



Burwill Holdings Limited

寶威控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 24)

PLACING OF EXISTING SHARES SUBSCRIPTION FOR NEW SHARES RESUMPTION OF TRADING AND UNUSUAL TRADING VOLUME MOVEMENT

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

On 1 June 2007, the Company, the Placing Agent, the Vendor and the Warrantors entered into the Agreement, pursuant to which the Placing Agent agreed to place, on a fully underwritten basis, an aggregate of 80,000,000 existing Shares at a price of HK\$1.50 per Share on behalf of the Vendor, and the Vendor conditionally agreed to subscribe for a total of 80,000,000 new Shares at the same price per Share.

The Placing Shares represent approximately 7.75% of the existing issued share capital of the Company and approximately 7.19% of the issued share capital as enlarged by the Subscription.

The number of the Subscription Shares is equivalent to the number of Placing Shares, which represents approximately 7.19% of the issued share capital of the Company as enlarged by the Subscription. The net proceeds from the Subscription are approximately HK\$118,000,000. The proceeds will be used for general working capital purposes and for investments in ore companies, should any suitable investment opportunities arise. There is no identified investment as at the date of this announcement.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 4 June 2007 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on Tuesday, 5 June 2007.

UNUSUAL TRADING VOLUME MOVEMENT

The Directors have noted the recent increases in the trading volume of the Shares before the suspension of trading in the Shares on 4 June 2007 and wish to state that they are not aware of any reasons for such increases.

THE AGREEMENT

Date: 1 June 2007 (after trading hours of the Shares)

Parties: Hang Sing Overseas Limited as vendor;
Mr. Chan Shing and Ms. Lau Ting as warrantors;
CITIC Securities Corporate Finance (HK) Limited as placing agent; and
the Company

THE SUPPLEMENTAL AGREEMENT

Date: 4 June 2007

Parties: Hang Sing Overseas Limited as vendor;
Mr. Chan Shing and Ms. Lau Ting as warrantors;
CITIC Securities Corporate Finance (HK) Limited as placing agent; and
the Company

The Company and the Vendor entered into the Supplemental Agreement to amend to conditions of the Subscription.

PLACING

Placing Agent:

CITIC Securities Corporate Finance (HK) Limited, an independent third party and is not a connected person of the Company (as defined in the Listing Rules). The placing fee is 1.5% of the aggregate Placing Price of the Placing Shares, which was determined after arm's length negotiation and the net placing price is HK\$1.4775. The Placing Agent may appoint sub-placing agent(s) to procure placees for the Placing Shares. The Directors consider the placing fee to be fair and reasonable.

The Company is liable for the costs and expenses of the Placing Agent in connection with the Placing and the Subscription and their associated transactions.

Warrantors:

As Mr. Chan Shing and Ms. Lau Ting (the spouse of Mr. Chan Shing) indirectly beneficially own in aggregate of 51 per cent. of the issued share capital of the Vendor as at the date of the Agreement, they entered into the Agreement as warrantors to provide warranties and representations in respect of the Placing Shares under the Agreement.

Number of existing Shares to be placed:

The total number of Placing Shares to be placed by the Vendor is 80,000,000 Shares, which represents approximately 7.75% of the existing issued share capital of the Company and approximately 7.19% of the issued share capital of the Company as enlarged by the Subscription.

Placement to:

Any person or entity whom the Placing Agent or its agent(s) has procured to subscribe for any of the Placing Shares.

The Placing Agent has confirmed that 30,000,000 Shares, 25,000,000 Shares and 25,000,000 Shares will be placed to Credit Suisse (Hong Kong) Limited, Keywise Greater China Master Fund and Legg Mason International Equities (Singapore) Pte Limited as the Placees respectively.

The Placing Agent has confirmed that the Placees and their respective ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and are independent of and not connected with and not acting in concert with the directors, the chief executive or the substantial shareholders (as defined in the Listing Rules) of the Company or its subsidiaries and/or their respective associates.

