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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)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

THE PLACING

On 4 March, 2014 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agents, on a best effort basis, a maximum of 450,000,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons at a Placing price range from HK\$0.73 to – HK\$0.83 per Placing Share. A Specific Mandate to issue the Placing Shares will be sought from the Shareholders at the SGM. The final Placing Price is to be determined between the Company and the Placing Agents on the Price Determination Date by the execution of the Price Determination Agreement in the manner set out in the Placing Agreement.

The Placing Price range, from HK\$0.73 to HK\$0.83 per Placing Share represents (i) a discount of approximately 1.19% to 13.10% respectively to the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 1.43% to 13.30% respectively to the average closing price of approximately HK\$0.842 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The maximum number of 450,000,000 Placing Shares represents (i) approximately 21.32% of the existing issued share capital of the Company of 2,110,246,800 Shares as at the date of this announcement; and (ii) approximately 17.58% of the issued share capital of the Company of 2,560,246,800 Shares as enlarged by the Placing (assuming no issue or repurchase of shares other than the Placing Shares). The aggregate nominal value of the Placing Shares under the Placing will be HK\$4,500,000.

The gross proceeds from the Placing are expected to be ranged from HK\$328.50 million to HK\$373.50 million and the net proceeds from the Placing (after deducting the commission payable to the Placing Agents and other expenses incurred in the Placing) are expected to range from HK\$318.40 million to HK\$362.06 million. The Company intends to use the net proceeds from the Placing for the capital investment in a target company as disclosed in the circular of the Company dated 11 October 2013, development of electronic bus as disclosed in the announcement of the Company dated 24 February 2014, future potential investments of the Group and general working capital of the Group. The net

proceeds raised per Share upon completion of the Placing will be ranged from HK\$0.71 to HK\$0.80 per Share.

The Placing Shares to be placed under the Placing Agreement will be issued pursuant to the Specific Mandate to allot, issue and deal with the Placing Shares to be approved and granted to the Directors by the Shareholders at the SGM.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL

The Placing will be subject to Shareholders' approval. The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Placing Agreement and the transactions contemplated thereunder and the Specific Mandate to allot and issue the Placing Shares. To the best knowledge of the Directors, no Shareholder is required to abstain from voting at the SGM in respect of the resolution(s) relating to the Placing and the Specific Mandate.

A circular containing, among other things, (i) further details of the Placing; and (ii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

THE PLACING AGREEMENT

Date

4 March 2014 (after trading hours)

Issuer

The Company

Placing Agents

- (a) China Galaxy International Securities (Hong Kong) Co., Limited; and
- (b) Kingsway Financial Services Group Limited.

Placing Agents

China Galaxy and Kingsway have conditionally agreed to place up to 250,000,000 Placing Shares and 200,000,000 Placing Shares respectively, on a best effort basis, to the Placees. Each of the Placing Agents will receive a placing commission of 3% of the amount equal to the Placing Price multiplied by such amount of the Placing Shares actually placed by such Placing Agent. Such placing commission was arrived at after arm's length negotiations between the Company and each of the Placing Agents under normal commercial terms and with reference to the prevailing market rate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placing Agents is a third party independent of and is not connected with the Company and its connected persons.

Placees

The Placing Agents will place, on a best effort basis, the Placing Shares to not less than six Placees, who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after completion of the Placing. If any of the Placees becomes a new substantial shareholder of the Company after the completion of the Placing, further announcement will be made by the Company.

Number of Placing Shares

The maximum number of 450,000,000 Placing Shares represents (i) approximately 21.32% of the existing issued share capital of the Company of 2,110,246,800 Shares as at the date of this announcement; and (ii) approximately 17.58% of the issued share capital of the Company of 2,560,246,800 Shares as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$4,500,000.

Ranking of Placing Shares

The Placing Shares will rank pari passu in all respects among themselves and with Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The maximum Placing Price of HK\$0.83 per Placing Share represents:

- (i) a discount of approximately 1.19% to the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 1.43% to the average closing price of approximately HK\$0.842 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares prior to the date of the Placing Agreement.

The minimum Placing Price of HK\$0.73 per Placing Share represents:

- (iii) a discount of approximately 13.10% to the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on the date of the Placing Agreement and
- (iv) a discount of approximately 13.30% to the average closing price of approximately HK\$0.842 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares prior to the date of the Placing Agreement.

