The normal credit period granted by the Group to customers ranges from 30 days to 90 days.

12. ACCOUNTS PAYABLE

The ageing analysis of the Group's accounts payable is as follows:

	2008		2007	
	HK$'000	**Percentage**	HK$'000	Percentage
Current to three months	**-**	**-**	2,338	100

13. CONVERTIBLE NOTES

First Convertible Notes

On 18 July 2007, the Company issued a series of zero coupon convertible notes due in year 2009 in an aggregate principal amount of HK$70,000,000 to Plus All Holdings Limited and six other subscribers ("First Convertible Notes").

The holders of the First Convertible Notes have the rights to convert the outstanding principal amount of each First Convertible Note of denomination of HK$1,000,000 each in whole into the ordinary shares of the Company at an initial conversion price of HK$0.40 per share (subject to adjustment) at any time from the date of issue until a date falling 14 business days prior to the maturity date. On the maturity date, all of the remaining outstanding First Convertible Notes will be redeemed by the Company at the outstanding principal amount of the First Convertible Notes together with the redemption premium equals to 4% on the outstanding principal amount. The maturity date of the First Convertible Notes is the second anniversary of the date of issue.

During the year, the entire amount of the First Convertible Notes was converted into 175,000,000 new ordinary shares of the Company at the conversion price of HK$0.40 per share.

Second Convertible Notes

On 31 August 2007, the Company issued a series of zero coupon convertible notes due in year 2009 in an aggregate principal amount of HK$160,000,000 to Credit Suisse (Hong Kong) Limited and Deutsche Bank AG, Singapore Branch ("Second Convertible Notes").

The holders of the Second Convertible Notes have the rights to convert the outstanding principal amount of each Second Convertible Note of denomination of HK$1,000,000 each in whole into the ordinary shares of the Company at an initial conversion price of HK$1.00 per share (subject to adjustment) at any time from 1 November 2007 until a date falling 14 business days prior to the maturity date. On the maturity date, all of the remaining outstanding Second Convertible Notes will be redeemed by the Company at the outstanding principal amount of the Second Convertible Notes together with the redemption premium equals to 4% on the outstanding principal amount. The maturity date of the Second Convertible Notes is the second anniversary of the date of issue.

During the year, HK$50,000,000 of the Second Convertible Notes was converted into 50,000,000 new ordinary shares of the Company at the conversion price of HK$1.00 per share.

The movements of the First Convertible Notes and the Second Convertible Notes issued during the year are as follows:

	First Convertible Notes HK$'000	Second Convertible Notes HK$'000
Principal amount of convertible notes issued	70,000	160,000
Transaction costs	(2,171)	(4,944)
Net proceeds	67,829	155,056
Split into:		
Equity component	17,377	39,308
Liability component	50,452	115,748
	67,829	155,056
Movement of the liability component during the year:		
Liability component at the issuance date	50,452	115,748
Imputed interest expenses	1,092	9,998
Converted into shares of the Company	(51,544)	(37,282)
At 31 March 2008	-	88,464

Interest expenses on the First Convertible Notes and the Second Convertible Notes are calculated by applying the effective interest rate of approximately 20.12% per annum and approximately 19.90% per annum to the liability components respectively.

14. SHARE CAPITAL

	2008 Number of shares	**2008** HK$'000	2007 Number of shares	2007 HK$'000
Authorised:				
Ordinary shares of HK$0.01 each	**50,000,000,000**	**500,000**	50,000,000,000	500,000
Issued and fully paid:				
At beginning of year	**1,033,296,800**	**10,333**	883,296,800	8,833
Issue of shares in placing arrangement	**-**	**-**	150,000,000	1,500
Issue of shares upon conversion of First Convertible Notes (Note 13)	**175,000,000**	**1,750**	-	-
Issue of shares upon conversion of Second Convertible Notes (Note 13)	**50,000,000**	**500**	-	-
At end of year	**1,258,296,800**	**12,583**	1,033,296,800	10,333

15. SHARE-BASED PAYMENT

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation.

The Scheme, which was adopted by an ordinary resolution of the shareholders at the special general meeting of the Company on 5 January 2004 (the "Adoption Date"), constitutes a share option scheme governed by Chapter 17 of the Listing Rules and will remain in force for 10 years from the Adoption Date.

