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Burwill Holdings Limited

寶威控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 24)

MAJOR TRANSACTION DISPOSAL OF PROPERTY

THE PROVISIONAL SP AGREEMENT

On 20 March 2017, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Provisional SP Agreement. Under the Provisional SP Agreement, the Vendor will sell, and the Purchaser will acquire, the Property for a Consideration of HK\$265,192,500.

THE LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and is required to abstain from voting for the resolution to approve the Disposal, should the Disposal be put forward to the shareholders to approve at a general meeting of the Company.

A circular containing, amongst others, details of the Disposal and the valuation report of the Property will be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 11 April 2017.

THE DISPOSAL

The Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Provisional SP Agreement for the sale of the Property.

The Provisional SP Agreement

Date: 20 March 2017

- Parties:
- (a) the Vendor: Yinmain Industrial Limited (應鳴實業有限公司), a wholly-owned subsidiary of the Company
 - (b) the Purchaser: GOLD MERIT VENTURES LIMITED, an investment holding company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are independent of the Company and its connected persons.

Subject matter: The Vendor will sell, and the Purchaser will acquire, the Property.

Consideration: The sale price of the Property is HK\$265,192,500.

The Property

The Property is located at Unit 1402, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The Property is currently used as the principal office of the Group in Hong Kong.

The Consideration

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to market value.

The Consideration will be payable as follows:

- (a) an initial deposit of HK\$13,259,625 has been paid by the Purchaser to the Vendor upon the signing of the Provisional SP Agreement;
- (b) a further deposit of HK\$26,519,250 will be payable by the Purchaser to the Vendor upon the execution of the Formal Agreement, which is expected to be on or before 3 April 2017; and
- (c) the balance payment of the Consideration in the sum of HK\$225,413,625 will be payable by the Purchaser to the Vendor upon completion of the Disposal, which is scheduled to take place on or before 12 May 2017.

Completion of the Disposal is conditional on the shareholders' approval of the Company.

LEASE

Upon completion of the Disposal, the Group and the Purchaser will enter into a tenancy agreement, whereby the Group will lease back the Property for the Group's use for a term of three years commencing on the date of completion of the Disposal. The monthly rent payable by the Group will be HK\$669,960 for each of the three years during the term of the tenancy agreement. At the time when the Group enter into the tenancy agreement with the Purchaser, a deposit of HK\$1,339,920 will be payable by the Group to the Purchaser.

REASON FOR THE DISPOSAL

As the Disposal gives a good opportunity for the Group to realise its investment with considerable gain, the Directors, including the independent non-executive Directors, are of the view that the Disposal is fair and reasonable and in the interest of the Group and the Shareholders as a whole. Further, as the Group will lease back the Property from the Purchaser for a term of three years for continue use as its principal place of business in Hong Kong, the Disposal will only have minimal impact to the Group's operations.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The net book value of the Property as at the date of the latest audited financial statement, that is, 31 December 2015, amounted to HK\$61,979,000. Based on the Consideration of HK\$265,192,500, the Group is expected to receive a gain on disposal of approximately HK\$199,713,500 after the deduction of expenses. Based on the Consideration of HK\$265,192,500 and the associated estimated direct cost of the Disposal of approximately HK\$3,500,000, the Group is expected to receive a net proceeds of approximately HK\$261,692,500 from the Disposal. The Group currently intends to use the proceeds as general working capital.

INFORMATION ON THE GROUP AND THE VENDOR

The Group is principally engaged in steel trading, steel processing and mineral resources exploration and development.

The Vendor is a wholly-owned subsidiary of the Company and is principally engaged in commercial property holding.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is an investment holding company.

GENERAL

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and is required to abstain from voting for the resolution to approve the Disposal, should the Disposal be put forward to the shareholders to approve at a general meeting of the Company.

A circular containing, amongst others, details of the Disposal and the valuation report of the Property will be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 11 April 2017.

DEFINITIONS

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

“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
“Consideration”	the amount of HK\$265,192,500
“Directors”	the directors of the Company
“Disposal”	the sale of the Property by the Vendor to the Purchaser pursuant to Provisional SP Agreement
“Formal Agreement”	the formal agreement to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Property”	the property located at Unit 1402, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
“Provisional SP Agreement”	the provisional agreement for sale and purchase dated 20 March 2017 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	GOLD MERIT VENTURES LIMITED, a company incorporated in British Virgin Islands with limited liability
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Yinmain Industrial Limited (應鳴實業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 20 March 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.