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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 GENERAL MANDATE**

#### **THE PLACING**

On 21 October 2010 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 110,000,000 Placing Shares to not fewer 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 price of HK\$0.40 per Placing Share.

The Placing Price of HK\$0.40 represents a discount of approximately 10.11% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.445 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price per Share of HK\$0.408 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The maximum number of 110,000,000 Placing Shares represents (i) approximately 8.74% of the existing issued share capital of the Company of 1,258,296,800 Shares as at the date of this announcement; and (ii) approximately 8.04% of the issued share capital of the Company of 1,368,296,800 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$1,100,000.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be HK\$44 million and approximately HK\$42.5 million respectively. The Company intends to use the net proceeds from the Placing for the general working capital purpose and future potential investments. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.386 per Share.

The Placing Shares to be placed under the Placing Agreement will be issued pursuant to the General Mandate to allot, issue and deal with Shares granted to the Directors at the AGM.

## **THE PLACING AGREEMENT**

### **Date**

21 October 2010 (after trading hours)

### **Parties**

- (a) the Company; and
- (b) the Placing Agent.

### **Placing Agent**

The Placing Agent has conditionally agreed to place up to 110,000,000 Placing Shares, on a best effort basis, to the Placees and will receive a placing commission of 3% on the gross proceeds of the number of Placing Shares being placed. The Directors are of the view that the placing commission of 3%, which was arrived at after arm's length negotiations under normal commercial terms, is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons.

### **Placees**

The Placing Agent will place, on a best effort basis, the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and will not be connected with the Company and its connected persons.

### **Number of Placing Shares**

The maximum number of 110,000,000 Placing Shares represents (i) approximately 8.74% of the existing issued share capital of the Company of 1,258,296,800 Shares as at the date of this announcement; and (ii) approximately 8.04% of the issued share capital of the Company of 1,368,296,800 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$1,100,000.

### **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 Placing Price of HK\$0.40 represents a discount of approximately 10.11% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.445 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price per Share of HK\$0.408 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

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

### **The Placing Shares**

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by the Shareholders at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 251,659,360 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

### **Conditions of the Placing Agreement**

Completion of the Placing Agreement is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

### **Completion of the Placing**

Completion of the Placing will take place on the 4<sup>th</sup> Business Day after fulfillment of the conditions set out in the Placing Agreement but not later than 11 November 2010 (or such other date as the Company and the Placing Agent may agree in writing).

### **REASON FOR THE PLACING AND USE OF PROCEEDS**

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.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be HK\$44 million and approximately HK\$42.5 million respectively. The Company intends to use the net proceeds from the Placing for the general working capital purpose and future potential investments. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.386 per Share.

### **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

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	
	Shares	Approximate %	Shares	Approximate %
Mr. Cheung Ngan ( <i>Note 1</i> )	311,232,469	24.74	311,232,469	22.75
Plus All Holdings Limited ( <i>Note 2</i> )	125,000,000	9.93	125,000,000	9.13
	<hr/> 436,232,469	<hr/> 34.67	<hr/> 436,232,469	<hr/> 31.88
<b>Public Shareholders</b>				
Places	--	--	110,000,000	8.04
Other public Shareholders	822,064,331	65.33	822,064,331	60.08
Total	<hr/> 1,258,296,800	<hr/> 100.00	<hr/> 1,368,296,800	<hr/> 100.00

*Notes:*

1. Mr. Cheung Ngan is the chairman and executive director of the Company.
2. The 125,000,000 shares represent beneficial interest of Plus All Holdings Limited. Plus All Holdings Limited is owned by Shougang Holding (Hong Kong) Limited. Accordingly, Shougang Holding (Hong Kong) Limited is deemed to be interested in the shares in which Plus All Holdings Limited is interested by virtue of the SFO.

## GENERAL

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.

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.

## DEFINITIONS

“AGM”	the annual general meeting of the Company held on 23 August 2010
“Board”	the board of Directors
“Business Day”	a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“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
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of up to 110,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Yicko Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement dated 21 October 2010 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.40 per Placing Share
“Placing Share(s)”	Up to 110,000,000 new Shares to be issued pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“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
“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, 21 October 2010

*As at the date of this announcement, the Board comprises two executive Directors, namely Messrs. Cheung Ngan and Chan Chung Chun, Arnold, one non-executive Director, namely Mr. Li Shaofeng and three independent non-executive Directors, namely Messrs. Chan Francis Ping Kuen, Hu Guang and Chan Chak Paul.*