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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**

### **SUBSCRIPTION OF NEW SHARES**

On 16 October 2013, the Company, the Subscriber and the Subscriber's Guarantor entered into the Subscription Agreement, pursuant to which the Company agreed to issue and allot an aggregate of 825,600,000 new Shares at a price of HK\$0.26 per Share, and the Subscriber agreed to subscribe for the Subscription Shares at the agreed price.

The number of the Subscription Shares represents approximately 18% of the issued share capital of the Company as at the date of the Subscription Agreement and 15.25% of the issued share capital of the Company (as enlarged by the issue of the Subscription Shares) immediately after completion of the Subscription Agreement. The Company intends to issue and allot the Subscription Shares under its general mandate. The net proceeds from the Subscription are approximately HK\$214,500,000. The proceeds will be used for general working capital purposes.

### **THE SUBSCRIPTION AGREEMENT**

**Date:** 16 October 2013

**Parties:** Lucky Creation Limited as subscriber;  
Mr. Chan Wing Kwai as subscriber's guarantor; and  
the Company

### **SUBSCRIPTION**

**Subscriber:**

The Subscriber is an independent third party and is not a connected person of the Company (as defined in the Listing Rules) as at the date of the Subscription Agreement.

**Subscriber's Guarantor:**

Mr. Chan Wing Kwai is an independent third party and is not a connected person of the Company (as defined in the Listing Rules) as at the date of the Subscription Agreement. Mr. Chan Wing Kwai entered into the Subscription Agreement as a guarantor to guarantee the performance of the obligations on the part of the Subscriber in respect of the Subscription Agreement.

**The Subscription Shares:**

The number of the Subscription Shares is 825,600,000 Shares, which represents approximately 18% of the issued share capital of the Company as at the date of the Subscription Agreement and 15.25% of the issued share capital of the Company (as enlarged by the issue of the Subscription Shares) immediately after completion of the Subscription Agreement. The aggregate nominal value of the Subscription Shares is HK\$82,560,000.

**Subscription Price:**

HK\$0.26 per Subscription Share:-

- a) the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on 16 October 2013, being the last trading day before the publication of this announcement; and
- b) a premium of approximately 38.89% to the average of the closing price of the Shares of HK\$0.1872 per Share quoted on the Stock Exchange for the last five trading days up to and including 16 October 2013.

The Subscription Price was arrived at after arm's length negotiation by the Company, taking into account the prevailing market price of the Shares. The Directors considered the Subscription Price is fair and reasonable as far as the Company is concerned.

**General Mandate to issue the Subscription Shares:**

The Subscription Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 11 June 2013. Upon completion of the Subscription, the unutilized portion of the general mandate granted on 11 June 2013 is 91,742,337 Shares.

**Ranking of the Subscription Shares:**

The Subscription Shares shall, when fully paid, rank pari passu in all respects among themselves and with all the Shares in issue on the date of the Subscription Completion Date.

### Conditions of the Subscription:

Pursuant to the Subscription Agreement, completion of the Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Subscription Shares; and
- (ii) the relevant regulatory authority(ies) agreeing to grant any other necessary approval(s).

### Completion of the Subscription:

The Subscriber shall subscribe for all the Subscription Shares in one go or in two separate tranches within the Subscription Period, that is:

- (i) subscribing all the Subscription Shares in one go within the Subscription Period; or
- (ii) first subscribing 458,600,000 Shares, which represents approximately 10% of the issued share capital of the Company as at the date of the Subscription Agreement (i.e. approximately 9.09% of the issued share capital as enlarged by the issue of such Shares); and then subscribing the remaining number of the Subscription Shares (i.e. 367,000,000 Shares), both within the Subscription Period.

Application will be made to the Stock Exchange for listing of and permission to deal in the Subscription Shares.

### EFFECTS ON SHAREHOLDING

The shareholding of the Company before and after the Subscription are and will be as follows respectively:

	Shareholding in the Company before the Subscription		Shareholding in the Company after the Subscription	
	Shares	%	Shares	%
Mr. Chan Shing, Ms. Lau Ting ( <i>Note 1</i> ) and their respective associates	1,944,383,159	42.39	1,944,383,159	35.93
Mr. Sit Hoi Tung ( <i>Note 2</i> )	4,413,869	0.10	4,413,869	0.08
Ms. Tung Pui Shan, Virginia ( <i>Note 2</i> )	28,939,226	0.63	28,939,226	0.53
Lucky Creation Limited (The Subscriber)	0	0	825,600,000	15.25
Chan Wing Kwai (The Subscriber's Guarantor)	0	0	0	0
Public Shareholders	2,608,975,431	56.88	2,608,975,431	48.21
Total	4,586,711,685	100.00	5,412,311,685	100.00

*Notes:*

1. Both are executive Directors and being spouses.
2. Being executive Directors.

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

The net proceeds from the Subscription is approximately HK\$214,500,000. The Subscription will enable the Company to strengthen the financial position of the Company. The intended use of the proceeds will be for general working capital purposes.

The Directors are of the view that the Subscription represents an opportunity to raise additional funds for the Company's business development purpose and strengthen its capital base. Accordingly, the Directors consider that the terms of the Subscription are fair, reasonable and in the best interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE COMPANY**

The principal activities of the Company and its subsidiaries are principally engaged in steel trading, steel processing, mineral resources exploration and development and commercial property investment.

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

The following table summaries the capital raising activity of the Group for the 12 months immediately before the date of this announcement:

<b>Date of initial announcement</b>	<b>Event</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at date of this announcement</b>
17 April 2013	Placing of new shares of the Company	HK\$48.14 million	To use as general working capital	All proceeds have been used for the intended purpose

## **DEFINITIONS**

“Business Day”	a day (excluding Saturday, Sunday or public holidays) on which banks are generally open for business in Hong Kong
“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
“Directors”	the directors of the Company
“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 as amended from time to time
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Lucky Creation Limited, a company incorporated in Hong Kong with limited liability
“Subscriber's Guarantor”	Mr. Chan Wing Kwai
“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 16 October 2013, entered into among the Company, the Subscriber and the Subscriber's Guarantor
“Subscription Period”	six months from the date on which the conditions of the Subscription are fulfilled
“Subscription Completion Date”	the fifth Business Day following the issue of the notice for the Subscription by the Subscriber
“Subscription Price”	HK\$0.26 per Subscription Share
“Subscription Shares”	a total of 825,600,000 new Shares to be issued pursuant to the Subscription
“HK\$”	Hong Kong dollars
“%”	per cent.

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

Hong Kong, 16 October 2013

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chan Shing, Mr. Sit Hoi Tung, Mr. Yang Dawei, Ms. Lau Ting, Ms. Tung Pui Shan, Virginia, Mr. Kwok Wai Lam, Mr. Yin Mark and Mr. Sham Kai Man as executive directors; and Mr. Cui Shu Ming, Mr. Huang Shenglan, Mr. Chan Ming Fai and Mr. Chiang Bun as independent non-executive directors.*