The range of the Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agents. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

The Placing Price will be determined by Price Determination Agreement on the Price Determination Date.

Mandate to issue the Placing Shares

The Placing Shares will be issued under the Specific Mandate granted to the Directors by the Shareholders at the SGM.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (i) the listing of and permission to deal in the Placing Shares in accordance with the terms of the Placing Agreement being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked) and, where such approval is subject to conditions, such conditions are reasonably acceptable to the Company and the Placing Agents;
- (ii) the grant of approval by the Shareholders on the Placing Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Placing Shares) at the SGM;
- (iii) the Price Determination Agreement having been duly executed by the Company and Placing Agents and becoming effective on the Price Determination Date;
- (iv) all requisite consents or approvals (if necessary) from competent authorities for the Placing having been obtained by the Company ; and
- (v) the transactions contemplated by the Placing Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgment or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority) in Hong Kong or other jurisdiction which is applicable to the Company or the Placing Agents.

If any of the conditions precedents under the Placing Agreement is not fulfilled within fourteen (14) Business Days after the SGM (or such later date as may be agreed by the Placing Agents and the Company in writing), all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties hereto shall have any claim against any other in respect of the Placing (save for any antecedent breaches thereof).

Completion of the Placing

Completion of the Placing will take place on a date falling within 7 Business Days after fulfillment of the conditions precedent set out in the Placing Agreement (or such other date as the Company and the Placing Agents may agree in writing).

Termination of the Placing

The Placing Agreement may be terminated prior to completion of the Placing, if, in the reasonable opinion of the Placing Agents, the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (i) any material breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties set out in the Placing Agreement; or

- (ii) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 Trading Days (other than in connection with the Placing or major transactions (in respect of acquisitions) or very substantial acquisitions of the Company, which are defined in the Listing Rules)); or
- (iii) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (iv) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions in any part of the world; or
- (v) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange or occurring due to exceptional financial circumstances or otherwise; or
- (vi) a change or development involving a prospective change in taxation in Hong Kong, Bermuda or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (vii) any change or deterioration in the conditions of local, national or international securities markets.

Upon termination of the Placing Agreement pursuant to the above paragraphs, all obligations of the parties thereto thereunder shall cease and determine and no party thereto shall have any claim against any other parties in respect of any matter arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement and the liability of the Company to pay to the Placing Agents all reasonable costs, charges and expenses in accordance with the Placing Agreement.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

POTENTIAL INVESTOR

The Company has entered into a non-legally binding arrangement with a potential investor, 北京汽車城投資管理有限公司, for which 北京汽車城投資管理有限公司 has interest in subscribing new shares of the Company. The arrangement on the subscription will be further determined subject to the applicable rules and regulations.

REASON FOR THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company consist of investment holding, trading of metals and mineral and processing of raw ores. The Directors have considered various ways of raising funds and consider that the Placing represents an attractive opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Placing Agreement is in the interest of the Company and the Shareholders as a whole.

As disclosed in the circular of the Company dated 11 October 2013, the Company entered into an acquisition agreement to acquire a target company which is the beneficiary of a glauberite mine located in Guangxi, the PRC. In addition, a 75% owned subsidiary of the Company receiving an official confirmation from Hong Kong Productivity Council ("HKPC") in respect of the acceptance of its tender for the design, supply and fabrication of Permanent Magnet Synchronized Motor ("PMSM") System and Power Battery System for electric buses by HKPC, which has been disclosed in the announcement of the Company dated 24 February 2014. The project relating to PMSM System and Power Battery System is commenced in February 2014 and it is expected to be completed in 10 months' time. The gross proceeds from the Placing are expected to be from HK\$328.50 million to approximately HK\$373.50 million. The net proceeds from the Placing (after deducting the commission payable to the Placing Agents and other expenses incurred in the Placing) are expected to be from HK\$318.40 million to approximately HK\$362.06 million. The Company intends to use the net proceeds from the Placing for the above investment, the future potential investments of the Group, if any, and working capital of the Group. The net proceeds raised per Share upon completion of the Placing will be ranged from approximately HK\$0.71 per Share to approximately HK\$0.80 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activities in the past twelve months from the date of this announcement:

Date of announcement	Fund raising activities	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
29 March 2012, 14 February 2014 and 24 February 2014	Share placing of 333,300,000 Shares, on a fully underwritten basis, under specific mandate, at the placing price of HK\$0.6 per placing share.	Approximately HK\$193,600,000	For financing the operations of the Target Group under the Acquisition, as respectively defined in the circular of the Company dated 11 October 2013	Not yet utilised
29 January 2014	Share placing of 89,000,000 Shares on a best effort basis, under general mandate, at the placing price of	Approximately HK\$51,600,000	For the general working capital purpose and future potential investments of the Group	Not yet utilised

HK\$0.6 per placing
share

26 November 2013 and 23 December 2013	Share placing of 51,050,000 Shares, on a best effort basis, under the general mandate, at the placing price of HK\$0.6 per placing share	Approximately HK\$29,600,000	For general working capital purpose and future potential investments of the Group	Not yet utilised
5 November 2013 and 15 November 2013	Share placing of 132,000,000 Shares, on a fully underwritten basis, under the general mandate, at the placing price of HK\$0.6 per placing share	Approximately HK\$76,700,000	For general working capital purpose and future potential investments of the Group	Used as intended

Save as disclosed above, the Company has not conducted any capital raising activities for the 12 months immediately before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The expected changes in the share capital and shareholding structure of the Company resulting from the Placing are as follows:

Shareholders	Existing shareholding as at the date of this announcement		Shareholding immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Cheung Ngan (Note 1)	311,232,469	14.75	311,232,469	12.16
Sino PowerHouse Corporation (Note 2)	84,000,000	3.98	84,000,000	3.28
Placees	--	--	450,000,000	17.58
Other public Shareholders	1,715,014,331	81.27	1,715,014,331	66.98
Total	2,110,246,800	100.00	2,560,246,800	100.00

Note:

1. Mr. Cheung Ngan is the chairman and executive director of the Company.
2. The 84,000,000 shares represent beneficial interest of Sino PowerHouse Corporation, which is owned as to 51% by Mr. Cheung Ngan and as to 49% by Mr. Chan Chung Chun, Arnold. Mr. Chan Chung Chun, Arnold is an executive director of the Company.

GENERAL

The Placing will be subject to Shareholders' approval. The SGM will be convened and held for the purposes of considering of, if thought fit, among other things, approving the Placing Agreement and the transactions contemplated thereto and the Specific Mandate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders had a material interest in the transactions contemplated under the Placing Agreement as at the date of this announcement. Accordingly, none of the Shareholders will be required to abstain from voting at the SGM in respect of the resolution(s) relating to the Placing and the Specific Mandate.

A circular containing, among other things, further details of the Placing and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors should note that the Placing is subject to conditions precedents under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for business in Hong Kong
“China Galaxy”	China Galaxy International Securities (Hong Kong) Co., Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Company”	Sinocop Resources (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Kingsway”	Kingsway Financial Services Group Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares, on a best effort basis, pursuant to the terms and conditions of the Placing Agreement
“Placing Agents”	China Galaxy and Kingsway, and each a “Placing Agent”
“Placing Agreement”	the conditional placing agreement dated 4 March 2014 entered into between the Company and the Placing Agents in relation to the Placing
“Placing Price”	HK\$0.73 to HK\$0.83 per Placing Share. The final placing price per Placing Share shall be determined between the Company and the Placing Agents by the execution of the Price Determination Agreement on the Price Determination Date
“Placing Share(s)”	a maximum of 450,000,000 new Shares to be issued pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“Price Determination Agreement”	the agreement to be entered into between the Company and the Placing Agents on or before the Price Determination Date to fix and record the Placing Price
“Price Determination Date”	the date, expect to be not later than 14 Business Days after the SGM or such later date as the Company and the Placing Agents may mutually agree, on which the Placing Price is expected to be fixed for the purpose of the Placing
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened for the purpose of considering and approving the Placing Agreement and the transactions contemplated hereunder by the Shareholders
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Specific Mandate”	the special mandate to be granted by the Shareholders to the Board at the SGM for the issuance and allotment of up to a maximum number of 450,000,000 new Placing Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board

Sinocop Resources (Holdings) Limited
Cheung Ngan
Chairman

Hong Kong, 4 March 2014

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.