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 2009

The board of directors (the "Board") 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 2009.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 HK$'000	2008 HK$'000
Turnover	4	**284,636**	251,287
Cost of sales		**(252,564)**	(231,725)
Gross profit		**32,072**	19,562
Other income and gains	4	**2,996**	5,462
Selling and distribution costs		**(1,882)**	(1,522)
Administrative expenses		**(43,099)**	(58,326)
Finance costs	6	**(16,712)**	(12,514)
Share of profit of an associate		**2,301**	2,602
Loss before tax	7	**(24,324)**	(44,736)
Tax	8	**-**	-
Loss for the year		**(24,324)**	(44,736)
Attributable to:			
Equity holders of the Company		**(20,469)**	(44,000)
Minority interests		**(3,855)**	(736)
		(24,324)	(44,736)
Loss per share	10		
- Basic and diluted (HK$)		**(0.0163)**	(0.0382)

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2009

	Notes	2009 HK$'000	2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**34,975**	20,557
Construction in progress		**39,556**	20,762
Prepayments for acquisition of water use rights and land use rights		**11,441**	-
Interests in associates		**2,248**	1,700
Goodwill		**38,807**	52,161
Other intangible assets		**6,445**	8,631
		133,472	103,811
Current assets			
Accounts receivable	11	**7,272**	-
Other receivables, deposits and prepayments		**18,160**	14,152
Value-added-tax recoverable		**7,224**	5,130
Pledged bank deposits		**22,996**	6,201
Cash and bank balances		**164,058**	251,361
		219,710	276,844
Current liabilities			
Accounts payable	12	**12,547**	-
Other payables and accruals		**8,444**	2,362
Receipts in advance		**196**	566
Obligations under finance leases		**6,937**	6,602
Convertible notes	13	**77,140**	-
Amount due to a minority shareholder		**-**	1,075
Tax payable		**564**	564
		105,828	11,169
Net current assets		**113,882**	265,675
Total assets less current liabilities		**247,354**	369,486
Non-current liabilities			
Obligations under finance leases		**3,696**	6,422
Convertible notes	13	**-**	88,464
		3,696	94,886
NET ASSETS		**243,658**	274,600
EQUITY			
Share capital	14	**12,583**	12,583
Reserves		**114,101**	155,882
Equity attributable to equity holders of the Company		**126,684**	168,465
Minority interests		**116,974**	106,135
TOTAL EQUITY		**243,658**	274,600

NOTES

1. CORPORATE INFORMATION

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 Group is principally engaged in investment holding, trading of metals and minerals and processing of raw ores.

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 collective term includes 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 adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies.

The adoption of HK(IFRIC) – Int 11 "HKFRS 2 – Group and treasury share transactions", HK(IFRIC) – Int 12 "Service concession arrangements", HK(IFRIC) – Int 14 "HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" and HKAS 39 & HKFRS 7 Amendments - Reclassification of financial assets, has no material impact on the financial statements.

At the date of this announcement, the following standards and interpretations were in issue but not yet effective:

		Effective date
HKAS 1 (Revised)	Presentation of financial statements	(iii)
HKAS 23 (Revised)	Borrowing costs	(iii)
HKAS 27 (Revised)	Consolidated and separate financial statements	(iv)
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	(iii)
HKAS 39 (Amendment)	Eligible hedged items	(iv)
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or an associate	(iii)
HKFRS 1 (Revised)	First-time adoption of HKFRSs	(iv)
HKFRS 2 (Amendment)	Vesting conditions and cancellations	(iii)
HKFRS 3 (Revised)	Business combinations	(iv)
HKFRS 7 (Amendment)	Improving disclosures about financial instruments	(iii)
HKFRS 8	Operating segments	(iii)
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded derivatives	(v)
HK(IFRIC) – Int 13	Customer loyalty programmes	(i)
HK(IFRIC) – Int 15	Agreements for the construction of real estates	(iii)

HK(IFRIC) – Int 16	Hedges of a net investment in a foreign operation	(ii)
HK(IFRIC) – Int 17	Distributions of non-cash assets to owners	(iv)
HK(IFRIC) – Int 18	Transfers of assets from customers	(vi)

The 2008 improvements to HKFRSs, published in October 2008, are effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5 which is effective for annual periods beginning on or after 1 July 2009.

The 2009 improvements to HKFRSs, published in May 2009, are effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.

