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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

The board of directors (the “Directors”) of Sinocop Resources (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

| | Note | For the six months ended 30 September | |
|---|------|--|---------------------------------|
| | | 2012 (unaudited) HK\$'000 | 2011 (unaudited) HK\$'000 |
| Turnover | 5 | 211,099 | 85,946 |
| Cost of sales | | (177,480) | (76,765) |
| Gross profit | | 33,619 | 9,181 |
| Other income and gains | 5 | 10,034 | 1,806 |
| Selling and distribution costs | | (22,809) | (6,665) |
| Administrative expenses | | (22,977) | (16,947) |
| Finance costs | 6 | (903) | (436) |
| Share of (loss)/ profit of an associate | | (41) | 154 |
| Loss before income tax | 8 | (3,077) | (12,907) |
| Income tax | 9 | - | - |
| Loss for the period | | (3,077) | (12,907) |
| Other comprehensive income for the period: | | | |
| Exchange differences arising on translation of foreign operations | | 4,485 | (13,820) |
| Total comprehensive income for the period | | 1,408 | (26,727) |

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012**

| | | For the six months ended | |
|--|------|---------------------------------|-----------------|
| | | 30 September | |
| | | 2012 | 2011 |
| | | (unaudited) | (unaudited) |
| | Note | HK\$'000 | HK\$'000 |
| Loss attributable to: | | | |
| - Owners of the Company | | (3,304) | (10,950) |
| - Non-controlling interests | | 227 | (1,957) |
| | | <u>(3,077)</u> | <u>(12,907)</u> |
| Total comprehensive income attributable to: | | | |
| - Owners of the Company | | (160) | (20,522) |
| - Non-controlling interests | | 1,568 | (6,205) |
| | | <u>1,408</u> | <u>(26,727)</u> |
| Loss per share | | | |
| - Basic and diluted (HK\$) | 10 | <u>(0.0024)</u> | <u>(0.0079)</u> |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

| | | 30 September 2012 (unaudited) HK\$'000 | 31 March 2012 (audited) HK\$'000 |
|---|------|---|---|
| | Note | | |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 16,003 | 19,303 |
| Construction in progress | 12 | 98,334 | 93,896 |
| Interests in associates | | 659 | 700 |
| Goodwill | | 48,142 | 47,009 |
| Other intangible assets | | 15,307 | 14,947 |
| Value-added-tax recoverable | | 14,479 | 15,304 |
| Total non-current assets | | 192,924 | 191,159 |
| Current assets | | | |
| Accounts receivable | 13 | 49,907 | - |
| Other receivables, deposits and prepayments | | 21,058 | 8,712 |
| Cash and bank balances | | 49,306 | 62,460 |
| Total current assets | | 120,271 | 71,172 |
| Total assets | | 313,195 | 262,331 |
| Current liabilities | | | |
| Accounts payable | 14 | 27,290 | - |
| Other payables and accruals | | 23,542 | 1,452 |
| Receipts in advance | | 2,534 | 3,775 |
| Total current liabilities | | 53,366 | 5,227 |
| Net current assets | | 66,905 | 65,945 |
| NET ASSETS | | 259,829 | 257,104 |
| Equity | | | |
| Share capital | 15 | 13,844 | 13,844 |
| Reserves | | 139,938 | 138,781 |
| Equity attributable to owners of the Company | | 153,782 | 152,625 |
| Non-controlling interests | | 106,047 | 104,479 |
| TOTAL EQUITY | | 259,829 | 257,104 |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012**

