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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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE REMAINING 49% EQUITY INTEREST IN TARGET GROUP

After trading hours of the Stock Exchange on 12 March 2014, the Subscriber (a wholly-owned subsidiary of the Company) entered into the following Option Deeds with the Vendors:

(i) The Call Option Deed

Pursuant to the Call Option Deed, the Vendors have conditionally agreed to grant the Call Option to the Subscriber to purchase the Sale Shares at the consideration of HK\$253,650,000.

(ii) The Put Option Deed

Pursuant to the Put Option Deed, the Subscriber has conditionally agreed to grant the Put Option to the Vendors to sell the Sale Shares at the consideration equal to 49% of Target Value but not more than HK\$253,650,000.

The Sale Shares represent 49% of the total issued share capital of the Target Company. The Call Option Deed and the Put Option Deed (collectively the "Option Deeds") were entered into simultaneously.

SPECIFIC MANDATE

Pursuant to the Option Deeds, Consideration Shares will be issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM, and will rank pari passu in all respects with the existing issued Shares. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Upon the exercise of Options and the issue of Consideration Shares under the Option Deeds, the Subscriber shall become the registered holder of the Sale Shares and the Target Company will become a wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendors are deemed substantial shareholders of the Target Company and the Company holds 51% equity interest in the Target Group indirectly, the Vendors are therefore the connected persons of the Company under Chapter 14A of the Listing Rules. Given the sale and purchase of all of the Sale Shares pursuant to the Option Deeds shall be completed simultaneously, the Transaction constitutes a connected transaction of the Company under the Listing Rules. The Transaction, when aggregated with the consideration of the subscription of 51% equity interest in the Target Group under the Subscription Agreement, constitutes a discloseable transaction of the Company on the basis that one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but is below 25%. As such, it is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. The Vendors or their associates are required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the Transaction inclusive of the grant of the Specific Mandate.

GENERAL

An independent committee of the Board (comprising all the independent non-executive Directors) will be established to advise the Independent Shareholders in connection with the terms of the Option Deeds and the Transaction. The Company will, with the approval of the independent committee of the Board, appoint an independent financial adviser in accordance with the requirements under the Listing Rules to advise the independent committee of the Board and the Independent Shareholders on such matters.

The Company will convene the SGM for the Independent Shareholders to consider and, if thought fit, approve the Transaction inclusive of the grant of the Specific Mandate. A circular containing, among other things, (i) further information on the Transaction; (ii) the recommendations of the independent board committee to the Independent Shareholders in relation to the Transaction; (iii) the advice of the independent financial adviser in relation to the Transaction; and (iv) a notice convening the SGM will be despatched to the Shareholders on or before 30 April 2014, as additional time is required for the Company to prepare and finalise the information to be included in the circular.

CALL OPTION DEED

The Board is pleased to announce that after trading hours of the Stock Exchange on 12 March 2014, the Subscriber (a wholly-owned subsidiary of the Company) entered into the Call Option Deed with the Vendors, pursuant to which the Vendors have conditionally agreed to grant the Call Option to the Subscriber to purchase the Sale Shares at the consideration of HK\$253,650,000, which shall be satisfied by way of the allotment and issue by the Company of the 267,000,000 Consideration Shares at the Issue Price.

As the Vendors are deemed substantial shareholders of the Target Company and the Company holds 51% equity interest in the Target Group indirectly, the Vendors are therefore the connected persons of the Company.

Major terms of the Call Option Deed are set out below.

Date:

12 March 2014

Parties

- (1) the Subscriber, a indirectly wholly-owned subsidiary of the Company;
- (2) Mr. Yung Ka Wo, who owns 39.2% equity interest of Target Company as at the date of Call Option Deed; and
- (3) Mr. Xie Dan, who owns 9.8% equity interest of Target Company as at the date of Call Option Deed.

((2) and (3) are collectively known as the “Vendors”)

Conditions Precedent to the grant of Call Option

The grant of the Call Options under the Call Option Deed shall be conditional upon and subject to the fulfilment and satisfaction of the following conditions:

- (i) if required under applicable laws, regulations and relevant rules of the Stock Exchange, the prior approval by the Shareholders on the Call Option Deed and the transactions contemplated thereunder (including but not limited to the issuance of Consideration Shares) at its shareholders' general meeting;
- (ii) the listing of and permission to deal in the Consideration Shares in accordance with the terms of the Call Option Deed being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked); and
- (iii) the completion of the subscription of 51% equity interest in Target Company in accordance with the terms and conditions of the Subscription Agreement entered into between the Subscriber, the Target Company and the Guarantor.