Effective date

(i) *Annual periods beginning on or after 1 July 2008*
(ii) *Annual periods beginning on or after 1 October 2008*
(iii) *Annual periods beginning on or after 1 January 2009*
(iv) *Annual periods beginning on or after 1 July 2009*
(v) *Annual periods ending on or after 30 June 2009*
(vi) *Transfers of assets from customers received on or after 1 July 2009*
(vii) *Annual periods beginning on or after 1 January 2010*

The Group is in the process of making an assessment of what the impact of these new or revised standards or interpretations is expected to be in the period of their initial application.

3. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared on the historical cost convention.

These financial statements have been prepared in accordance with all applicable HKFRSs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (the "Companies Ordinance"). The 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. TURNOVER, OTHER INCOME AND GAINS

Turnover, which is also the revenue, represents the invoiced value of goods supplied to customers and is analysed as follows:

	2009	2008
	HK$'000	HK$'000
Turnover		
Sale of metals and minerals	**284,636**	251,287
Other income and gains		
Interest income	**2,456**	3,205
Gain on disposal of a subsidiary	**16**	-
Gain on early redemption of convertible notes	**230**	-
Sundry income	**294**	152
Gain on disposal of available-for-sale investments	**-**	2,105
	2,996	5,462

5. SEGMENT INFORMATION

(a) Primary reporting format – business segments

For the year ended 31 March 2009

	Metals and minerals trading HK$'000	Ores processing and trading HK$'000	Unallocated HK$'000	Consolidated HK$'000
Revenue from external customers	284,636	-	-	284,636
Segment results	16,455	(9,642)	-	6,813
Unallocated income				687
Unallocated corporate expenses				(17,413)
Finance costs				(16,712)
Share of profit of an associate	2,301	-	-	2,301
Loss for the year				(24,324)
Segment assets	62,298	284,617	-	346,915
Interests in associates	2,248	-	-	2,248
Unallocated assets				4,019
Total assets				353,182
Segment liabilities	18,910	11,667	-	30,577
Unallocated liabilities				78,947
Total liabilities				109,524
Depreciation of property, plant and equipment	-	5,961	723	6,684
Capital expenditure incurred during the year	-	50,046	54	50,100

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 income				4,902
Unallocated corporate expenses				(50,593)
Finance costs				(12,514)
Share of profit of an associate	2,602	-	-	2,602
Loss for the year				(44,736)
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
Depreciation of property, plant and equipment	-	392	733	1,125
Capital expenditure incurred during the year	-	4,825	1,655	6,480

(b) **Secondary reporting format – geographical segments**

During the years ended 31 March 2009 and 2008, the Group's business revenue was all generated from the People's Republic of China (the "PRC"), including Hong Kong. Accordingly, no geographical segments information regarding the Group's business revenue and results is presented.

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

	Carrying amount of segment assets		**Capital expenditure incurred**	
	2009 HK$'000	2008 HK$'000	**2009 HK$'000**	2008 HK$'000
PRC (including Hong Kong)	**176,650**	250,327	**54**	1,655
South America	**138,913**	113,603	**50,046**	4,825
Asia Pacific	**27,828**	7,946	**-**	-
Others	**9,791**	8,779	**-**	-
	353,182	380,655	**50,100**	6,480

6. FINANCE COSTS

	2009	2008
	HK$'000	HK$'000
Interest on convertible notes	**15,906**	11,090
L/C charges and trust receipt loans interest	**766**	1,380
Finance charges on obligations under finance leases	**1,307**	144
Total interest expenses	**17,979**	12,614
Less: amount capitalised into construction in progress	**(1,267)**	(100)
	16,712	12,514

The borrowing costs have been capitalised at a rate of 11.34% (2008: 11.51%) per annum.

7. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	2009	2008
	HK$'000	HK$'000
Auditors' remuneration	**474**	500
Exchange losses, net	**36**	533
Operating lease rentals on leasehold land and buildings	**4,602**	2,706
Project termination costs (Note)	**4,797**	-
Depreciation of property, plant and equipment	**6,684**	1,125
Less: amount capitalised into construction in progress	**(5,523)**	(266)
	1,161	859
Staff costs (including directors' remuneration)		
- Salaries and wages	**8,937**	4,364
- Other benefits	**694**	103
- Share-based payments	**2,633**	35,494
- Pension contributions	**163**	141
	12,427	40,102

Note: As detailed in note 17(b), the Group reached a termination agreement in relation to the acquisition of Bellavista Holding Group Limited on 4 February 2009. The related professional fees and costs incurred for the preparation work on the mining site totalling HK$4,797,000 were charged to profit or loss during the year.

8. TAX

No Hong Kong profits tax has been provided for the Company and its subsidiaries as the Group sustained a loss for the year (2008: HK$Nil).

