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 ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

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 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 HK$'000	2009 HK$'000
Turnover	5	**389,755**	284,636
Cost of sales		**(329,994)**	(252,564)
Gross profit		**59,761**	32,072
Other income and gains	5	**216**	2,996
Selling and distribution costs		**(5,533)**	(1,882)
Administrative expenses		**(79,818)**	(43,099)
Finance costs	6	**(7,133)**	(16,712)
Share of profit of an associate		**145**	2,301
Loss before income tax	7	**(32,362)**	(24,324)
Income tax	8	**-**	-
Loss for the year		**(32,362)**	(24,324)
Other comprehensive income for the year:			
Exchange differences arising on translation of foreign operations		**10,504**	(25,997)
Total comprehensive income for the year		**(21,858)**	(50,321)
Loss attributable to:			
- Owners of the Company		**(25,187)**	(20,469)
- Minority interests		**(7,175)**	(3,855)
		(32,362)	(24,324)
Total comprehensive income attributable to:			
- Owners of the Company		**(17,485)**	(45,101)
- Minority interests		**(4,373)**	(5,220)
		(21,858)	(50,321)
Loss per share	10		
- Basic and diluted (HK$)		**(0.0200)**	(0.0163)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment		**34,952**	34,975
Construction in progress		**67,283**	39,556
Prepayments for acquisition of water use rights and land use rights		**-**	11,441
Interests in associates		**1,194**	2,248
Goodwill		**42,017**	38,807
Other intangible assets		**13,360**	6,445
Total non-current assets		**158,806**	133,472
Current assets			
Accounts receivable	11	**5,223**	7,272
Other receivables, deposits and prepayments		**16,332**	18,160
Value-added-tax recoverable		**11,086**	7,224
Pledged bank deposits		**-**	22,996
Cash and bank balances		**77,647**	164,058
Total current assets		**110,288**	219,710
Total assets		**269,094**	353,182
Current liabilities			
Accounts payable	12	**-**	12,547
Other payables and accruals		**4,338**	8,444
Receipts in advance		**198**	196
Obligations under finance leases		**2,675**	6,937
Convertible notes	13	-	77,140
Tax payable		**564**	564
Total current liabilities		**7,775**	105,828
Net current assets		**102,513**	113,882
Total assets less current liabilities		**261,319**	247,354
Non-current liabilities			
Obligations under finance leases		**728**	3,696
Total liabilities		**8,503**	109,524
TOTAL NET ASSETS		**260,591**	243,658
Equity			
Share capital	14	**12,583**	12,583
Reserves		**135,407**	114,101
Equity attributable to owners of the Company		**147,990**	126,684
Minority interests		**112,601**	116,974
TOTAL EQUITY		**260,591**	243,658

1. CORPORATION 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 located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its head office and principal place of business is located at 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 HONG KONG FINANCIAL REPORTING STANDARDS

(a) In the current year, the Group has adopted the following new or 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 that are effective for the current accounting period:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Interpretation 9 and HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Interpretation 18	Transfers of Assets from Customers

The adoption of the above new or revised HKFRSs had no material effect on the reported results or financial position of the Group for both the current and prior reporting periods, except for certain presentational change as a result of adopting HKAS 1 (Revised). The statement of financial position, previously known as balance sheet, at the beginning of the year of 2009 has not been presented as there were no changes to the originally published statement.

HKFRS 8 supersedes HKAS 14 "Segment Reporting", and requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-makers in order to allocate resources to the segment and to assess its performance. As the business segments reported by the Group in accordance with the requirements of HKAS 14 are the same as the operating segments provided to chief operating decision-makers as required by HKFRS 8, there are no changes to the operating segments and the results of operating segments on the adoption of HKFRS 8.

(b) Potential impact arising on HKFRSs not yet effective

The following new or revised HKFRSs, potentially relevant to the Group, have been issued but are not yet effective and have not been early adopted by the Group:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010 [3]
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions [4]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [1]
HKFRS 3 (Revised)	Business Combinations [1]
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners [1]
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments [5]
HKAS 24 (Revised)	Related Party Disclosures [6]
HKFRS 9	Financial Instruments [7]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 as appropriate
[3] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011 as appropriate
[4] Effective for annual periods beginning on or after 1 January 2010
[5] Effective for annual periods beginning on or after 1 July 2010
[6] Effective for annual periods beginning on or after 1 January 2011
[7] Effective for annual periods beginning on or after 1 January 2013

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The Group is in the process of making an assessment of the potential impact of other new or revised HKFRSs in the period of their initial application.

3. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable HKFRSs 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").

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has the following two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies.

- Metal and minerals trading; and
- Ores processing and trading.

Inter-segment transactions are priced with reference to prices charged to external parties for similar orders. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-makers for assessment of segment performance.