Placing Price:

HK\$1.50 per Placing Share, which is equivalent to the Subscription Price. The aggregate value of the Placing is HK\$120,000,000. This Placing Price was agreed after arm's length negotiations and represents (i) a discount of approximately 11.24% to the closing price of HK\$1.69 per Share as quoted on the Stock Exchange on 1 June 2007, being the last trading day of the Shares immediately before and including the date of this announcement; and (ii) a discount of approximately 1.70% to the average closing price of HK\$1.526 per Share as quoted on the Stock Exchange for the last five trading days ended 1 June 2007.

Rights:

The Placing Shares were sold free from any liens, charges, encumbrances, claims, options or third-party rights and together with all rights attaching thereto as at the Placing Completion Date.

Completion:

Completion of the Placing is not subject to fulfillment of any condition and shall take place at or before 5:00 p.m. on 7 June 2007 or such other date as may be agreed amongst the Vendor, the Placing Agent and the Company.

SUBSCRIPTION

Subscriber:

The Vendor, the beneficial owner of an aggregate of 226,403,853 Shares representing approximately 21.93% of the issued share capital of the Company as at the date of this announcement.

Number of Subscription Shares:

The number of the Subscription Shares is equivalent to the number of Placing Shares, i.e. 80,000,000 Shares, which represents approximately 7.19% of the issued share capital of the Company as enlarged by the Subscription. The aggregate nominal value of the Subscription Shares is HK\$8,000,000.

Subscription Price:

HK\$1.50 per Subscription Share, which is equivalent to the Placing Price. The net price per each Subscription Share after deduction of expenses is estimated to be HK\$1.4774.

Upon completion of the Subscription, the Company shall reimburse the Vendor the expenses properly incurred by it in connection with the Placing and the Subscription and their associated transactions (including without limitation the fee payable to the Placing Agent, stamp duty, the SFC transaction levy, the Stock Exchange trading fee, legal and professional advisers and out-of-pocket expenses). Such payment, to the extent that have been incurred, shall be made by the Company to the Vendor whether or not completion of the Placing or Subscription takes place and such amounts shall be deducted from the Subscription Price payable to the Vendor in demand if the Subscription does not become unconditional and lapse in accordance with the Agreement.

Rights:

The Subscription Shares will be issued and allotted free from all liens, charges, encumbrances and third party rights together with all rights attaching thereto as at the date of the Agreement.

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 28 May 2007. Upon completion of the Subscription, the unutilized portion of the general mandate granted on 28 May 2007 is 126,425,691 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 this Agreement and on the Subscription Completion Date.

Conditions of the Subscription:

Pursuant to the Supplemental Agreement, the Subscription is conditional upon:

- the Listing Committee of the Stock Exchange and Singapore Exchange Securities Trading Limited agreeing to grant a listing of and permission to deal in the Subscription Shares;
- completion of the Placing pursuant to this Agreement; and
- the granting of a waiver to the Vendor by the SFC from general offer obligations that might otherwise arise as a result of the Subscription.

If the conditions above are not fulfilled within 14 days from the date of the Agreement or such later date as may be agreed by the Vendor and the Company, all rights, obligations and liabilities of the parties in relation to the Subscription shall cease and determine and none of the parties shall have any claim against any other in respect of the Subscription.

Completion:

Completion of the Subscription shall take place at 2:00 p.m. on the Subscription Completion Date.

Applications will be made to the Stock Exchange and Singapore Exchange Securities Trading Limited for listing of and permission to deal in the Subscription Shares.

EFFECTS ON SHAREHOLDING

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

Shareholders	Shareholding in the Company before the Placing and the Subscription	Shareholding in the Company after the Placing but before the Subscription	Shareholding in the Company after the Placing and the Subscription
<i>Parties acting in concert</i>			
Hang Sing Overseas Limited (The Vendor) (Note 1)	226,403,853 21.93%	146,403,853 14.18%	226,403,853 20.36%
Chan Shing (The Warrantor)	31,431,472 3.05%	31,431,472 3.05%	31,431,472 2.83%
Lau Ting (The Warrantor)	21,776,072 2.11%	21,776,072 2.11%	21,776,072 1.96%
Strong Purpose Corporation (Note 2)	211,900,848 20.53%	211,900,848 20.53%	211,900,848 19.05%
Subtotal	491,512,245 47.62%	411,512,245 39.87%	491,512,245 44.20%
Directors (other than the Warrantors) and connected persons	14,652,378 1.42%	14,652,378 1.42%	14,652,378 1.32%
Credit Suisse (Hong Kong) Limited	–	30,000,000 2.91%	30,000,000 2.69%
Keywise Greater China Master Fund	–	25,000,000 2.42%	25,000,000 2.25%
Legg Mason International Equities (Singapore) Pte Limited	–	25,000,000 2.42%	25,000,000 2.25%
Public	525,963,836 50.96%	525,963,836 50.96%	525,963,836 47.29%
Total	1,032,128,459 100%	1,032,128,459 100%	1,112,128,459 100%