Overseas taxes on assessable profits of the Company or 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.

As at 31 March 2009, subject to the agreement by the Inland Revenue Department, the Group has unused tax losses of HK$67,787,000 (2008: HK$51,507,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses and temporary differences due to the unpredictability of future profit streams. Such losses may be carried forward indefinitely.

9. DIVIDEND

No dividend has been proposed or paid by the Company in respect of the year ended 31 March 2009 (2008: HK$Nil).

10. LOSS PER SHARE

The calculation of the basic loss per share attributable to the equity holders of the Company is based on the following data:

	2009	2008
	HK$'000	HK$'000
Loss for the year attributable to the equity holders of the Company	**(20,469)**	(44,000)

	2009	2008
	Number	Number
Weighted average number of ordinary shares	**1,258,296,800**	1,151,906,300

Diluted loss per share for the years ended 31 March 2009 and 2008 are the same as the basic loss per share as the share options granted and convertible notes outstanding at the year end had an anti-dilutive effect on the basic loss per share for these years.

11. ACCOUNTS RECEIVABLE

The ageing analysis of accounts receivable at the balance sheet date, based on the invoice date, was as follows:

	The Group	
	2009	2008
	HK$'000	HK$'000
Within 3 months	**5,077**	-
4 to 6 months	**2,195**	-
	7,272	-

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

Accounts receivable aged within 3 months were neither past due nor impaired and aged between 4 to 6 months were past due but not impaired. Accounts receivable relate to independent customers that have a good trade record with the Group and were fully settled up to the date of this announcement.

12. ACCOUNTS PAYABLE

The ageing analysis of accounts payable as at the balance sheet date, based on the invoice date, was as follows:

	The Group	
	2009	2008
	HK$'000	HK$'000
Within 1 month	**12,547**	-

The credit period from the Group's trade creditors is 30 days to 90 days.

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 had 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, the remaining outstanding First Convertible Notes could 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 was the second anniversary of the date of issue.

During the year ended 31 March 2008, 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 on 31 August 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, 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 ended 31 March 2008, 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.

On 9 December 2008, the Company entered into an agreement in relation to the early redemption of the Second Convertible Notes with the principal amount of HK$30 million. Pursuant to the agreement, the principal amount of the Second Convertible Notes of HK$30 million was redeemed by payment of HK$27 million to the subscriber, and the subscriber agreed to waive all its entitlement of the redemption premium, being an amount equal to 4% on the principal amount of the Second Convertible Notes upon original maturity on 31 August 2009.

The convertible notes issued during the year ended 31 March 2008 have been split into the liability and equity components 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

Movements 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
Imputed interest expenses	-	15,906
Early redemption of convertible notes during the year	-	(27,230)
At 31 March 2009	**-**	**77,140**

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

14. SHARE CAPITAL

	2009 Number of shares	2009 HK$'000	2008 Number of shares	2008 HK$'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	**1,258,296,800**	**12,583**	1,033,296,800	10,333
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**	1,258,296,800	12,583

15. SHARE-BASED PAYMENT TRANSACTIONS

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 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.

No option was granted under the Scheme during the year. The movements in the number of share options under the Scheme during the year were as follows:

Date of offer of grant	At beginning of year	Lapsed during the year	**At end of year**	Exercise price	Closing price at date of offer of grant	Exercise period	Vesting period
11/07/2007	54,700,000	(10,000,000)	**44,700,000**	HK$0.86	HK$0.86	11/07/2007 to 10/07/2017	N/A
18/09/2007	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
	59,700,000	(10,000,000)	**49,700,000**				

No options were exercised or lapsed during the year ended 31 March 2008.

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 to 6.53 years
Expected dividends	0%	0%
Risk-free interest rate	4.757%	4.272%

The Group recognised an equity-settled share-based payment expense of approximately HK$2,633,000 (2008: HK$35,494,000) during the year.

16. CAPITAL COMMITMENTS

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

	2009	2008
	HK$'000	HK$'000
Acquisition of property, plant and equipment	**12,956**	-
Capital expenditure in respect of the construction of ores processing plant	**6,602**	2,926
	19,558	2,926

17. RELATED PARTY TRANSACTIONS

(a) On 16 October 2007, Minera Catania Verde S.A. ("Verde"), a subsidiary of the Company, entered into a master agreement (the "Master Agreement") with CAH Reserve S.A. ("CAH"), a related company in which Mr. Cheung Ngan and Mr. Chan Chung Chun, Arnold jointly and indirectly own 44% effective interest. 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 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 years ended 31 March 2009 and 2008.