None of the above conditions is capable of being waived. If the above conditions shall not have been fulfilled and satisfied in full on or before the Long Stop Date, or such later date as the relevant parties to the Call Option Deed may agree in writing, the Call Option Deed shall cease to have force and effect.

Prior to the date of the Call option Deed, the Target Company has completed the subscription of 51% issued share capital to the Subscriber.

The Call Option will be granted and vested on the day when the last outstanding conditions precedent under the Call Option Deed shall have been fulfilled and satisfied.

Call Option Period

The Call Option may be exercised by Subscriber at any time within 5 years from the date of the Call Option Deed.

In the event that the Call Option has not been exercised by the Subscriber within the Call Option Period, or the Put Option has been exercised by the Vendors within the Put Option Period, the Call Option shall lapse and be of no further effect.

Call Exercise Price

The Call Exercise Price shall be HK\$253,650,000 to be settled by the issue of the Consideration Shares at the Issue Price of HK\$0.95 each by the Company. The Call Exercise Price was determined after arm's length negotiations between the parties to the Call Option Deed.

If the Call Option is exercised, the Consideration Shares represent approximately 12.65% of the issued shares of the Company as at the date of this announcement and approximately 11.23% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Issue Price

The Issue Price was determined after arm's length negotiation between the Company and the Target Company, with reference to the prevailing trading price of the Shares as at the date of the Call Option Deed. The Issue Price represents:

- (i) a discount of approximately 8.65% to the closing price of the Shares of HK\$1.04 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.13% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day of approximately HK\$1.012 per Share;
- (iii) a premium of approximately 1.28% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$0.938 per Share; and
- (iv) a premium of approximately 850.00% over the unaudited net asset value of HK\$0.10 per Share as at 30 September 2013 (based on the unaudited consolidated net assets of the Group of approximately HK\$210,522,000 as at 30 September 2013 as shown in the Company's interim report for the six months ended 30 September 2013 and 2,110,246,800 Shares in issue as at the date of this announcement).

Transferability

None of the parties to the Call Option Deed may assign or transfer any right, benefit, claim or interest in the Call Option Deed without the prior written consent of the other parties.

PUT OPTION DEED

The Board is pleased to announce that after trading hours of the Stock Exchange on 12 March 2014, the Subscriber entered into the Put Option Deed with the Vendors, pursuant to which the Subscriber has conditionally agreed to grant the Put Option to the Vendors to sell the Sale Shares at the consideration equal to 49% of Target Value but not more than HK\$253,650,000, such amount shall be satisfied by way of allotment and issue by the Company with not more than 267,000,000 Consideration Shares at the Issue Price.

As the Vendors are deemed substantial shareholders of the Target Company and the Company holds 51% equity interest in the Target Group indirectly, the Vendors are therefore the connected persons of the Company.

Major terms of the Put Option Deed are set out below.

Date:

12 March 2014

Parties

- (1) the Subscriber, a indirectly wholly-owned subsidiary of the Company;
- (2) Mr. Yung Ka Wo, who owns 39.2% equity interest of Target Company as at the date of Put Option Deed; and
- (3) Mr. Xie Dan, who owns 9.8% equity interest of Target Company as at the date of Put Option Deed.

((2) and (3) are collectively known as the “Vendors”)

Conditions Precedent to the grant of Put Option

The grant of the Put Options under the Put Option Deed shall be conditional upon and subject to the fulfilment and satisfaction of the following conditions:

- (i) if required under applicable laws, regulations and relevant rules of the Stock Exchange, the prior approval by the Shareholders on the Put Option Deed and the transactions contemplated thereunder (including but not limited to the issuance of Consideration Shares) at its shareholders' general meeting;
- (ii) the listing of and permission to deal in the Consideration Shares in accordance with the terms of the Put Option Deed being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked);
- (iii) the completion of the subscription of 51% equity interest in Target Company in accordance with the terms and conditions of the Subscription Agreement entered into between the Subscriber, the Target Company and the Guarantor; and
- (iv) the Call Option Deed having become effective.

None of the above conditions is capable of being waived. If the above conditions shall not have been fulfilled and satisfied in full on or before the Long Stop Date, or such later date as the relevant parties to the Put Option Deed may agree in writing, the Put Option Deed shall cease to have force and effect.

Prior to the date of the Call option Deed, the Target Company has completed the subscription of 51% issued share capital to the Subscriber.