Pursuant to the Scheme, the board of directors is empowered, at its discretion, to invite any full time employees of the Company or any of its subsidiaries or associates, including any executive directors and non-executive directors of the Company or of any of its subsidiaries or associates, to take up options to subscribe for shares in the Company. The period during which an option may be exercised will be determined by the directors at their discretion, save that no option may be exercised later than 10 years after it has been granted. Acceptance of the offer shall be within 21 days after the date of offer of the grant of options, upon payment of a nominal consideration of HK$1. The maximum number of shares in respect of which options may be granted under the Scheme may not exceed 10% of the aggregate of the shares of the Company in issue as at 27 December 2007, the date upon which the limit was refreshed by an ordinary resolution of the shareholders. Pursuant to the Scheme, the above limit can be further refreshed by the shareholders. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme shall not exceed 30% of the shares in issue from time to time. The subscription price of the share options shall not be less than the higher of (i) the closing price of the shares on the Stock Exchange on the date of offer; (ii) the average closing price of the shares on the Stock Exchange for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the shares.

During the year, a total of 59,700,000 share options were granted to the eligible participants of the Group with a weighted average exercise price of approximately HK$1.04 per share. The movements in the number of share options under the Scheme during the year are as follows:

Date of offer of grant	At beginning of year	Granted during the year	At end of year	Exercise price	Closing price at date of offer of grant	Exercise period	Vesting period
11/07/2007	Nil	54,700,000	54,700,000	HK$0.86	HK$0.86	11/07/2007 to 10/07/2017	N/A
18/09/2007	Nil	5,000,000	5,000,000	HK$2.95	HK$2.90	01/04/2008 to 17/09/2017	01/04/2008 to 31/03/2013
	Nil	59,700,000	59,700,000				

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Black-Scholes model. The contractual life of the share options and expectations of early exercise are incorporated into the model.

Fair value of share options and assumptions:

	Offer of grant at	
	11 July 2007	**18 September 2007**
Fair value at measurement date	HK$0.65	HK$2.63
Share price at the date of offer of grant	HK$0.86	HK$2.90
Exercise price	HK$0.86	HK$2.95
Expected volatility	160.11%	163.08%
Expected life	2 years	2.53 - 6.53 years
Expected dividends	0%	0%
Risk-free interest rate	4.757%	4.272%

The fair value of the share options granted during the year was approximately HK$48,660,000 (2007: Nil), of which the Group recognised an equity-settled share-based payment expense of approximately HK$35,494,000 (2007: Nil) during the year.

16. RELATED PARTY TRANSACTIONS

(a) On 7 August 2007, China Elegance Resources Limited ("CE Resources"), a wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement with Ceasers Development Limited ("Ceasers Development") as vendor and Bellavista Holding Group Limited ("Bellavista") in relation to the acquisition of 60% (subject to adjustment) of the issued share capital of Bellavista at a consideration of HK$4,680,000,000 to be satisfied by the issue of 1,300,000,000 shares of the Company. The chairman and the substantial shareholder of the Company, Mr. Cheung Ngan ("Mr. Cheung"), and the deputy chairman of the Company, Mr. Chan Chung Chun, Arnold ("Mr. Chan"), beneficially owns 51% and 49% interests in Ceasers Development respectively.

At the date of approval of the financial statements, the acquisition has not yet been completed.

(b) The Company, through its wholly-owned subsidiary Zhong Xing Heng He Holdings Limited ("Zhong Xing"), entered into a joint venture agreement with Tong Guan Resources Holdings Ltd. ("Tong Guan") and Catania Copper (Chile) Limited ("CCCL") on 16 October 2007 ("JV Agreement") in relation to the formation of a new joint venture which is principally engaged in the operation of processing of copper ores through its wholly-owned subsidiary, Minera Catania Verde S.A. ("Verde") in Chile. Mr. Cheung and Mr. Chan jointly control 90% interests in CCCL.

Pursuant to the JV Agreement, Zhong Xing would contribute US$30,000,000 (approximately HK$234,000,000) as the registered capital of the joint venture, representing 60% of the equity interests in the joint venture. Tong Guan would contribute US$10,000,000 (approximately HK$78,000,000) as the registered capital of the joint venture, representing 20% of the equity interests in the joint venture. CCCL would inject the entire issued share capital of its wholly-owned subsidiary, Verde, into the joint venture, representing 20% of the equity interests in the joint venture. Accordingly, a new joint venture, Tong Guan La Plata Company Limited ("TGLP") was established.

Upto the balance sheet date, Zhong Xing and Tong Guan had contributed US$24,000,000 (approximately HK$187,200,000) and US$8,000,000 (approximately HK$62,400,000) to TGLP respectively. CCCL had injected the entire issued share capital of Verde (through the injection of Profit Way Group Limited which owns the entire equity interests of Verde) into TGLP.