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

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

As disclosed and explained in the Company's announcement on 4 February 2009, in view of the significant drop in the copper price and unsatisfactory delay in the mining site preparation work due to unfavourable weather condition, the Company reached an agreement with the relevant parties to terminate the above sale and purchase agreement on 4 February 2009. The directors consider that the termination would not have any material adverse effect on the existing business operations or the financial positions of the Group.

(c) On 30 April 2008 and 14 July 2008, the Group acquired 100% of the issued share capital of Catania Resources Limited and Loyal Dragon Development Limited at a consideration of HK$8 and HK$850,001 respectively from a company jointly controlled by Mr. Cheung Ngan and Mr. Chan Chung Chun, Arnold. Excess of the net assets acquired over the consideration paid attributable to equity holders of the Company of HK$687,000 was credited to capital reserve. These transactions are accounted for by the acquisition method of accounting.

18. CONTINGENT LIABILITIES

As at 31 March 2009, the Company had provided a corporate guarantee of US$12,000,000 (2008: US$12,000,000), equivalent to approximately HK$93,600,000 to a bank in respect of banking facilities granted to the Group. At the balance sheet date, the bank had sanctioned facilities of US$3,700,000, equivalent to approximately HK$28,860,000 (2008: HK$Nil), to be utilised by the Group to settle amount due to a supplier in the unlikely event that the prices of ores are substantially higher than the prices previously agreed with the supplier.

At the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under the above guarantees. The Company has not recognised any deferred income in respect of the above guarantees as their fair values cannot be reliably measured and its transaction price was nil.

19. PLEDGED OF ASSETS

As at 31 March 2009, the Group pledged its bank deposits of approximately HK$22,996,000 (2008: HK$6,201,000) to secure banking facilities granted to the Group. Banking facilities of US$3,700,000, equivalent to approximately HK$28,860,000 (2008: HK$Nil), had been sanctioned to be utilised by the Group at the balance sheet date (note 18).

RESULTS

During the year ended 31 March 2009, the Group had recorded a turnover of approximately HK$284.6 million from its operation (2008: HK$251.3 million). The increase in turnover was mainly due to the increase in sales volume of metals and minerals during the year. Gross profit margin improved as a result of lower unit cost and freight costs. As a result, the gross profit had increased to approximately HK$32.1 million for the year under review (2008: HK$19.6 million).

The Group recorded a loss of approximately HK$24.3 million for the year as compared to HK$44.7 million for last year. Such decrease in loss was mainly due to the increase in gross profit as discussed above and was partially set off by the increase in non-cash interest to approximately HK$15.9 million (2008: HK$11.1 million) charged on zero coupon convertible notes issued. There was also a decrease in administrative expenses to HK$43.1 million as compared to HK$58.3 million in last year. The decrease in administrative expenses for the current year was the combined result of (i) non-cash share-based payment of approximately HK$2.6 million (2008: HK$35.5 million) in respect of the vesting of share options during the year; and (ii) the administrative expenses on our ores processing operation in Chile acquired during the second half of the last financial year amounting to approximately HK$8.5 million (2008: HK$1.0 million).

By eliminating the effect of the above two non-cash expenses, the Group would only have recorded an operating net loss of approximately HK$5.8 million for the year (2008: net profit of approximately HK$1.9 million).

The loss attributable to the equity holders of the Company was HK$20.5 million (2008: HK$44.0 million). Basic and diluted loss per share for the year was HK$0.0163 per share (2008: HK$0.0382 per share).

DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 March 2009.

BUSINESS REVIEW

Metals and minerals trading

Despite the global financial crisis experienced, the Group was able to maintain its turnover as resulted from its stable relationship with its customers in the PRC.

Ores processing and trading

The Company had, through its wholly-owned subsidiary namely China Elegance Resources Limited ("CE Resources"), entered into a sale and purchase agreement (the "Agreement") on 7 August 2007 in respect of the acquisition of 60% interest in Bellavista Holding Group Limited ("Bellavista"), which indirectly owns certain mining concessions in Chile (please refer to the Company's announcement dated 29 August 2007 for details) (the "Acquisition"). On 4 February 2009, CE Resources entered into a deed of termination with the vendor and Bellavista, whereby the parties mutually agreed to terminate the Agreement in relation to the Acquisition. The termination was agreed after taking into account of various factors including the abrupt drop in copper price which would affect the valuation of the mining concessions, and the less than satisfactory progress of the infrastructure and preparation work for drilling at the mining sites due to the unfavourable weather condition. Upon termination of the Agreement, all terms and conditions of the Agreement ceased to have any effect.