The Put Option will be granted and vested on the day when the last outstanding conditions precedent under the Put Option Deed shall have been fulfilled and satisfied.

Put Option Period

The Put Option may be exercised by Subscriber at any time within 5 years from the date of the Put Option Deed.

In the event that the Put Option has not been exercised by the Vendors within the Put Option Period, or the Call Option has been exercised by the Subscriber within the Call Option Period, the Put Option shall lapse and be of no further effect.

Put Exercise Price

The Put Exercise Price shall be equal to 49% of Target Value but not more than HK\$253,650,000 to be settled by the issue of the Consideration Shares at the Issue Price of HK\$0.95 each by the Company. The Put Exercise Price was determined after arm's length negotiations between the parties to the Put Option Deed.

If the Put Option is exercised, the Consideration Shares represent approximately 12.65% of the issued shares of the Company as at the date of this announcement and approximately 11.23% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Target Value

Pursuant to the Put Option Deed, the Subscriber has given to and for the benefit of the Vendors a Target Value as the Put Exercise Price to sell the Sale Shares, in which a statement of the audited net profit after taxation and before extraordinary items of the Target Group in accordance with Hong Kong Financial Reporting Standards shall be prepared. The Target Value will be at 6 times of the average of audited annual consolidated net profit after taxation and before extraordinary items of the Target Group in three consecutive financial years within the Put Option Period.

Issue Price

The Issue Price was determined after arm's length negotiation between the Company and the Target Company, with reference to the prevailing trading price of the Shares as at the date of the Put Option Deed. The Issue Price represents:

- (i) a discount of approximately 8.65% to the closing price of the Shares of HK\$1.04 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.13% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day of approximately HK\$1.012 per Share;

- (iii) a premium of approximately 1.28% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$0.938 per Share; and
- (iv) a premium of approximately 850.00% over the unaudited net asset value of HK\$0.10 per Share as at 30 September 2013 (based on the unaudited consolidated net assets of the Group of approximately HK\$210,522,000 as at 30 September 2013 as shown in the Company's interim report for the six months ended 30 September 2013 and 2,110,246,800 Shares in issue as at the date of this announcement).

Transferability

None of the parties to the Put Option Deed may assign or transfer any right, benefit, claim or interest in the Put Option Deed without the prior written consent of the other parties.

INFORMATION ON THE TARGET GROUP

Background information on the Target Group

As mentioned in the Company's announcement dated 5 March 2014, 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.

Pursuant to the Company's announcement on 5 March 2014, upon the completion of the subscription in accordance with the terms and conditions of the Subscription Agreement, 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.

Upon the exercise of Options and the issue of Consideration Shares under the Option Deeds, the Target Group will become a wholly-owned subsidiary of the Company.

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 AND BENEFITS FOR ENTERING INTO THE OPTION DEEDS

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. The Directors expect that the R&D Project held by the Target Group will create a platform with full coverage on not only the technical aspects but also knowhow for product commercialisation. Since the Group has captured the technology of the battery system for electric buses, the Directors believe that the entering into of the Option Deeds offers a good opportunity for the Group to further invest in the new energy industry.

In accordance with the Company's announcement on 5 March 2014, the Company will own 51% equity interests in the Target Group upon the completion of the subscription in accordance with the terms and conditions of the Subscription Agreement. Since the Group is optimistic about a steady business growth in the new energy industry in future, by acquiring the remaining 49% of the issued share capital of the Target Company, all profits generated by the Target Group will be attributable to the Company. In order to enhance the return from the Target Group, the Group would increase the motivation of the Vendors by entering into the Option Deeds. Under the Option Deeds, the Vendors have an opportunity to enjoy the potential benefit when becoming the shareholders of the Company after exercising the Option Deeds.

In light of the above, the Directors are of the view that the terms of the Option Deeds are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Subscriber and the Vendors may or may not exercise the Options pursuant to the Option Deeds. The Subscriber and the Vendors will review the latest business development before deciding on the exercise of the Options. The Company will comply with the applicable requirements under the Listing Rules if any of the Options is exercised.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following chart sets out the possible effects of the exercise of the Option on the shareholding structure of the Company, assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement to the date of the exercise of the Option:

Shareholders	As at the date of this announcement		Upon the exercise of the Option and issue of the Consideration Shares	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Mr. Cheung Ngan (<i>Note 1</i>)	311,232,469	14.75	311,232,469	13.09
Sino PowerHouse Corporation (<i>Note 2</i>)	84,000,000	3.98	84,000,000	3.54
Vendors	–	–	267,000,000	11.23
Other public Shareholders	1,715,014,331	81.27	1,715,014,331	72.14
Total	<u>2,110,246,800</u>	<u>100.00</u>	<u>2,377,246,800</u>	<u>100.00</u>

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.