Subsequent to the balance sheet date, Zhong Xing and Tong Guan contributed the remaining US$6,000,000 (approximately HK$46,800,000) and US$2,000,000 (approximately HK$15,600,000) to TGLP respectively.

(c) Verde has entered into a master agreement dated 16 October 2007 ("Master Agreement") with CAH Reserve S. A. ("CAH"), a related company in which Mr. Cheung and Mr. Chan jointly and indirectly own 55% interests. Pursuant to the Master Agreement, Verde agrees to purchase and CAH agrees to exclusively supply and sell the copper ores extracted from CAH's mining concessions in La Plata area in Chile to Verde, free from all liens, charges and encumbrances.

The Master Agreement will subsist until terminated by Verde (at the discretion of Verde) by giving CAH not less than 6 months' written notice of termination any time after the 3rd anniversary of the Master Agreement.

There were no purchases from CAH during the year.

This related party transaction also constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules.

17. CAPITAL COMMITMENTS

At the balance sheet date, the Group had the following capital commitments contracted but not provided for in the consolidated financial statements:

	2008	2007
	HK$'000	HK$'000
Capital expenditure in respect of construction of ores processing plant	2,926	-

18. CONTINGENT LIABILITIES

As at 31 March 2008, the Group had provided a corporate guarantee of US$12,000,000 (2007: US$12,000,000), equivalent to approximately HK$93,600,000 (2007: approximately HK$93,600,000), to a bank in respect of banking facilities granted to the Group. The banking facilities were not utilised by the Group at the balance sheet date.

19. PLEDGE OF ASSETS

As at 31 March 2008, the Group had pledged its bank deposits of approximately HK$6,201,000 (2007: HK$676,000) to secure banking facilities granted to the Group. The banking facilities were not utilised by the Group at the balance sheet date.

RESULTS

During the year ended 31 March 2008, the Group had recorded a turnover of approximately HK$251.3 million from its continuing operation (2007: HK$48.8 million). The increase in turnover was mainly due to the increase in both metals and minerals prices and sales volume during the year. The rise in metals and minerals prices enables a favorable gross profit margin by partially setting off the rising transportation and freight costs. As a result, the turnover had surged and gross profit had increased to approximately HK$19.6 million for the year under review (2007: HK$1.4 million).

Notwithstanding the increase in gross profit as discussed above, the Group had recorded a loss of approximately HK$44.7 million for the year (2007: HK$13.9 million). The loss was mainly resulted from the recognition of (i) share-based payment of approximately HK$35.5 million (2007: Nil) in respect of share options granted during the year (please refer note 15 for details), and (ii) the non-cash interest of approximately HK$11.1 million (2007: Nil) charged on zero coupon convertible notes issued during the year (please refer to note 13 for details). By eliminating the unfavourable effect of these non-cash expenses, the Group should have recorded a net profit of approximately HK$1.9 million for the year (2007: net loss of approximately HK$13.9 million).

The loss attributable to the equity holders of the Company was HK$44.0 million (2007: HK$14.4 million). Basic loss per share for the year was HK$0.0382 per share (2007: HK$0.0147 per share).

DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 March 2008 (2007: Nil).

BUSINESS REVIEW

Metals and minerals trading
During the year, both the turnover and gross profit margin increased due to the increase in the demand for natural resources in the People's Republic of China (the "PRC") as well as the metals and minerals price.

Ores processing and trading
With a view to expand vertically within the metals and minerals sector and diversify into the mining and ores processing business, the Group has entered into two sale and purchase agreements during the year as detailed below.

The Company had, through its wholly-owned subsidiary China Elegance Resources Limited, entered into a sale and purchase agreement on 7 August 2007 in respect of the acquisition of 60% interest in Bellavista Holding Group Limited, which indirectly owns certain mining concessions in Chile (please refer to the Company's announcement dated 29 August 2007 and note 16(a) for details). The completion of this acquisition is subject to fulfillment of certain conditions which are yet to be fulfilled at the balance sheet date.

