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**Burwill Holdings Limited**

寶威控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 24)

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **Subscription of new Shares**

On 31 May 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement under which the Company agreed to issue and allot and the Subscriber agreed to subscribe or procure its nominee(s) to subscribe, 876,000,000 Subscription Shares at the Subscription Price of HK\$0.18 per Subscription Share on the terms and conditions provided in the Subscription Agreement.

The gross proceeds from the Subscription Agreement are approximately HK\$157,680,000 and the net proceeds of approximately HK\$157,580,000 are intended to be applied for procurement, processing of lithium concentrates business purposes.

The total number of Subscription Shares represent approximately 17.65% of the existing issued share capital of the Company and approximately 15% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Shares will be issued under the General Mandate.

**Since the Subscription is subject to the conditions set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 31 May 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company agrees to issue and the Subscriber agrees to subscribe or procure its nominee(s) to subscribe the Subscription Shares at the Subscription Price on the terms and conditions provided in the Subscription Agreement.

## **THE SUBSCRIPTION AGREEMENT**

### **Date**

31 May 2017 (after trading hours)

### **Parties**

Issuer : the Company

Subscriber : GO Scale Capital, L.P. (or its nominee)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties. Based on information provided to the Company, the Subscriber is an emerging industry growth foundation fund of GSR Capital.

GSR Capital is a famous high-tech investment institution with years of experience in cross-border investments. The investment areas of GSR Capital cover semiconductor, LED, electric vehicle industry chains with particular focus on the industrialisation of mature technologies and target projects of investments in scarce resources.

GSR has dedicated to electric vehicle industry for more than 10 years and possesses strong market resources and integration capabilities through its investments in manufacturers covering upstream materials, power batteries, wheel motors, vehicle designs such as Boston Battery (波士頓電池), XDY Zhidou (新大洋知豆), Fisko Electric Vehicles (菲斯科純電車) and Taiwan Aleees Lithium Iron Phosphate (台灣立凱磷酸鐵鋰).

Immediately upon completion of the Subscription, the Subscriber will become a substantial shareholder of the Company.

### **Subscription Shares**

876,000,000 Subscription Shares representing approximately 17.65% of the total issued share capital of the Company as at the date of this announcement and approximately 15% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$87,600,000.

### **Subscription Price**

The Subscription Price of HK\$0.18 per Subscription Share:-

- (a) is at approximately 19.28% discount to the closing price of the Shares of HK\$0.223 on 31 May 2017 (being the date of the Subscription Agreement); and
- (b) is at approximately 2.7% discount to the average of the closing prices of HK\$0.185 per Share for the last five trading days immediately before 31 May 2017.

After deducting the relevant expenses of the Subscription, the net Subscription Price per Subscription Share is approximately HK\$0.18.

The Subscription Price was determined with reference to the prevailing market price of the Shares and after arm's length negotiation between the Company and the Subscriber. The Board considers that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **General Mandate**

The Subscription Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 22 June 2016. The Company was authorised to issue and allot 1,011,582,447 Shares, being 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

### **Ranking of the Subscription Shares**

The Subscription Shares will be issued free from all encumbrances together with all rights attaching to them, including the right to receive all dividends declared and will rank *pari passu* with all other issued Shares in all respects as at the date of issue.

### **Conditions of the Subscription**

Completion of the Subscription is conditional on, among others, the Listing Committee of the Stock Exchange granting, or agreeing to grant, (either unconditionally or subject only to conditions to which the Company does not reasonably object) listing of and permission to deal in the Subscription Shares.

The Company will apply to the Listing Committee for listing of and permission to deal in the Subscription Shares. The Subscription Agreement does not provide for any party to waive the above condition.

If the above condition is not satisfied on or before 30 June 2017, the Subscription Agreement will lapse and neither party to the Subscription Agreement may have any claim against each other save for antecedent breaches.

**Since the Subscription is subject to the conditions set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **Completion of the Subscription**

Completion of the Subscription is expected to take place within 10 Business Days after the date upon which the last condition to be satisfied has been so satisfied, or if applicable, waived by the Subscriber (or such other time and/or date as the Company and Subscriber may agree in writing).

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after the issue of the Subscription Shares:

	As at the date of this announcement		Immediately after issue of the Subscription Shares	
	Shares	Approximate %	Shares	Approximate %
Mr. Chan Shing, Ms. Lau Ting (Note 1) and their respective associates	1,318,827,271	26.57	1,318,827,271	22.58
The Subscriber	0	0	876,000,000	15.00
Ms. Cheung Kwan (Note 2) and her associate	713,428,000	14.37	713,428,000	12.22
Mr. Sit Hoi Tung (Note 2)	5,413,869	0.11	5,413,869	0.09
Mr. Sham Kai Man (Note 2)	1,000,000	0.02	1,000,000	0.02
Mr. Cui Shu Ming (Note 2)	2,250,000	0.05	2,250,000	0.04
Mr. Chan Ming Fai (Note 2)	1,250,000	0.03	1,250,000	0.02
Mr. Huang Shenglan (Note 2)	2,250,000	0.05	2,250,000	0.04
Public Shareholders	2,919,009,095	58.80	2,919,009,095	49.99
<b>Total</b>	<b>4,963,428,235</b>	<b>100.00</b>	<b>5,839,428,235</b>	<b>100.00</b>

Notes:

1. Mr. Chan Shing is a Director and Ms. Lau Ting is the spouse of Mr. Chan Shing.
2. Each of Ms. Cheung Kwan, Mr. Sit Hoi Tung, Mr. Sham Kai Man, Mr. Cui Shu Ming, Mr. Chan Ming Fai and Mr. Huang Shenglan is a Director.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors consider that the Subscription offers a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate its future development. The Directors consider that the terms of the Subscription Agreement are fair and reasonable, on normal and commercial terms and are in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription Agreement are approximately HK\$157,680,000 and the net proceeds of approximately HK\$157,580,000 are intended to be applied for procurement, processing of lithium concentrates business purposes. The net price of each Subscription Share will be approximately HK\$0.18.

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

The Company has not raised any funds by way of issue of Shares in the past twelve months before the date of this announcement.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in international metal and lithium concentrate trading, processing, sale of related product and mineral resources investment, exploration and development.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 22 June 2016
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Burwill Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 24)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region

“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 31 May 2017 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.18 per Subscription Share
“Subscription Shares”	876,000,000 new Shares
“Subscriber”	GO Scale Capital, L.P., an exempted limited partnership registered in the Cayman Islands
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**Burwill Holdings Limited**  
**KWOK Wai Lam**  
Director

Hong Kong, 31 May 2017

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chan Shing, Ms. Cheung Kwan, Mr. Sit Hoi Tung, Mr. Wei Jiafu, Mr. Kwok Wai Lam and Mr. Sham Kai Man as Executive Directors; Mr. Cui Shu Ming and Mr. Chan Ming Fai as Independent Non-Executive Directors; and Mr. Huang Shenglan as Non-Executive Director.*