SINOCOP

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 2012

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 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 HK$'000	2011 HK$'000
Turnover	5	**144,226**	312,408
Cost of sales		**(133,704)**	(306,698)
Gross profit		**10,522**	5,710
Other income and gains	5	**1,834**	929
Selling and distribution costs		**(5)**	(3)
Administrative expenses		**(37,050)**	(58,429)
Finance costs	6	**(1,376)**	(1,590)
Share of profit of an associate		**166**	493
Loss before income tax	7	**(25,909)**	(52,890)
Income tax credit	8	**564**	-
Loss for the year		**(25,345)**	(52,890)
Other comprehensive income for the year			
Exchange differences arising on translation of foreign operations		**(3,919)**	23,363
Total comprehensive income for the year		**(29,264)**	(29,527)
Loss attributable to:			
- Owners of the Company		**(21,289)**	(43,077)
- Non-controlling interests		**(4,056)**	(9,813)
		(25,345)	(52,890)
Total comprehensive income attributable to:			
- Owners of the Company		**(23,916)**	(26,753)
- Non-controlling interests		**(5,348)**	(2,774)
		(29,264)	(29,527)
Loss per share			
- Basic and diluted (HK$)	10	**(0.0154)**	(0.0331)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		19,303	28,020
Construction in progress		93,896	87,384
Interests in associates		700	818
Goodwill		47,009	47,688
Other intangible assets		14,947	15,163
Value-added-tax recoverable		15,304	15,132
Total non-current assets		**191,159**	**194,205**
Current assets			
Accounts receivable	11	-	3,529
Other receivables, deposits and prepayments		8,712	15,610
Cash and bank balances		62,460	75,996
Total current assets		**71,172**	**95,135**
Total assets		**262,331**	**289,340**
Current liabilities			
Accounts payable	12	-	3,470
Other payables and accruals		1,452	1,371
Receipts in advance		3,775	-
Obligations under finance leases		-	752
Tax payable		-	564
Total current liabilities		**5,227**	**6,157**
Net current assets		**65,945**	**88,978**
NET ASSETS		**257,104**	**283,183**
Equity			
Share capital	13	13,844	13,832
Reserves		138,781	159,524
Equity attributable to owners of the Company		**152,625**	**173,356**
Non-controlling interests		**104,479**	**109,827**
TOTAL EQUITY		**257,104**	**283,183**

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) Adoption of new/revised HKFRSs – effective 1 January 2011

In the current year, the Group has adopted the following new/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 2010
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of these new/revised standards and interpretations has no significant impact on the Group's financial statements.

HKFRS 3 (Amendments) – Business Combinations
As part of the Improvements to HKFRSs issued in 2010, HKFRS 3 has been amended to clarify that the option to measure non-controlling interests ("NCI") at either fair value or the NCI's proportionate share in the recognised amounts of the acquiree's identifiable net assets is limited to instruments that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of NCI are measured at their acquisition date fair value unless another measurement basis is required by HKFRSs. The Group has amended its accounting policies for measuring NCI but the adoption of the amendment has had no impact on the Group's financial statements.

HKAS 24 (Revised) – Related Party Disclosures
HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has amended its accounting policies on related parties accordingly. The Group has reassessed the identification of its related parties in accordance with the revised definition and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous years.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosures – Transfer of Financial Assets [1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities [3]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures [5]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income [2]
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities [4]
HKFRS 9	Financial Instruments [5]
HKFRS 10	Consolidated Financial Statements [3]
HKFRS 12	Disclosure of Interests in Other Entities [3]
HKFRS 13	Fair Value Measurement [3]
HKAS 27 (2011)	Separate Financial Statements [3]
HKAS 28 (2011)	Investments in Associates and Joint Ventures [3]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 July 2012
[3] Effective for annual periods beginning on or after 1 January 2013
[4] Effective for annual periods beginning on or after 1 January 2014
[5] Effective for annual periods beginning on or after 1 January 2015

Amendments to HKFRS 7 - Disclosures – Transfers of Financial Assets
The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Amendments to HKAS 1 (Revised) - Presentation of Items of Other Comprehensive Income
The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 - Financial Instruments
Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 - Consolidated Financial Statements
HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 - Disclosure of Interests in Other Entities
HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 - Fair Value Measurement
HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these new/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 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) Reportable segments