| | Attributable to owners of the Company | | | | | | | Total HK\$'000 | Non- controlling interests HK\$'000 | Total equity HK\$'000 |
|----------------------------------|---------------------------------------|------------------------------|------------------------------------|---|---|--------------------------------|-----------------------------------|-------------------|--|-----------------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Contributed surplus HK\$'000 | Share options reserve HK\$'000 | Foreign currency translation reserve HK\$'000 | Capital reserve HK\$'000 | Accumulated losses HK\$'000 | | | |
| At 1 April 2012 (audited) | 13,844 | 178,418 | 20,566 | 66,859 | 7,957 | 687 | (135,706) | 152,625 | 104,479 | 257,104 |
| (Loss) / profit for the period | - | - | - | - | - | - | (3,304) | (3,304) | 227 | (3,077) |
| Other comprehensive income | - | - | - | - | 3,144 | - | - | 3,144 | 1,341 | 4,485 |
| Total comprehensive income | - | - | - | - | 3,144 | - | (3,304) | (160) | 1,568 | 1,408 |
| Share-based payments | - | - | - | 1,317 | - | - | - | 1,317 | - | 1,317 |
| At 30 September 2012 (unaudited) | 13,844 | 178,418 | 20,566 | 68,176 | 11,101 | 687 | (139,010) | 153,782 | 106,047 | 259,829 |
| At 1 April 2011 (audited) | 13,832 | 177,367 | 20,566 | 65,275 | 10,584 | 687 | (114,955) | 173,356 | 109,827 | 283,183 |
| Loss for the period | - | - | - | - | - | - | (10,950) | (10,950) | (1,957) | (12,907) |
| Other comprehensive income | - | - | - | - | (9,572) | - | - | (9,572) | (4,248) | (13,820) |
| Total comprehensive income | - | - | - | - | (9,572) | - | (10,950) | (20,522) | (6,205) | (26,727) |
| Share-based payments | - | - | - | 1,317 | - | - | - | 1,317 | - | 1,317 |
| Exercise of share options | 12 | 1,052 | - | (512) | - | - | - | 552 | - | 552 |
| Lapse of share options | - | - | - | (538) | - | - | 538 | - | - | - |
| At 30 September 2011 (unaudited) | 13,844 | 178,419 | 20,566 | 65,542 | 1,012 | 687 | (125,367) | 154,703 | 103,622 | 258,325 |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012**

| | For the six months ended 30 September | |
|--|--|--|
| | 2012 (unaudited) HK\$'000 | 2011 (unaudited) HK\$'000 |
| Net cash used in operating activities | (12,032) | (4,377) |
| Net cash used in investing activities | (581) | (1,714) |
| Net cash used in financing activities | (903) | (320) |
| Net decrease in cash and cash equivalents | (13,516) | (6,411) |
| Cash and cash equivalents at beginning of period | 62,460 | 75,996 |
| Effect of foreign exchange rate changes | 362 | (2,042) |
| Cash and cash equivalents at end of period | 49,306 | 67,543 |

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was 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 are 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. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The basis of preparation and the accounting policies adopted in these interim financial statements are consistent with those adopted by the Group in its annual financial statements for the year ended 31 March 2012, except as stated in note 3 below following the adoption of the new and revised Hong Kong Financial Reporting Standards in the current period.

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

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 April 2012.

Amendments to HKFRS 7 Disclosure – Transfer of Financial Assets

The adoption of the new and revised HKFRSs had no material effect on the results and financial position for the current or prior accounting period. Accordingly, no prior adjustment is required.

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:

| | |
|-----------------------------------|---|
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2009-2011 Cycle ² |
| Amendments to HKFRS 7 | Disclosures – Offsetting Financial Assets and Financial Liabilities ² |
| Amendments to HKFRS 7 and HKFRS 9 | Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴ |
| Amendments to HKAS 1 (Revised) | Presentation of Items of Other Comprehensive Income ¹ |
| Amendments to HKAS 32 | Presentation – Offsetting Financial Assets and Financial Liabilities ³ |
| HKFRS 9 | Financial Instruments ⁴ |
| HKFRS 10 | Consolidated Financial Statements ² |
| HKFRS 12 | Disclosure of Interests on Other Entities ² |
| HKFRS 13 | Fair Value Measurement ² |
| HKAS 27 (2011) | Separate Financial Statements ² |
| HKAS 28 (2011) | Investments in Associates and Joint Ventures ² |
| HK(IFRIC) – Interpretation 20 | Stripping Costs of the Production Phase of a Surface Mine ² |

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the potential impact of these new or revised HKFRSs in the period of their initial application.

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-maker for assessment of segment performance.

