

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **VOLUNTARY ANNOUNCEMENT ACQUISITION OF 51% INTEREST IN TARGET GROUP**

On 5 March 2014, the Subscriber (a wholly-owned subsidiary of the Company), the Target Company and the Guarantor entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue, an aggregate of 510 Subscription Shares at an aggregate Subscription Price of HK\$20,000,000. The Subscription Shares will represent 51% of the issued share capital of the Target Company (as enlarged by the allotment and issue of the Subscription Shares) upon Completion.

### **IMPLICATIONS UNDER THE LISTING RULES**

The Subscription contemplated under the Subscription Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

### **THE SUBSCRIPTION**

The Board is pleased to announce that on 5 March 2014, the Subscriber (a wholly-owned subsidiary of the Company), the Target Company and the Guarantor entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue, an aggregate of 510 Subscription Shares at an aggregate Subscription Price of HK\$20,000,000.

Principal terms of the Subscription Agreement are set out below.

## **The Subscription Agreement**

### ***Date:***

5 March 2014

### ***Parties***

Subscriber: CE Investment Limited, an indirectly wholly-owned subsidiary of the Company.

### Target

Company: Dynamic Union International Limited, a company incorporated in BVI with limited liability and is an investment holding company.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the Target Company and its ultimate beneficial owner, being the Guarantor, are third parties independent of the Company and its connected persons.

Guarantor: Mr. Yung Ka Wo, who is the sole shareholder and director of the Target Company as at the date of the Subscription Agreement.

### ***Subscription Shares***

The Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue to the Subscriber, an aggregate of 510 Subscription Shares.

The Subscription Shares will represent 51% of the issued share capital of Target Company upon Completion (as enlarged by the allotment and issue of the Subscription Shares assuming no new shares are issued by the Target Company prior to Completion). The Target Company will become a non-wholly owned subsidiary of the Group upon Completion.

### ***Subscription Price***

The aggregate Subscription Price payable by the Subscriber for the Subscription Share is HK\$20,000,000, payable by the Subscriber in cash on Completion.

The aggregate Subscription Price will be financed by the Group's internal resources.

The Subscription Price was determined after arm's length negotiations between the parties to the Subscription Agreement on normal commercial terms principally with reference to the business potential of the Target Group, taking into account the R&D Project to be carried out by Green Dynamic EV.

***Conditions Precedent***

Completion is conditional upon the satisfaction of all the following conditions precedent:

- (a) (if applicable) all necessary consents and approvals by relevant government bodies and/or competent authorities and/or third parties required to be obtained on the part of the Subscriber and the Target Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;
- (b) the Target Company having completed the acquisition of entire issued share capital of Green Dynamic EV;
- (c) the entering into of an agreement between Shenzhen Hui Yuan, being the supplier of automotive components of the Permanent Magnet Synchronized Motor ("PMSM") System for electric vehicles and the independent third party of the Company, and Green Dynamic EV in relation to the unconditional transfer of intellectual property rights of PMSM System to Green Dynamic EV;
- (d) the obtaining of confirmation by HKPC that the share transfer of Green Dynamic EV will not contravene any provision of the co-application of the R&D Project;
- (e) no material adverse change having occurred to the business, operation, financial position and prospect of the Target Company from the date of signing of the Subscription Agreement; and
- (f) the Subscriber having completed and being satisfied with the results of its due diligence review on the Target Group.

The Subscriber has absolute discretion to waive above conditions (save for (a), (b) and (c)). The above conditions precedent are required to be fulfilled or waived (as the case may be) on or before the Long Stop Date. Prior to the date of the Subscription Agreement, the Target Company has completed the acquisition of entire issued share capital of Green Dynamic EV.

The Guarantor undertakes to the Subscriber that, among others, to guarantee the performance and

observance by the Target Company of all of its obligations and undertakings under the Subscription Agreement.

### ***Completion***

Completion shall take place within ten Business Days after the date on which the last of the conditions precedent above to be satisfied shall have been so satisfied or waived (as the case may be) or such other date as the relevant parties to the Subscription Agreement may agree in writing, but in any event shall not be later than the Long Stop Date unless otherwise agreed by the relevant parties.

## **INFORMATION OF THE TARGET GROUP**

### **Background information on the Target Group**

The Target Company is a company incorporated in BVI with limited liability on 3 January 2014. The Target Company is principally engaged in investment holding and as at the date of the Subscription Agreement, the Target Company holds 100% interest in Green Dynamic EV. Other than the holding of the entire issued share capital of Green Dynamic EV, the Target Company does not have any other material asset.