(a) Business Segments

	Metal and minerals trading		**Ores processing and trading**		**Total**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**389,755**	284,636	-	-	**389,755**	284,636
Reportable segment profit/(loss)	**45,463**	18,756	**(17,942)**	(9,642)	**27,521**	9,114
Share of profit of an associate	145	2,301	-	-	145	2,301
Interest income	-	176	4	2,184	4	2,360
Unallocated					1	96
Total interest income					5	2,456
Depreciation	-	-	9,351	5,961	9,351	5,961
Unallocated					691	723
Total depreciation					10,042	6,684
Reportable segment assets	**17,328**	64,546	**249,124**	284,617	**266,452**	349,163
Interests in associates	1,194	2,248	-	-	1,194	2,248
Additions to non-current assets	-	-	37,899	50,046	37,899	50,046
Unallocated					30	54
Total additions to non-current assets					37,929	50,100
Reportable segment liabilities	**1,274**	18,910	**5,672**	11,667	**6,946**	30,577

(b) **Reconciliation of reporting segment revenue, profit or loss, assets and liabilities**

	2010 **HK$'000**	2009 HK$'000
Revenue		
Reportable segment revenue and consolidated revenue	**389,755**	284,636
Loss before income tax		
Reportable segment profit	**27,521**	9,114
Unallocated other income and gains	**114**	687
Unallocated share-based payments	**(38,791)**	(2,633)
Unallocated other corporate expenses	**(14,073)**	(14,780)
Finance costs	**(7,133)**	(16,712)
Consolidated loss before income tax	**(32,362)**	(24,324)
Assets		
Reportable segment assets	**266,452**	349,163
Unallocated corporate assets	**2,642**	4,019
Consolidated total assets	**269,094**	353,182
Liabilities		
Reportable segment liabilities	**6,946**	30,577
Unallocated corporate liabilities	**1,557**	78,947
Consolidated total liabilities	**8,503**	109,524

(c) **Geographic information**

During the years ended 31 March 2010 and 2009, the Group's business revenue was all generated from the People's Republic of China (the "PRC"). Accordingly, no geographical segments information regarding the Group's business revenue and results is presented.

The following is an analysis of the Group's non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets ("Specified non-current assets") by the geographical areas in which the assets are located:

	Specified non-current assets	
	2010 **HK$'000**	2009 HK$'000
PRC	**2,077**	3,141
South America	**155,535**	128,083
Asia Pacific	**1,194**	2,248
	158,806	133,472

(d) **Information about major customers**

For the year ended 31 March 2010, revenues from sales to two customers in the metal and minerals trading segment amounting to HK$252,673,000 and HK$122,113,000 respectively had contributed to more than 10% of the Group's revenue.

For the year ended 31 March 2009, revenues from sales to four customers in the metal and minerals trading segment amounting to HK$85,195,000, HK$79,526,000, HK$67,968,000 and HK$31,115,000 respectively had contributed to more than 10% of the Group's revenue.

5. 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:

	2010	2009
	HK$'000	HK$'000
Turnover		
Sale of metals and minerals	**389,755**	284,636
Other income and gains		
Interest income	**5**	2,456
Gain on disposal of subsidiaries	**6**	16
Gain on early redemption of convertible notes	**-**	230
Sundry income	**205**	294
	216	2,996

6. FINANCE COSTS

	2010	2009
	HK$'000	HK$'000
Interest on convertible notes	**6,060**	15,906
L/C charges and trust receipt loans interest	**1,047**	766
Finance charges on obligations under finance leases	**737**	1,307
Total interest expenses	**7,844**	17,979
Less: amount capitalised into construction in progress	**(711)**	(1,267)
	7,133	16,712

The borrowing costs have been capitalised at a rate of 11.10% (2009: 11.34%) per annum.

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2010	2009
	HK$'000	HK$'000
Auditors' remuneration	**595**	474
Exchange losses, net	**573**	36
Operating lease rentals on leasehold land and buildings	**4,456**	4,602
Project termination costs (Note)	**-**	4,797
Depreciation of property, plant and equipment	**10,042**	6,684
Less: amount capitalised into construction in progress	**(8,759)**	(5,523)
	1,283	1,161
Staff costs (including directors' remuneration)		
- Salaries and wages	**10,779**	8,937
- Other benefits	**872**	694
- Share-based payments	**38,791**	2,633
- Pension contributions	**166**	163
	50,608	12,427

Note: During the year ended 31 March 2009, the Group reached an agreement to terminate the acquisition of certain mining concessions in Chile from a related company. The related professional fees and costs incurred for the preparation work on the mining site were then charged to profit or loss.

8. INCOME TAX

No Hong Kong profits tax has been provided for the Company and its subsidiaries as the Group has no profit arising in Hong Kong (2009: 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 2010, subject to the agreement by the Inland Revenue Department, the Group has unused tax losses of HK$84,931,000 (2009: HK$68,523,000) 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 2010 (2009: HK$Nil).