4. SEGMENT REPORTING (Continued)

(a) Reportable segments

| | Metal and minerals trading | | Ores processing and trading | | Total | |
|--|---------------------------------------|-------------|---------------------------------------|-------------|---------------------------------------|-------------|
| | For the six months ended 30 September | | For the six months ended 30 September | | For the six months ended 30 September | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue from external customers | 211,099 | 85,946 | - | - | 211,099 | 85,946 |
| Reportable segment (loss)/profit | (917) | (746) | 564 | (4,891) | (353) | (5,637) |
| Share of (loss) / profit of an associate | (41) | 154 | - | - | (41) | 154 |
| Interest income | - | 2 | 1 | - | 1 | 2 |
| Unallocated | | | | | - | 1 |
| Total interest income | | | | | 1 | 3 |
| Depreciation | - | - | 3,636 | 4,146 | 3,636 | 4,146 |
| Unallocated | | | | | 12 | 176 |
| Total depreciation | | | | | 3,648 | 4,322 |

Reconciliation of segment revenue and profit or loss

| | For the six months ended 30 September | |
|---|---------------------------------------|---------------------------------|
| | 2012 (unaudited) HK\$'000 | 2011 (unaudited) HK\$'000 |
| Revenue | | |
| Reportable segment revenue and consolidated revenue | 211,099 | 85,946 |
| Loss before income tax | | |
| Reportable segment loss | (353) | (5,637) |
| Unallocated other income and gains | 22 | 68 |
| Unallocated share-based payments | (1,317) | (1,317) |
| Unallocated other corporate expenses | (526) | (5,585) |
| Finance costs | (903) | (436) |
| Consolidated loss before income tax | (3,077) | (12,907) |

4. SEGMENT REPORTING (Continued)

(a) Reportable segments (continued)

| | Metal and minerals trading | | Ores processing and trading | | Total | |
|---------------------------------------|--|--|--|--|--|--|
| | As at | | As at | | As at | |
| | 30 September 2012 (unaudited) HK\$'000 | 31 March 2012 (audited) HK\$'000 | 30 September 2012 (unaudited) HK\$'000 | 31 March 2012 (audited) HK\$'000 | 30 September 2012 (unaudited) HK\$'000 | 31 March 2012 (audited) HK\$'000 |
| Reportable segment assets | 79,753 | 31,825 | 230,817 | 228,221 | 310,570 | 260,046 |
| Interests in associates | 659 | 700 | - | - | 659 | 700 |
| Additions to non-current assets | - | - | 2,156 | 7,774 | 2,156 | 7,774 |
| Unallocated | | | | | 1 | 34 |
| Total additions to non-current assets | | | | | 2,157 | 7,808 |
| Reportable segment liabilities | 50,177 | 57 | 2,888 | 4,429 | 53,065 | 4,486 |

Reconciliation of segment assets and liabilities

| | As at | |
|-----------------------------------|--|--|
| | 30 September 2012 (unaudited) HK\$'000 | 31 March 2012 (audited) HK\$'000 |
| Assets | | |
| Reportable segment assets | 310,570 | 260,046 |
| Unallocated corporate assets | 2,625 | 2,285 |
| Consolidated total assets | 313,195 | 262,331 |
| Liabilities | | |
| Reportable segment liabilities | 53,065 | 4,486 |
| Unallocated corporate liabilities | 300 | 741 |
| Consolidated total liabilities | 53,365 | 5,227 |

4. SEGMENT REPORTING (Continued)

(b) Geographic information

During the periods ended 30 September 2012 and 2011, the Group's business revenue 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 | |
|--------------------------|---|---|
| | As at | |
| | 30 September 2012 (unaudited) HK\$'000 | 31 March 2012 (audited) HK\$'000 |
| PRC, including Hong Kong | 67 | 281 |
| Chile | 192,198 | 190,178 |
| Asia Pacific | 659 | 700 |
| | 192,924 | 191,159 |

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:

| | For the six months ended | |
|-------------------------------|--|--|
| | 30 September | |
| | 2012 (unaudited) HK\$'000 | 2011 (unaudited) HK\$'000 |
| Turnover | | |
| Sale of metals and minerals | 211,099 | 85,946 |
| Other income and gains | | |
| Exchange gain | - | 507 |
| Interest income | 1 | 3 |
| Rendering of service (Note) | 8,717 | 506 |
| Rental income | 1,294 | 722 |
| Sundry income | 22 | 68 |
| | 10,034 | 1,806 |

Note: During the period under review, the Group rendered engineering services in Chile and recognised the related service fees as other revenue. The engineering services mainly represented drilling services provided to an independent third party.