The Company had, through another wholly-owned subsidiary Zhong Xing Heng He Holdings Limited, entered into a joint venture agreement with Tong Guan Resources Holdings Ltd. and Catania Copper (Chile) Limited on 16 October 2007 (the "JV Agreement") in relation to the formation of a new joint venture which is principally engaged in the operation of processing of copper ores through its wholly-owned subsidiary, Minera Catania Verde S.A. ("Verde") in Chile. Pursuant to the JV agreement, Tong Guan La Plata Company Limited ("TGLP") was established and the injection of Verde into TGLP was completed in March 2008 (please refer to the Company's circular dated 3 December 2007 and note 16(b) for details). During the year, this newly acquired business did not generate any revenue as the processing plant of Verde is in the course of construction.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Company had issued two tranches of zero coupon convertible notes with an aggregate principal amount of HK$70.0 million ("First Convertible Notes") and HK$ 160.0 million ("Second Convertible Notes") (please refer to note 13 for details). The issuance of First Convertible Notes and Second Convertible Notes has resulted in net proceeds of approximately HK$67.8 million and HK$155.1 million respectively.

During the year, the First Convertible Notes had been fully converted and HK$50.0 million of the Second Convertible Notes had also been converted into shares of the Company (please refer to notes 13 and 14 for details).

Apart from the convertible notes issued and conversion as mentioned above, the Group generally finances its operations with internally generated cash flows and finance leases during the year under review. However, the Group sometimes finances its trading business by short term bank loans and negotiation with banks for discount of bills receivable.

The Group's gearing ratio as at 31 March 2008 was 60.9% (2007: 47.0%), based on the total borrowings under finance leases, convertible notes and advance from a director and minority shareholder totaling HK$102.6 million (2007: HK$10.1 million) and the equity attributable to the equity holders of the Company of HK$168.5 million (2007: HK$21.5 million).

Of the Group's total borrowings, HK$7.7 million (HK$10.1 million) is due within one year, HK$94.1 million (2007: Nil) is due in more than one year but not exceeding two years, and HK$0.8 million (2007: Nil) is due in more than two years but not exceeding five years.

As at 31 March 2008, the Group had bank balances and cash of approximately HK$257.6 million (2007: HK$6.7 million). The Group had also obtained banking facilities with total amount of US$12.0 million (2007: US$12.0 million), equivalent to approximately HK$93.6 million (2007: approximately HK$93.6 million), which has not been utilised as at 31 March 2008. Bank deposits of HK$6.2 million as at 31 March 2008 (2007: HK$0.7 million) was pledged to obtain these banking facilities.

The operating cash flows of the Group are mainly denominated in HK dollars, US dollars, Australian dollars and Chilean pesos. Certain bank deposits, receivables and payables are denominated in US dollars, Australian dollars and Chilean pesos. Foreign exchange exposure in respect of US dollars is considered to be minimal as HK dollars have been pledged with US dollars. For other currencies, the Group will closely monitor the currency exposure and, when considers appropriate, will take the necessary actions to ensure that such exposure is properly hedged.

PROSPECTS

In view of the increase in demand for natural resources in the world and the increase in the prices of metals and minerals over the past years, the Directors are optimistic about the future prospects of the Group's metals and minerals trading business. The Directors also believe that the proposed acquisition of Bellavista Holding Group Limited and the formation of the new joint venture, TGLP, will contribute to the Group's success in the ores processing and mining business and will enhance the Group's investment return in the future.

In the meantime, the Group will continue its effort to identify and pursue other resources type trading business.

CONTINGENT LIABILITIES

At 31 March 2008, the Company had provided a corporate guarantee of US$12.0 million (2007: US$12.0 million) to a bank in respect of banking facilities granted to the Group. The banking facilities were not utilised by the Group at the balance sheet date.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the year ended 31 March 2008 except that: (i) the roles of chairman and chief executive officer are not separate and are performed by the same individual as the Board considered that non-segregation would not result in considerable concentration of power and (ii) the non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirement of the Code and comprised of three independent non-executive directors, Mr. Hu Guang, Mr. Chan Chak Paul and Mr. Chan Francis Ping Kuen. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the final results for the year.

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as the Code of Conduct regarding directors' securities transactions.

Specific enquiry has been made of all the directors of the Company who have confirmed in writing their compliance with the required standards set out in the Code of Conduct during the year under review.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The Company's 2008 annual report which set out all the information required to be disclosed under Appendix 16 of the Listing Rules, will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

By Order of the Board
Cheung Ngan
Chairman

Hong Kong, 23 July 2008

As at the date of this announcement, the Board comprises two executive Directors, namely Messrs. Cheung Ngan and Chan Chung Chun, Arnold, one non-executive Director, namely Mr. Li Shaofeng and three independent non-executive Directors, namely Messrs. Chan Francis Ping Kuen, Hu Guang and Chan Chak Paul.