10. LOSS PER SHARE

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

	2010	2009
	HK$'000	HK$'000
Loss for the year attributable to owners of the Company	(25,187)	(20,469)

	2010	2009
	Number	Number
Number of ordinary shares in issue	1,258,296,800	1,258,296,800

Diluted loss per share for the years ended 31 March 2010 and 2009 are the same as the basic loss per share as the share options granted and convertible notes outstanding during the year 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 end of reporting period, based on the invoice date, is as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
Within 3 months	5,223	5,077
4 to 6 months	-	2,195
	5,223	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 31 March 2009, based on the invoice date, was as follows:

	The Group	
	2010	2009
	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

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 ("Convertible Notes").

The holders of the Convertible Notes had the rights to convert the outstanding principal amount of each 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 Convertible Notes would be redeemed by the Company at the outstanding principal amount of the Convertible Notes together with the redemption premium equals to 4% on the outstanding principal amount. The maturity date of the Convertible Notes was the second anniversary of the date of issue.

During the year ended 31 March 2008, HK$50,000,000 of the 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 Convertible Notes with the principal amount of HK$30 million. Pursuant to the agreement, the principal amount of the 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 Convertible Notes upon original maturity on 31 August 2009.

On 31 August 2009, the remaining HK$80,000,000 of the Convertible Notes matured and were fully redeemed by the Company with the payment of a 4% redemption premium on the outstanding aggregate amount.

The Convertible Notes have been split into the liability and equity components as follows:

	HK$'000
Principal amount of convertible notes issued	160,000
Transaction costs	(4,944)
Net proceeds	155,056
Split into:	
Equity component	39,308
Liability component	115,748
	155,056

Movements of the liability component:

Liability component at the issuance date	115,748
Imputed interest expenses	9,998
Converted into shares of the Company	(37,282)
At 31 March 2008	88,464
Imputed interest expenses	15,906
Early redemption of Convertible Notes	(27,230)
At 31 March 2009	77,140
Imputed interest expenses	**6,060**
Redemption of Convertible Notes	**(83,200)**
At 31 March 2010	**-**

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

14. SHARE CAPITAL

	2010 Number of shares	**2010 HK$'000**	2009 Number of shares	2009 HK$'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/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 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.

On 16 December 2009, the Company granted 84,800,000 options to the directors and eligible employees of the Group at the exercise price of HK$0.46 each for a period of ten years from the date of grant.

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	Granted during the 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	44,700,000	-	(500,000)	44,200,000	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
16/12/2009	-	84,800,000	-	84,800,000	HK$0.46	HK$0.45	16/12/2009 to 15/12/2019	N/A
	49,700,000	84,800,000	(500,000)	134,000,000				

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:

	11 July 2007	Offer of grant at 18 September 2007	16 December 2009
Fair value at measurement date	HK$0.65	HK$2.63	HK$0.43
Share price at the date of offer of grant	HK$0.86	HK$2.90	HK$0.45
Exercise price	HK$0.86	HK$2.95	HK$0.46
Expected volatility	160.11%	163.08%	125.98%
Expected life	2 years	2.53 to 6.53 years	10 years
Expected dividends	0%	0%	0%
Risk-free interest rate	4.757%	4.272%	2.387%

The Group recognised an equity-settled share-based payment expense of approximately HK$38,791,000 (2009: HK$2,633,000) during the year.

16. CAPITAL COMMITMENTS

At the end of reporting period, the Group had the following capital commitments contracted but not provided for in the financial statements:

	2010 HK$'000	2009 HK$'000
Acquisition of property, plant and equipment	**12,956**	12,956
Capital expenditure in respect of the construction of ores processing plant	**3,805**	6,602
	16,761	19,558

17. RELATED PARTY TRANSACTIONS

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 2010 and 2009.

This related party transaction also constitutes continuing connected transactions in respect of which the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

18. CONTINGENT LIABILITIES

As at 31 March 2010, the Company had provided a corporate guarantee of US$12,000,000 (2009: US$12,000,000), equivalent to 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 end of reporting period.

The directors do not consider it probable that a claim will be made against the Company under the above guarantee at the end of reporting period. The Company has not recognised any deferred income in respect of the above guarantee as its fair value cannot be reliably measured and its transaction price was nil.

RESULTS

During the year ended 31 March 2010, the Group had recorded a turnover of approximately HK$389.8 million from its operation (2009: HK$284.6 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. As a result, the gross profit had increased to approximately HK$59.8 million during the year (2009: HK$32.1 million).