6. FINANCE COSTS

| | For the six months ended 30 September | |
|--|--|---------------------------------|
| | 2012 (unaudited) HK\$'000 | 2011 (unaudited) HK\$'000 |
| Bank charges and trust receipt loan interest | 1,484 | 436 |
| Finance charges on obligations under finance leases | - | 17 |
| Total interest expenses | 1,484 | 453 |
| Less: amount capitalised in construction in progress | (581) | (17) |
| | 903 | 436 |

Borrowing costs capitalised during the period mainly arose on the general borrowing pool which are calculated by applying a capitalisation rate of 0.63% to expenditure on construction in progress. Borrowing costs capitalised in construction in progress last period were all related to finance charges on obligations under finance leases.

7. DIVIDEND

The directors do not recommend the payment or declaration of any interim dividend for the six months ended 30 September 2012 (30 September 2011: HK\$ Nil).

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

| | For the six months ended 30 September | |
|--|--|---------------------------------|
| | 2012 (unaudited) HK\$'000 | 2011 (unaudited) HK\$'000 |
| Depreciation of property, plant and equipment | 3,648 | 4,322 |
| Less: amount capitalised in construction in progress | (1,575) | (1,998) |
| | 2,073 | 2,324 |
| Staff costs (including directors' remuneration) | | |
| - Salaries and wages | 6,264 | 3,733 |
| - Other benefits | 527 | 449 |
| - Share-based payments | 1,317 | 1,317 |
| - Pension contributions | 77 | 73 |
| | 8,185 | 5,572 |

9. INCOME TAX

No Hong Kong profits tax has been provided as the Group incurred losses during the current and prior periods.

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.

There were no significant unprovided deferred tax liabilities as at 30 September 2012 (31 March 2012: HK\$Nil). No deferred tax asset in respect of the unused tax losses has been recognised due to the unpredictability of future profit streams.

10. LOSS PER SHARE

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

| | For the six months ended | |
|---|---------------------------------|-----------------------------|
| | 30 September | |
| | 2012 | 2011 |
| | (unaudited) | (unaudited) |
| | HK\$'000 | HK\$'000 |
| Loss for the period attributable to owners of the Company | <u>(3,304)</u> | <u>(10,950)</u> |
| | Number | Number |
| Weighted average number of ordinary shares in issue | <u>1,384,396,800</u> | <u>1,383,642,720</u> |

Diluted loss per share is same as basic loss per share as presented for the six months ended 30 September 2012 and 2011 as the potential ordinary shares in issue are anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2012, the Group acquired property, plant and equipment in an aggregate amount of approximately HK\$1,000 (30 September 2011: HK\$34,000). Depreciation for items of property, plant and equipment was approximately HK\$3,648,000 (30 September 2011: HK\$4,322,000) during the period. Exchange realignment arising on translation of the carrying amount of the property, plant and equipment amounted to HK\$347,000 (30 September 2011: HK\$1,452,000) during the period.

No disposal of property, plant and equipment occurred during the period.

12. CONSTRUCTION IN PROGRESS

During the six months ended 30 September 2012, expenditure recognised as construction in progress amounted to approximately HK\$2,156,000 (30 September 2011: HK\$3,698,000). Exchange realignment arising on translation of construction in progress amounted to HK\$2,282,000 (30 September 2011: HK\$6,107,000) during the period.

13. ACCOUNTS RECEIVABLE

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

| | As at | |
|----------------|---|---|
| | 30 September 2012 (unaudited) HK\$'000 | 31 March 2012 (audited) HK\$'000 |
| Within 1 month | <u>49,907</u> | <u>-</u> |

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

Accounts receivable aged within 1 month was neither past due nor impaired.