	Metal and minerals trading		Ores processing and trading		Total	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**144,226**	312,408	-	-	**144,226**	312,408
Reportable segment profit/(loss)	**1,949**	(11,238)	**(10,143)**	(24,539)	**(8,194)**	(35,777)
Share of profit of an associate	166	493	-	-	166	493
Interest income	2	2	1	-	3	2
Unallocated					2	1
Total interest income					5	3
Depreciation	-	-	8,029	10,519	8,029	10,519
Unallocated					355	681
Total depreciation					8,384	11,200
Impairment loss on prepayments	-	8,100	-	-	-	8,100
Reportable segment assets	**31,825**	35,094	**228,221**	236,536	**260,046**	271,630
Interests in associates	700	818	-	-	700	818
Additions to non-current assets	-	-	7,774	10,822	7,774	10,822
Unallocated					34	7
Total additions to non-current assets					7,808	10,829
Reportable segment liabilities	**57**	3,478	**4,429**	1,490	**4,486**	4,968

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

	2012 HK$'000	2011 HK$'000
Revenue		
Reportable segment revenue and consolidated revenue	**144,226**	312,408
Loss before income tax		
Reportable segment loss	**(8,194)**	(35,777)
Unallocated other income and gains	**97**	113
Unallocated share-based payments	**(2,633)**	(2,633)
Unallocated other corporate expenses	**(13,803)**	(13,003)
Finance costs	**(1,376)**	(1,590)
Consolidated loss before income tax	**(25,909)**	(52,890)
Assets		
Reportable segment assets	**260,046**	271,630
Unallocated corporate assets	**2,285**	17,710
Consolidated total assets	**262,331**	289,340
Liabilities		
Reportable segment liabilities	**4,486**	4,968
Unallocated corporate liabilities	**741**	1,189
Consolidated total liabilities	**5,227**	6,157

(c) Geographic information

During the years ended 31 March 2012 and 2011, the Group's business revenue, based on where the customers were located, was all generated from the People's Republic of China (the "PRC").

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	
	2012 HK$'000	2011 HK$'000
PRC, including Hong Kong	**281**	1,000
Chile	**190,178**	192,387
Asia Pacific	**700**	818
	191,159	194,205

(d) **Information about major customers**

For the year ended 31 March 2012, the Group's revenue of HK$144,226,000 represented sales to the sole customer in the metal and minerals trading segment.

For the year ended 31 March 2011, sales to two customers in the metal and minerals trading segment of HK$200,507,000 and HK$111,901,000 respectively accounted for 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:

	2012 HK$'000	2011 HK$'000
Turnover		
Sale of metals and minerals	**144,226**	312,408
Other income and gains		
Interest income	**5**	3
Rental income	**1,734**	465
Sundry income	**95**	461
	1,834	929

6. FINANCE COSTS

	2012 HK$'000	2011 HK$'000
Bank charges and trust receipt loans interest	**2,752**	1,579
Finance charges on obligations under finance leases	**16**	227
Total interest expenses	**2,768**	1,806
Less: amount capitalised in construction in progress	**(1,392)**	(216)
	1,376	1,590

Borrowing costs capitalised during the year mainly arose on the general borrowing pool which are calculated by applying a capitalisation rate of 1.53% to expenditure on construction in progress. Borrowing costs capitalised in construction in progress last year were all related to finance charges on obligations under finance leases.

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2012 HK$'000	2011 HK$'000
Auditors' remuneration	**882**	566
Impairment loss on prepayments (Note)	**-**	8,100
Exchange losses, net	**139**	32
Operating lease rentals on leasehold land and buildings	**3,647**	4,418
Depreciation of property, plant and equipment	**8,384**	11,200
Less: amount capitalised in construction in progress	**(3,862)**	(5,541)
	4,522	5,659
Staff costs (including directors' remuneration)		
- Salaries and wages	**7,674**	12,183
- Other benefits	**851**	956
- Share-based payments	**2,633**	2,633
- Pension contributions	**143**	157
	11,301	15,929

Note: In order to secure the supplies of certain mineral ores, the Group prepaid a supplier based in Africa in 2007 for future purchases of mineral ores. However, the unfavourable political conditions in Africa affected the supplier's ability to supply products to the Group and the recoverability of the prepayment was in doubt and the Group fully provided for the balance in 2011. The Group has not been able to utilise the deposit during the year as selling price of the ores continued to be depressed.