SPECIFIC MANDATE

Pursuant to the Option Deeds, Consideration Shares will be issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM, and will rank pari passu in all respects with the existing issued Shares. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendors are deemed substantial shareholders of the Target Company and the Company holds 51% equity interest in the Target Group indirectly, the Vendors are therefore the connected persons of the Company under Chapter 14A of the Listing Rules. Given the sale and purchase of all of the Sale Shares pursuant to the Option Deeds shall be completed simultaneously, the Transaction constitutes a connected transaction of the Company under the Listing Rules. The Transaction, when aggregated with the consideration of the subscription of 51% equity interest in the Target Group under the Subscription Agreement, constitutes a discloseable transaction of the Company on the basis that one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but is below 25%. As such, it is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. The Vendors or their associates are required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the Transaction inclusive of the grant of the Specific Mandate.

GENERAL

An independent committee of the Board (comprising all the independent non-executive Directors) will be established to advise the Independent Shareholders in connection with the terms of the Option Deeds and the Transaction. The Company will, with the approval of the independent committee of the Board, appoint an independent financial adviser in accordance with the requirements under the Listing Rules to advise the independent committee of the Board and the Independent Shareholders on such matters.

The Company will convene the SGM for the Independent Shareholders to consider and, if thought fit, approve the Transaction inclusive of the grant of the Specific Mandate. A circular containing, among other things, (i) further information on the Transaction; (ii) the recommendations of the independent board committee to the Independent Shareholders in relation to the Transaction; (iii) the advice of the independent financial adviser in relation to the Transaction; and (iv) a notice convening the SGM will be despatched to the Shareholders on or before 30 April 2014, as additional time is required for the Company to prepare and finalise the information to be included in the circular.

DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Call Exercise Price”	HK\$253,650,000
“Call Option”	The call option to acquire the Sale Shares at the Call Exercise Price granted by the Vendors to the Subscriber
“Call Option Deed”	the call option deed dated 12 March 2014, entered into between the Subscriber and the Vendors in relation to the Call Option

“Call Option Period”	within 5 years from the date of the Call Option Deed
“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
“Consideration Shares”	new Shares to be allotted and issued by the Company to the Vendors upon the exercise of the Options
“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 dated 5 March 2014
“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
“Issue Price”	the issue price of HK\$0.95 for each Consideration Share
“Last Trading Day”	12 March 2014, being the last trading day of the Shares immediately prior to the date of the Option Deeds

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2014 (or such later date as the relevant parties to the Option Deeds may agree in writing)
“Option(s)”	the Call Option to be granted to the Vendors in relation to the Call Option Deed and the Put Option to be granted to the Subscriber in relation to the Put Option Deed, together referred to as Options
“Option Deed(s)”	the call option deed and the put option deed, entered into between the Subscriber and the Vendors in relation to the Call Option and the Put Option respectively, together referred to as Option Deeds
“Put Exercise Price”	49% of Target Value but not more than HK\$253,650,000
“Put Option”	the put option to sell the Sale Shares at the Put Exercise Price granted by the Subscriber to the Vendors
“Put Option Deed”	the put option deed dated 12 March 2014, entered into between the Subscriber and the Vendors in relation to the Put Option
“Put Option Period”	within 5 years from the date of the Put Option Deed
“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

“SGM”	a special general meeting of the Company to be convened for the purpose of considering and approving the Transaction and the transactions contemplated hereunder by the Shareholders
“Specific Mandate”	the specific 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 267,000,000 new Consideration Shares
“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 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 new issued shares of the Target Company at a consideration of HK\$20,000,000, payable by the Subscriber in cash on the completion of the subscription in accordance with the terms and conditions of the said agreement
“Target Company”	Dynamic Union International Limited, a company incorporated in BVI with limited liability
“Target Group”	the group of companies comprising the Target Company and Green Dynamic EV
“Transaction”	the sale and purchase of the Sale Shares under the Option Deeds and the granting of the Specific Mandate

“Vendors” Mr. Yung Ka Wo and Mr. Xie Dan, being the owner of 39.2% and 9.8% equity interest of Target Company as at the date of Option Deeds respectively

“%” per cent

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

Hong Kong, 12 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.