14. ACCOUNTS PAYABLE

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

| | As at | |
|----------------|---|---|
| | 30 September 2012 (unaudited) HK\$'000 | 31 March 2012 (audited) HK\$'000 |
| Within 1 month | <u>27,290</u> | <u>-</u> |

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

15. SHARE CAPITAL

| | 30 September 2012 | | As at | |
|----------------------------------|------------------------------------|-------------------------|---|-----------------------|
| | (unaudited) Number of shares | (unaudited) HK\$'000 | 31 March 2012 (audited) Number of shares | (audited) HK\$'000 |
| Authorised: | | | | |
| Ordinary shares of HK\$0.01 each | <u>50,000,000,000</u> | <u>500,000</u> | <u>50,000,000,000</u> | <u>500,000</u> |
| Issued and fully paid: | | | | |
| At beginning of the period | 1,384,396,800 | 13,844 | 1,383,196,800 | 13,832 |
| Exercise of share options (Note) | - | - | 1,200,000 | 12 |
| At end of the period | <u>1,384,396,800</u> | <u>13,844</u> | <u>1,384,396,800</u> | <u>13,844</u> |

Note :

(i) Exercise of share options

No share options were exercised during the period ended 30 September 2012. During the year ended 31 March 2012, options were exercised to subscribe for 1,200,000 ordinary shares in the Company at a total consideration of HK\$552,000 of which HK\$12,000 was credited to share capital and HK\$540,000 was credited to the share premium account. An amount of HK\$511,000 was transferred from the share options reserve to the share premium account following the exercise of the options.

16. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to an ordinary resolution passed on 5 January 2004 (the "Adoption Date"), 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 will remain in force for 10 years from the Adoption Date. The board of directors is empowered, at its discretion, to invite any full time employees of the Company or any of its subsidiaries or its associates, including any executive directors and non-executive directors of the Company or any of its subsidiaries or its associates, to take up options to subscribe for shares in the Company.

No option was granted, exercised or lapsed under the Scheme during the period under review.

16. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The details in the number of share options under the Scheme during the six months ended 30 September 2012 were as follows:

| Date of offer of grant | At 30 September 2012 and 1 April 2012 | Exercise price | Closing price at date of offer of grant | Exercise period | Vesting period |
|------------------------|---------------------------------------|----------------|---|--------------------------|--------------------------|
| 11/07/2007 | 43,500,000 | HK\$0.86 | HK\$0.86 | 11/07/2007 to 10/07/2017 | N/A |
| 18/09/2007 | 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 | <u>65,900,000</u> | HK\$0.46 | HK\$0.45 | 16/12/2009 to 15/12/2019 | N/A |
| | <u>114,400,000</u> | | | | |

The details in the number of share options under the Scheme during the six months ended 30 September 2011 were as follows:

| Date of offer of grant | At 1 April 2011 | Exercised during the period | Lapsed during the period | At 30 September 2011 | Exercise price | Closing price at date of offer of grant | Exercise period | Vesting period |
|------------------------|--------------------|-----------------------------|--------------------------|----------------------|----------------|---|--------------------------|--------------------------|
| 11/07/2007 | 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 | HK\$2.95 | HK\$2.90 | 01/04/2008 to 17/09/2017 | 01/04/2008 to 31/03/2013 |
| 16/12/2009 | <u>67,600,000</u> | <u>(1,200,000)</u> | <u>(500,000)</u> | <u>65,900,000</u> | HK\$0.46 | HK\$0.45 | 16/12/2009 to 15/12/2019 | N/A |
| | <u>116,600,000</u> | <u>(1,200,000)</u> | <u>(1,000,000)</u> | <u>114,400,000</u> | | | | |

The weighted average remaining contractual life of options outstanding at the end of the period was 6.2 years (30 September 2011: 7.2 years).

Of the total number of options outstanding at the end of the period, 113,900,000 (30 September 2011: 112,900,000) were exercisable at the end of the period.

In respect of the share options exercised during the period ended 30 September 2011, the weighted average share price at the date of exercise was HK\$1.04.

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.

The Group recognised an equity-settled share-based payment expense of approximately HK\$1,317,000 (30 September 2011: HK\$1,317,000) during the period.

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 periods ended 30 September 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.