8. INCOME TAX

Income tax credit of HK$564,000 for the year ended 31 March 2012 represented over provision of Hong Kong profits tax in respect of prior years. No Hong Kong profits tax has been provided as the Group incurred losses during the current and prior years.

Overseas taxes on assessable profits of the group companies, 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 2012, subject to the agreement by the Hong Kong Inland Revenue Department, the Group had unused tax losses of HK$116,369,000 (2011: HK$100,319,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these 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 2012 (2011: 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:

	2012	2011
	HK$'000	HK$'000
Loss for the year attributable to owners of the Company	**(21,289)**	(43,077)

	2012	2011
	Number	Number
Weighted average number of ordinary shares in issue	**1,384,019,760**	1,302,715,500

Diluted loss per share is same as basic loss per share as presented for the years ended 31 March 2012 and 2011 as the potential ordinary shares in issue are anti-dilutive.

11. ACCOUNTS RECEIVABLE

The ageing analysis of accounts receivable at the end of the reporting period, based on the invoice date, was as follows:

	The Group	
	2012	2011
	HK$'000	HK$'000
Within 3 months	**-**	656
4 to 6 months	**-**	2,873
	-	3,529

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

As at 31 March 2011, accounts receivable aged with 3 months were neither past due nor impaired. For the accounts receivable aged between 4 to 6 months, they were past due but not impaired. These accounts receivable related to independent customers that have a good trade record with the Group and were fully settled during the year.

12. ACCOUNTS PAYABLE

The ageing analysis of accounts payable at the end of the reporting period, based on the invoice date, was as follows:

	The Group	
	2012	2011
	HK$'000	HK$'000
Within 3 months	**-**	645
4 to 6 months	**-**	2,825
	-	3,470

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

13. SHARE CAPITAL

	2012 Number of shares	**HK$'000**	2011 Number of shares	HK$'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	**1,383,196,800**	**13,832**	1,258,296,800	12,583
Placing of shares (Note (i))	**-**	**-**	110,000,000	1,100
Exercise of share options (Note (ii))	**1,200,000**	**12**	14,900,000	149
At end of year	**1,384,396,800**	**13,844**	1,383,196,800	13,832

Notes:

(i) Placing of shares

On 9 November 2010, pursuant to a conditional placing agreement between the Company and a placing agent, the Company issued on aggregate 110,000,000 new ordinary shares of HK$0.01 each at a price of HK$0.40 per share to independent third parties for a total cash consideration of HK$44,000,000 before issue expenses of HK$1,368,000, of which HK$1,100,000 and HK$42,900,000 were credited to share capital and share premium account respectively.

(ii) Exercise of share options

During the year, options were exercised to subscribe for 1,200,000 (2011: 14,900,000) ordinary shares in the Company at a total consideration of HK$552,000 (2011: HK$6,854,000) of which HK$12,000 (2011: HK$149,000) was credited to share capital and HK$1,051,000 (2011: HK$6,705,000) was credited to the share premium account. An amount of HK$511,000 (2011: HK$6,353,000) was transferred from the share options reserve to the share premium account following the exercise of the options.

14. 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 5 August 2011, 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.

The movements in the number of share options under the Scheme during the year were as follows:

Date of offer of grant	At 01/04/2010	Exercised during the year	Lapsed during the year	At 31/03/2011	Exercised during the year	Lapsed during the year	At 31/03/2012	Exercise price	Closing price at date of offer of grant	Exercise period	Vesting period
11/07/2007	44,200,000	-	(200,000)	44,000,000	-	(500,000)	43,500,000	HK$0.86	HK$0.86	11/07/2007 to 10/07/2017	N/A
18/09/2007	5,000,000	-	-	5,000,000	-	-	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	(14,900,000)	(2,300,000)	67,600,000	(1,200,000)	(500,000)	65,900,000	HK$0.46	HK$0.45	16/12/2009 to 15/12/2019	N/A
	134,000,000	(14,900,000)	(2,500,000)	116,600,000	(1,200,000)	(1,000,000)	114,400,000				

The weighted average remaining contractual life of options outstanding at the end the year was 6.7 years (2011:7.7 years).

Of the total number of options outstanding at the end of the year, 113,400,000 (2011: 114,600,000) were exercisable at the end of the year.