Green Dynamic EV is a company incorporated in Hong Kong with limited liability. The proposed principal activity of Green Dynamic EV is to engage in the product development in energy saving and environmental protection industries. As advised by the Target Company, Green Dynamic EV possesses a management team with solid experience and extensive network in the development of electric motor system. Green Dynamic EV has not carried out any business since its incorporation save for the proposal to participate in the R&D Project, which aims to develop pure electric buses through the collaboration with HKPC for local and domestic market.

### **Financial information on the Target Group**

The Target Group has not carried out any business and did not record any turnover for the year ended 31 December 2013. No audited financial statement of Green Dynamic EV has been prepared since its incorporation on 9 May 2013. For the year ended 31 December 2013, Green Dynamic EV recorded unaudited loss (both before and after taxation) of HK\$15,770. As at 31 December 2013, the unaudited net liabilities of Green Dynamic EV amounted to HK\$15,769.

Immediately after Completion, the Company will own 51% equity interests in the Target Group and

the financial results of the Target Group will be consolidated into the results of the Group.

## **INFORMATION ON THE GROUP**

The principal activities of the Group consist of investment holding, trading of metals and mineral and processing of raw ores.

Pursuant to the Company's voluntary announcement on 24 February 2014, Sinocop New Energy Technology Company Limited, a non-wholly owned subsidiary of the Company, has successfully won the bid of tender to design, supply and fabricate the Permanent Magnet Synchronized Motor ("PMSM") System and the Power Battery System for electric buses for HKPC. Such tender has given the Group to commence its market position in the new energy industry.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

In view of the promotion of use of electric vehicles in Hong Kong, there is an increasing demand of battery system with high durability and customization for motor system on electric buses. Since the Group has captured the technology of the battery system for electric buses, the Directors believe that the entering into of the Subscription Agreement offers a good opportunity for the Group to further invest in the new energy industry. In addition, having regard to the high market demand of energy saving technologies in Hong Kong, the Board is of the view that the Subscription enables the Group to enhance its income base in the long term and to set ground for future business cooperation with HKPC which will be beneficial to the development of the Group.

The Directors are of the view that the Subscription is in the interests of the Company and the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Subscription contemplated under the Subscription Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“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
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Completion Date”	the day falling within ten Business Days following the date of fulfilment or waiver of the conditions precedent under the Subscription Agreement (or such other date as the parties to the Subscription Agreement may agree in writing) on which Completion is to take place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Green Dynamic EV”	Green Dynamic Electric Vehicle Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Target Company

“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Yung Ka Wo, being the guarantor of the Subscription Agreement
“HKPC”	the Hong Kong Productivity Council
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Long Stop Date”	31 May 2014 (or such later date as the parties to the Subscription Agreement may agree in writing)
“R&D Project”	the project entitled “Development of Intelligent eBus with Light Body Structure and High Efficient Traction Motor System” to be collaboratively carried out by HKPC and Green Dynamic EV
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Shenzhen Hui Yuan”	深圳市匯元自動控制技術有限公司 (unofficial English name being “Shenzhen Hui Yuan Automatic Control Technology Co., Ltd.”), a limited company established in the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	CE Investment Limited, a company incorporated in Samoa with limited liability and an indirectly wholly-owned subsidiary of the Company
“Subscription”	the subscription of an aggregate of 510 Subscription Shares by the Subscriber pursuant to the Subscription Agreement

“Subscription Agreement”	the agreement entered into between the Subscriber, the Target Company and the Guarantor dated 5 March 2014 pursuant to which the Subscriber has conditionally agreed to subscribe for and the Target Company has conditionally agreed to allot and issue to the Subscriber, an aggregate of 510 Subscription Shares at the Subscription Price
“Subscription Price”	an aggregate of HK\$20,000,000 for the Subscription Shares to be allotted and issued to the Subscriber pursuant to the Subscription Agreement
“Subscription Share(s)”	new ordinary share(s) of US\$1.00 each in the issued share capital of the Target Company
“Target Company”	Dynamic Union International Limited, a company incorporated in BVI with limited liability which is solely and beneficially owned by the Guarantor
“Target Group”	the group of companies comprising the Target Company and Green Dynamic EV
“US\$”	the United States dollars, being the lawful currency of the United States
“%”	per cent

By order of the Board  
**Sinocop Resources (Holdings) Limited**  
**Cheung Ngan**  
*Chairman*

Hong Kong, 5 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.*