- (b) The remuneration of key management during the period and comprised directors’ remuneration only was as follows:

| | For the six months ended | |
|-----------------------|---------------------------------|--------------------|
| | 30 September | |
| | 2012 | 2011 |
| | (unaudited) | (unaudited) |
| | HK\$’000 | HK\$’000 |
| Short-term benefits | 1,178 | 828 |
| Pension contributions | 12 | 12 |
| | <u>1,190</u> | <u>840</u> |

18. BANKING FACILITIES

The bank facilities, which was secured by a corporate guarantee from the Company to the extent of US\$12,000,000, equivalent to approximately HK\$93,600,000, expired as at 31 March 2012. The Company is awaiting a formal notice from the bank of the release of the deed of charge pertaining to the said corporate guarantee.

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 made available to the Group. No facilities were utilised by the Group at the end of the reporting period.

19. CAPITAL COMMITMENTS

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

| | As at | |
|---|---------------------|-----------|
| | 30 September | 31 March |
| | 2012 | 2012 |
| | (unaudited) | (audited) |
| | 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 | 3,817 | 3,811 |
| | 16,773 | 16,767 |

20. 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 a 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.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the six months ended 30 September 2012, the Group had recorded a turnover of approximately HK\$211.1 million (30 September 2011: HK\$85.9 million). The increase in turnover was mainly due to the increase in sales volume of nickel ores during the period. Gross profit margin improved from 10.7% in 2011 interim period to 15.9% in 2012 interim period. The improvement in gross profit margin is mainly due to the increase in selling prices of the products traded during the period. As a result, the gross profit had increased to approximately HK\$33.6 million for the period under review (30 September 2011: HK\$9.2 million).

The Group recorded a loss of approximately HK\$3.1 million for the period as compared to a loss of HK\$12.9 million for the last period. Such a decrease in loss was mainly due to the increase in gross profit as discussed above and the increase in other income and gains to approximately HK\$10.0 million (30 September 2011: HK\$1.8 million). Other income and gains mainly derived from rendering engineering services in Chile amounting HK\$8.7 million (30 September 2011: HK\$0.5 million).

The increase in selling and distribution costs as well as the increase in administrative costs to approximately HK\$22.8 million (30 September 2011: HK\$ 6.7 million) and HK\$22.9 million (30 September 2011: HK\$16.9 million) respectively were resulted from the increase in trading volume and selling price of the products traded.

The loss attributable to the owners of the Company was HK\$3.3 million (30 September 2011: HK\$10.9 million). Basic and diluted loss per share for the period was HK\$0.0024 per share (30 September 2011: HK\$0.0079 per share).

INTERIM DIVIDEND

The Directors of the Company do not recommend the payment or declaration of any interim dividend for the six months ended 30 September 2012 (30 September 2011: HK\$Nil).

BUSINESS REVIEW

Metals and minerals trading

During the period under review, 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 the 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 last annual report, 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 the third time 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, but in a rather slower pace, the expenditure program cautiously in the Chilean projects for the construction in progress.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations by internal resources. As at 30 September 2012, the net assets value of the Group amounted to approximately HK\$259.8 million (31 March 2012: HK\$257.1 million).

As at 30 September 2012, the gearing ratio of the Group was nil (31 March 2012: nil) and the equity attributable to the owners of the Company was HK\$153.8 million (31 March 2012: 152.6 million).

As at 30 September 2012, the Group had cash and bank balances of approximately HK\$49.3 million (31 March 2012: HK\$62.4 million), no bank deposit (31 March 2012: 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

It is expected that the European sovereign debt crisis will remain unsettled and the global economy growth will remain unstable during the second half of the financial year. Nevertheless, the economy in the PRC is still expected to grow gradually within the expected track. 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 mentioned in previous annual report, 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 urbanisation 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. Completion of the acquisition has not taken place as at the date of this announcement.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

At 30 September 2012, there were no charges on the Group's assets and the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2012, the Group employed 37 (31 March 2012: 37) 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.

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), which was adopted by an ordinary resolution of the shareholders at the special general meeting of the Company on 5 January 2004, constitutes a share option scheme governed by Chapter 17 of the Listing Rules.