Notwithstanding the increase in gross profit as discussed above, the Group recorded a loss of approximately HK$32.4 million for the year as compared to HK$24.3 million for the last year. Such an increase in loss was mainly due to the recognition of the share-based payments of approximately HK$38.8 million (2009: HK$2.6 million). There was also non-recurring non-cash expenses of the interest charged on convertible notes of approximately HK$6.1 million (2009: HK$15.9 million). By eliminating the above unfavorable non-cash expenses and the share-based payments, the Group would have recorded a net profit of approximately HK$12.5 million (2009: net loss of HK$5.8 million).

The loss attributable to the owners of the Company was HK$25.2 million (2009: HK$20.5 million). Basic and diluted loss per share for the year was HK$0.02 per share (2009: HK$0.0163 per share).

DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 March 2010.

BUSINESS REVIEW

Metals and minerals trading

During the year, the contributions from metals and minerals trading had shown satisfactory improvement. The improvement was mainly due to the global business environment becoming more stable, as well as a strong and stable relationship with the Group’s customers in the PRC. It is expected that the metals and minerals trading business will continue to improve, and the Group will continue to explore new customers in the PRC.

Ores processing and trading

The Company 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, Sinocop Resources (Chile) Limited (previously known as "Zhong Xing Heng He Holdings Limited"). The other joint venture partners are Tong Guan Resources Holdings Ltd. and Catania Copper (Chile) Limited. 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.

As a result of the global financial crisis happened at the end of 2008, the Group had slowed down the progress on the development of the ores processing plant in Chile. Looking back to 2009, the world economy has shown positive sign but the full effect is not clearly shown. The Group will continue to monitor the development progress closely and cautiously and adjust the development progress and review the situation from time to time.

Notwithstanding the aforementioned, Verde had continued the expenditure plan of the Chilean projects such as engaging various experts locally for the construction in progress. Also, Verde had further acquired a water use right together with the related land in Chile during the year.

LIQUIDITY AND FINANCIAL RESOURCES

In the current year, the remaining HK$80 million of the convertible notes issued in previous year matured and were fully redeemed by the Company with the payment of a 4% redemption premium on the outstanding aggregate amount.

Apart from the convertible notes as mentioned above, the Group generally finances its operations from internally generated cash flows and finance leases during the year. However, the Group sometimes finances its trading business by short term bank loans.

The Group's gearing ratio as at 31 March 2010 was 2.3% (2009: 69.3%), based on the total borrowings under finance leases and convertible notes totaling HK$3.4 million (2009: HK$87.8 million) and the equity attributable to the owners of the Company of HK$148.0 million (2009: HK$126.7 million).

Of the Group's total borrowings, HK$2.7 million (2009: HK$84.1 million) is due within one year, HK$0.7 million (2009: HK$2.9 million) is due in more than one year but not exceeding two years, and HK$Nil (2009: HK$0.8 million) is due in more than two years but not exceeding five years.

As at 31 March 2010, the Group had cash and bank balances of approximately HK$77.6 million (2009: HK$187.1 million). The Group had also obtained banking facilities with a total amount of US$12.0 million (2009: US$12.0 million), equivalent to approximately HK$93.6 million (2009: approximately HK$93.6 million), none of which had been utilised by the Group as at 31 March 2010 (2009: sanctioned by the bank to utilise US$3.7 million). As at 31 March 2010, no bank deposit (2009: approximately HK$23 million) was pledged to secure these banking facilities.

The operating cash flows of the Group are mainly denominated in HK dollars, US dollars and Chilean pesos. Certain bank deposits, receivables and payables of the Group are denominated in US 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

Despite the occurrence of global financial crisis in previous period, most of the major world economies and in particular the PRC, have implemented various rescuing plans to tackle the crisis, including the appropriately relaxed fiscal policies and the government expenditure on infrastructures. The business environment is more stable and has shown observable positive sign. Although the recovery of global economy is not completely shown and the international market worries on the worsening of the public finance of the European countries, it is observed that the prices of metals and minerals have increased gradually and maintained at medium-high price level. Hence, the directors remain cautiously optimistic about the future prospects of the Group's metals and minerals trading business as well as the development of the ores processing and trading business.

The directors also believe that the investment in the joint venture company, TGLP, represents a long term investment and will contribute to the Group's success and investment return in the long run.

In the meantime, the Group will continue to monitor the current market situation and may take any appropriate action as necessary which will benefit to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2010, the Group employed 71 (2009: 68) full time managerial and skilled staff principally in Hong Kong 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, the Group provides staff welfare for its employees in accordance with prevailing labour legislation. In Hong Kong, the Group provides staff benefits including mandatory provident fund scheme and medical scheme. In addition, share options are 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 2010 except that: (i) the roles of chairman and chief executive officer are not separated 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. Chan Francis Ping Kuen, Mr. Chan Chak Paul and Mr. Hu Guang. 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 2010 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 Company and the Stock Exchange in due course.

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

Hong Kong, 9 July 2010

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.