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was HK$1.04 (2011: HK$1.20).

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 of the share options are incorporated into the model.

Fair value of share options and assumptions:

		Offer of grant at	
	11 July 2007	**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$2,633,000 (2011: HK$2,633,000) during the year.

15. CAPITAL COMMITMENTS

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

	2012	2011
	HK$'000	HK$'000
Acquisition of property, plant and equipment	**12,956**	12,956
Capital expenditure in respect of the construction of ores processing plant	**3,811**	3,815
	16,767	16,771

16. 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 2012 and 2011.

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.

17. BANKING FACILITIES

As at 31 March 2011, the Company had provided a corporate guarantee of US$12,000,000, equivalent to approximately HK$93,600,000 to a bank as a security for the banking facilities granted to the Group. The banking facilities were not utilised by the Group at 31 March 2011. These bank facilities had expired as at 31 March 2012. The Company is awaiting a formal notice from the bank of the release of the deed of charge.

The directors did not consider it probable that a claim would be made against the Company under the above guarantee as at 31 March 2011. The Company had not recognised any deferred income in respect of the above guarantee as its fair value could not be reliably measured and its transaction price was nil.

In addition, the Company's directors, Mr. Cheung Ngan and Mr. Chan Chung Chun, Arnold, have provided an unlimited personal guarantee to a bank as a security for bank facilities granted to the Group as at the end of the reporting period. No banking facilities were utilised by the Group at the end of the reporting period.

18. COMPARATIVE FIGURES

Value-added-tax recoverable as at 31 March 2011 previously included as a current asset in the consolidated statement of financial position has been re-classified as a non-current asset. The directors believe that the present classification is more appropriate in reflecting the Group's affairs.

19. VERY SUBSTANTIAL ACQUISITION, CONNECTED TRANSACTION AND PLACING OF NEW SHARES

(i) On 29 March 2012, the Group entered into an acquisition agreement with the vendors, one of whom is a connected person within the terms of the Listing Rules, to acquire from the vendors the entire issued share capital of a BVI company which is the beneficiary of the glauberite mine located in Guangxi, the PRC. The total consideration for this acquisition is HK$3 billion to be satisfied as to HK$90 million by the allotment of 120 million new ordinary shares of the Company at HK$0.75 per share and HK$2.91 billion by the issue of convertible notes to the vendors on completion of the acquisition.

(ii) On the same date, the Company entered into a placing agreement to place, through the placing agent, not less than 265 million and not more than 333.3 million new ordinary shares of the Company at prices of no less than HK$0.6 per share and not more than HK$0.75 per share to at least six independent investors.

Details of the above acquisition and placing of shares are set out in the announcement of the Company dated 29 March 2012 (the "Announcement"). Completion of the acquisition and placing of shares will take place on completion of the conditions precedent of the acquisition agreement as set out in the Announcement, or such other dates as the vendors and the Group may agree. Completion of the acquisition and placing of shares have not taken place as at the date of this announcement as the aforesaid conditions precedent have not been fulfilled.

RESULTS

During the year ended 31 March 2012, the Group recorded a turnover of approximately HK$144.2 million (2011: HK$312.4 million). The decrease in turnover was mainly due to the reason that the Group has no iron ore trading during the year, as compare to last year, iron ores trading accounted for approximately two-thirds of its turnover.

As mentioned in last year annual report, the trading volume of iron ores has been substantially decreased during the financial year ended 31 March 2011 due to its price fluctuation as well as its lower profit margin, and as such, the Group had concentrated its trading in nickel ores, the price of which is less fluctuated but with a relatively lower gross profit margin. The Group has continued to concentrate its trading in nickel ores during the year, nevertheless, the gross profit margin has been increased from 1.8% in last year to 7.3% in this current year. The improvement in gross profit margin is mainly due to the increase in selling price of the products traded and a lower sea freight costs.

The Group recorded a loss of approximately HK$25.3 million for the year as compared to a loss of HK$52.9 million in last year. Such a decrease in loss was mainly due to the increase in gross profit as discussed above and decrease in administrative expense to approximately HK$37.1 million (2011: HK$58.4 million). The decrease in administrative expenses was resulted from effective cost control in addition to no further impairment was made in current year as compared to a provision for impairment loss on prepayment of HK$8.1 million in previous year,.