Notwithstanding the termination as noted above, the Company has continued with the copper ores processing and trading operation in Chile through its joint venture company, Tong Guan La Plata Company Limited ("TGLP"). TGLP was 60% held by the Company through its wholly-owned subsidiary, Zhong Xing Heng He Holdings Limited. The other joint venture partners are Tong Guan Resources Holdings Ltd. and Catania Copper (Chile) Limited. During the year, TGLP's wholly-owned subsidiary in Chile, Minera Catania Verde S.A. ("Verde"), had engaged several local and international consultants in respect of the design and construction of the copper ores processing plant and had obtained environmental licenses from the Chilean Government in early 2009. Since the global financial crisis from the fourth quarter of 2008, demand and prices of metals and minerals experienced a sharp decrease. In view of the continuing global economic downturn, copper consumption industries such as real estate and automobiles are expected to remain at their low level in the near future, and hence copper price is not likely to rebound substantially in 2009. As such, the Group had slowed down the progress on the development of the ores processing plant in Chile.

LIQUIDITY AND FINANCIAL RESOURCES

In the previous year, the Company had issued two series of zero coupon convertible notes with an aggregate principal amount of HK$70 million and HK$160 million respectively. The full amount of HK$70 million of the first convertible notes as well as HK$50 million of the second convertible notes were converted into ordinary shares of the Company during the last financial year. During the current year, the Company entered into an early redemption agreement for which HK$30 million of the second convertible notes were early redeemed. No convertible notes were converted into shares of the Company during current year and principal amount of HK$80 million of the second convertible notes remained outstanding as at 31 March 2009.

Apart from the convertible notes issued and converted as mentioned above, the Group generally finances its operations from 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.

The Group's gearing ratio as at 31 March 2009 was 69.3% (2008: 60.9%), based on the total borrowings under finance leases, convertible notes and advance from a minority shareholder totaling HK$87.8 million (2008: HK$102.6 million) and the equity attributable to the equity holders of the Company of HK$126.7 million (2008: HK$168.5 million).

Of the Group's total borrowings, HK$84.1 million (2008: HK$7.7 million) is due within one year, HK$3.7 million (2008: HK$94.1 million) is due in more than one year but not exceeding two years, and HK$ nil (2008: HK$0.8 million) is due in more than two years but not exceeding five years.

As at 31 March 2009, the Group had bank balances and cash of approximately HK$187.1 million (2008: HK$257.6 million). The Group had also obtained banking facilities with a total amount of US$12.0 million (2008: US$12.0 million), equivalent to approximately HK$93.6 million (2008: approximately HK$93.6 million), of which US$3.7 million was sanctioned by the bank to be utilised as at 31 March 2009 (2008: US$Nil). Bank deposits of approximately HK$23.0 million as at 31 March 2009 (2008: approximately HK$6.2 million) were 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 of the Group 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 is pegged to 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

Directors believe that the downturn in the demand and prices of commodities are normal in the ups and downs of economic cycles. Despite the global financial crisis, most of the major economies have implemented various rescuing plans to tackle the crisis. We expect prices of metals and minerals to have reached their bottom and will rebound when global economy recovers. Hence, the directors remain reasonably optimistic about the future prospects of the Group's metals and minerals trading business as well as the ores processing and trading business. The directors also believe that the investment in the joint venture company, TGLP, represents long term investment and will contribute to the Group's success in the ores processing and trading business and will enhance the Group's investment return in the long run.

In the meantime, the Group will monitor the impact of the financial crisis and the change of the worldwide economy and may take any action including the adjustment of the progress of the Group's projects if necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2009, the Group employed 68 full time managerial and skilled staff principally in Hong Kong, the PRC and Chile.

The Group remunerates and provides benefits for its employees based on current industry practice. Discretionary bonus and other individual performance bonus are awarded to staff based on the financial performance of the Group and performance of individual staff. In Chile and the PRC, the Group provides staff welfare for its employees in accordance with prevailing labour legislation. In Hong Kong, it provides staff benefits including mandatory provident fund scheme and medical scheme. In addition, share options may be granted to eligible employees in accordance with the terms of the Company's share option scheme.

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 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 2009 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 ("Model Code") 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 Model Code during the year under review.

PUBLICATION

The Company's 2009 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 in due course.

On behalf of the Board
SINOCOP RESOURCES (HOLDINGS) LIMITED
Cheung Ngan
Chairman

Hong Kong, 16 July 2009

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.

The directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.