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 any of its subsidiaries or associates, to take up options to subscribe for shares in the Company. Details of the Scheme are set out in note 16 to the condensed consolidated financial statements.

No option was granted during the period under review.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Movements of the outstanding share options to the directors as at 30 September 2012 were as follows:

| Name of Director | Date of grant | Exercise Price (HK\$) | Number of share options | | |
|-----------------------------|------------------|-----------------------|-------------------------|-----------|----------------------|
| | | | At 1 April 2012 | Exercised | At 30 September 2012 |
| Mr. Cheung Ngan | 16 December 2009 | 0.46 | 1,200,000 | - | 1,200,000 |
| Mr. Chan Chung Chun, Arnold | 16 December 2009 | 0.46 | 12,000,000 | - | 12,000,000 |
| Mr. Li Shaofeng | 16 December 2009 | 0.46 | 12,000,000 | - | 12,000,000 |
| Mr. Chan Francis Ping Kuen | 16 December 2009 | 0.46 | 1,200,000 | - | 1,200,000 |
| Mr. Hu Guang | 16 December 2009 | 0.46 | 1,200,000 | - | 1,200,000 |

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse, or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2012, the interests and short positions of the directors in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

| Name of Director | Capacity/ Nature of interest | Number of shares or underlying shares | | Approximate percentage of shareholding in the Company/ associated company |
|--------------------------------|---|--|-------------------|---|
| | | Long position | Short position | |
| Mr. Cheung Ngan | Beneficial owner & interest of controlled corporation | 3,112,432,469 (Note 1) | - | 224.82% |
| | Interest of controlled corporation | 1,000 (Note 2) | - | 20% |
| Mr. Chan Chung Chun, Arnold | Beneficial owner & interest of controlled corporation | 2,812,000,000 (Note 3) | - | 203.12% |
| | Interest of controlled corporation | 1,000 (Note 4) | - | 20% |
| Mr. Li Shaofeng | Beneficial owner | 12,000,000 (Note 5) | - | 0.87% |
| Mr. Chan Francis Ping Kuen | Beneficial owner | 1,200,000 (Note 5) | - | 0.087% |
| Mr. Hu Guang | Beneficial owner | 1,200,000 (Note 5) | - | 0.087% |

Note:

- 1) The 3,112,432,469 shares include:
 - a. the underlying shares of 1,200,000 from the share options granted, details of which are set out in the section headed "directors' rights to acquire shares" above;
 - b. the underlying shares of 2,800,000,000 from the consideration shares of 84,000,000 and convertible notes of 2,716,000,000 which were agreed to be issued to Sino PowerHouse Corporation, which was beneficially owned as to 51% by Mr. Cheung Ngan and as to 49% by Mr. Chan Chung Chun, Arnold, upon completion of acquisition of 100 shares of a target company, South China Mining Investments Limited, save as disclosed in note 20 to the condensed consolidated financial statements.
- 2) The 1,000 shares represent the indirect interest in Tong Guan La Plata Company Limited ("TGLP"), which is 60% indirectly held by the Company and hence is an associated corporation. The 20% beneficial interest in TGLP is held by Catania Copper (Chile) Limited. Catania Copper (Chile) Limited is 40% held by Great Base Holdings Limited and 60% held by Catania Mining Limited. Catania Mining Limited is 55% held by CM Universal Corporation. Mr. Cheung Ngan held 50% interest in Great Base Holdings Limited and 51% interest in CM Universal Corporation.

- 3) The 2,812,000,000 shares include the underlying shares of 12,000,000 from the share options granted, details of which are set out in the section headed “directors’ rights to acquire shares” above and the underlying shares of 2,800,000,000 as set out in note 1b of this section.
- 4) The 1,000 shares represent the indirect interest in TGLP, which is 60% indirectly held by the Company and hence is an associated corporation. The 20% beneficial interest in TGLP is held by Catania Copper (Chile) Limited. Catania Copper (Chile) Limited is 40% held by Great Base Holdings Limited and 60% held by Catania Mining Limited. Catania Mining Limited is 55% held by CM Universal Corporation. Mr. Chan Chung Chun, Arnold held 50% interest in Great Base Holdings Limited and 49% interest in CM Universal Corporation.
- 5) Being options to acquire ordinary shares of the Company, and further details of which are set out in the section headed “directors’ rights to acquire shares” above.