The loss attributable to the owners of the Company was HK$21.3 million (2011: HK$43.1 million). Basic and diluted loss per share for the year was HK$0.0154 per share (2011: HK$0.0331 per share).

DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 March 2012.

BUSINESS REVIEW

METALS AND MINERALS TRADING

During the year, the price of iron ores has remained fluctuating both upward and downward, hence the Group continued its concentration on the trading of nickel ores, for which the price is relatively less affected by global economy. The Group will monitor and respond to the market demand, and will adjust its trading products mix from time to time.

ORES PROCESSING AND TRADING

The Company continued with the copper ores processing and trading operation in Chile through its joint venture company, of which 60% was held by the Company. The other joint venture partners are Tong Guan Resources Holdings Ltd. and Catania Copper (Chile) Limited. The wholly-owned subsidiary of the joint venture company, Minera Catania Verde S.A. ("Verde") in Chile, had engaged several local and international consultants in respect of the design and construction of the copper ores processing plant.

As discussed in previous annual reports, the Group had slowed down the progress on the development of ores processing plant in Chile since the financial crisis in late 2008. Although there are signs of recovery during 2009 and 2010, at the same time, European sovereign debt crisis has been intensifying meanwhile. The recent turmoil of European economic uncertainty due to the sovereign debt crisis, together with possible further quantitative easing policy from the United States, has largely increased the financial market volatility and hence the risk of global economic downturn. The Group will be very cautious in responding to the current global economic situation and will continue to monitor the development progress including consideration of operational design adjustments from time to time. The Group will also consider any further appropriate action if necessary. Having considered the above, Verde has continued the expenditure program cautiously such as engaging various experts locally for the construction in progress.

LIQUIDITY AND FINANCIAL RESOURCES

For the year under review, the Group generally financed its operations by internal resources. As at 31 March 2012, the net asst value of the Group amounted to approximately HK$257.1 million (2011: HK$283.2 million).

The Group has no significant liabilities. As at 31 March 2012, the gearing ratio of the Group was nil (2011: 0.4%) as the borrowings under finance leases was fully settled during the year. The gearing ratio as at 31 March 2011 was based on the total borrowing under finance leases amounted to HK$0.7 million and equity attributable to the owners of the Company of HK$173.3 million. As at 31 March 2012, the equity attributable to the owners of the Company was HK$152.6 million.

As at 31 March 2012, the Group had cash and bank balances of approximately HK$62.4 million (31 March 2011: HK$76.0 million). As at 31 March 2012, no bank deposit (31 March 2011: HK$Nil) was pledged.

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

The recent fluctuation on the global economy, including the European sovereign debt crisis and the doubt on US government deficit cut, has largely increased the risk of global economic downturn. Nevertheless, infrastructure will continue in the Twelfth Five-year Plan of the PRC. Accordingly, the directors remain cautiously optimistic about the trend of the PRC economic growth in the foreseeable future and hence the future prospects of the Group's metals and minerals trading business in the long run.

The directors also believe that the investment in the joint venture company in Chile is a long term investment and will contribute to the Group's success and investment return in the long run. In responding to the current economic situation, the directors will cautiously consider any appropriate measure if necessary, as well as any adjustment to the pace of development.

In the meantime, the Group will continue to seek business opportunity and to take any appropriate action as necessary which will benefit to the Group. As disclosed in Note 19, an agreement has been entered into between the Company and the vendors in respect of a very substantial acquisition and a connected transaction of the Company on 29 March 2012. The transaction is to acquire a target company which is the beneficiary of a glauberite mine located in Guangxi, the PRC. The product of the glauberite mine is thenardite which is an important raw material used in chemical and light industries. The Group expects that there will be an increasing thenardite demand in the PRC as a result of the continuing urbanization in the PRC. The Board considers that this is the right opportunity for the Group to further invest in the development and expansion of its mining business and to increase its reserve of non-ferrous metal resources. It was expected that the acquisition will present the Group with favourable long term prospects.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2012, the Group employed 37 (2011: 47) 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 2012 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.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2012 have been agreed by the Group's auditors, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION

The Company's 2012 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, 22 June 2012

As at the date of this announcement, the Board comprises four executive Directors, namely Messrs. Cheung Ngan, Chan Chung Chun, Arnold, Zhau Chong Dei and Lee Ming Zang, 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.