Save as disclosed above, as at 30 September 2012, none of the directors of the Company have interest or short positions in the shares and underlying shares or other securities of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

DIRECTORS’ INTERESTS IN CONTRACTS

Save as disclosed in note 17 to the condensed consolidated financial statements, no director, whether directly or indirectly, had a material beneficial interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the period under review.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2012, the following shareholders had registered an interest or short position in the shares or underlying shares of 5% or more of the issued share capital of the Company in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

| Name of substantial shareholder | Capacity/ Nature of interest | Number of shares or underlying shares | | Approximate percentage of shareholding in the Company |
|--|---|--|---------------------------|--|
| | | Long position | Short position | |
| Mr. Cheung Ngan | Beneficial owner & interest of controlled corporation | 3,112,432,469 (Note 1) | - | 224.82% |
| Mr. Chan Chung Chun, Arnold | Beneficial owner & interest of controlled corporation | 2,812,000,000 (Note 2) | - | 203.12% |
| Sino PowerHouse Corporation | Beneficial owner | 2,800,000,000 (Note 3) | - | 202.25% |
| Mr. Zhou Bo | Beneficial owner | 1,000,000,000 (Note 4) | - | 72.23% |
| Mr. Luan Zhong Jie | Beneficial owner | 200,000,000 (Note 5) | - | 14.44% |

Note:

- 1) The 3,112,432,469 shares include:
 - a. the underlying shares of 1,200,000 from the share options granted, details of which are set out in the section headed “directors’ rights to acquire shares” above;
 - b. the underlying shares of 2,800,000,000 from the consideration shares of 84,000,000 and convertible notes of 2,716,000,000 which were agreed to be issued to Sino PowerHouse Corporation, which was beneficially owned as to 51% by Mr. Cheung Ngan and as to 49% by Mr. Chan Chung Chun, Arnold, upon completion of acquisition of 100 shares of a target company, South China Mining Investments Limited, save as disclosed in note 20 to the condensed consolidated financial statements.
- 2) The 2,812,000,000 shares include the underlying shares of 12,000,000 from the share options granted, details of which are set out in the section headed “directors’ rights to acquire shares” above and the underlying shares of 2,800,000,000 as set out in note 1b of this section.
- 3) The underlying shares of 2,800,000,000 from the consideration shares of 84,000,000 and convertible notes of 2,716,000,000 which were agreed to be issued to Sino PowerHouse Corporation upon completion of acquisition of 100 shares of a target company, South China Mining Investments Limited, save as disclosed in note 20 to the condensed consolidated financial statements.
- 4) The underlying shares of 1,000,000,000 from the consideration shares of 30,000,000 and convertible notes of 970,000,000 which were agreed to be issued to Mr. Zhou Bo upon completion of acquisition of 100 shares of a target company, South China Mining Investments Limited, save as disclosed in note 20 to the condensed consolidated financial statements.
- 5) The underlying shares of 200,000,000 from the consideration shares of 6,000,000 and convertible notes of 194,000,000 which were agreed to be issued to Mr. Luan Zhong Jie upon completion of acquisition of 100 shares of a target company, South China Mining Investments Limited, save as disclosed in note 20 to the condensed consolidated financial statements.

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 six months ended 30 September 2012.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) (together 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 during the six months ended 30 September 2012 except the following:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

The roles of chairman and chief executive officer of the Company have been performed by Mr. Cheung Ngan. The Board considers that the non-segregation does not result in considerable concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently. The Board will review the effectiveness of this arrangement from time to time and will consider appointing an individual as the chief executive officer when it thinks appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “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 period under review.

AUDIT COMMITTEE

The audit committee, which comprises three independent non-executive directors of the Company, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters of the Group. The Committee and the external auditor had reviewed the unaudited interim financial statements for the six months ended 30 September 2012.

On behalf of the Board
Sinocop Resources (Holdings) Limited
Cheung Ngan
Chairman

Hong Kong, 26 November 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.