Notes:

- Mr. Chan Shing and Ms. Lau Ting indirectly beneficially own in aggregate of 51 per cent. of the issued share capital of the Vendor as at the date of this announcement.
- Mr. Chan Shing and Ms. Lau Ting beneficially own 100 per cent. of the issued share capital of Strong Purpose Corporation.

The Vendor, the Warrantors and Strong Purpose Corporation are parties acting in concert within the meaning of the Takeovers Code. Their collective shareholding in the Company is approximately 47.62%. Immediately after the Placing but before the Subscription, their collective shareholding in the Company will be approximately 39.87%. Immediately after the Placing and the Subscription, their collective shareholding in the Company will be approximately 44.20%. Therefore a general offer obligation will be triggered under Rule 26 of the Takeovers Code. Application will be made to the Executive for a waiver from the obligation to make a general offer as a result of the Subscription under Note 6 on dispensations from Rule 26 of the Takeovers Code.

REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION

The net proceeds from the Subscription is approximately HK\$118,000,000. The proceeds will be used for general working capital purposes and for investments in ore companies, should any suitable investment opportunities arise. There is no identified investment as at the date of this announcement.

The Directors are of the view that the Placing and the Subscription represent a good opportunity to raise additional funds for the Company's business development purpose and at the same time broaden the Company's shareholder base and strengthen its capital base. Accordingly, the Directors consider that the terms of the Placing and the Subscription are fair, reasonable and in the best interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY AND THE VENDOR

The principal activities of the Company and its subsidiaries are international steel trading, warehousing and distribution, steel manufacturing and processing, and property development and investment.

The Company did not have any fund raising exercise in the 12 months immediately preceding the date of this announcement.

The principal activity of the Vendor is investment holding.

INFORMATION ON THE PLACEES

Credit Suisse (Hong Kong) Limited is part of the Credit Suisse Group, a global financial services company.

Keywise Greater China Master Fund is an exempt company incorporated with limited liability under the laws of the Cayman Islands. The principal activity of the fund is investment holding.

Legg Mason International Equities (Singapore) Pte Limited is a company registered in the Republic of Singapore. The principal activity is fund management.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 4 June 2007 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Tuesday, 5 June 2007.

UNUSUAL TRADING VOLUME MOVEMENT

The Directors have noted the recent increases in the trading volume of the Shares before the suspension of trading in the Shares on 4 June 2007 and wish to state that they are not aware of any reasons for such increases.

Save as disclosed above, the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules neither is the board of Directors aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

DEFINITIONS

"Agreement"	the Placing and Subscription Agreement dated 1 June 2007, entered into among the Vendor, the Warrantors, the Company and the Placing Agent
"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 Stock Exchange and Singapore Exchange Securities Trading Limited and, having its principal place of business at Unit 1402, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
"Directors"	the directors of the Company
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"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
"Places"	as described under the section headed "Placement to" in this announcement
"Placing"	the placing of the Placing Shares by the Placing Agent pursuant to the terms and subject to the conditions of the Agreement
"Placing Agent"	CITIC Securities Corporate Finance (HK) Limited
"Placing Completion Date"	7 June 2007 or such other date as may be agreed amongst the Vendor, the Placing Agent and the Company
"Placing Price"	HK\$1.50 per Placing Share
"Placing Shares"	a total of 80,000,000 Shares beneficially owned by the Vendor to be placed pursuant to the Agreement
"SFC"	the Securities and Futures Commission
"Shares"	shares of HK\$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription for the Subscription Shares by the Vendor pursuant to the terms and conditions of the Agreement
"Subscription Completion Date"	the first Business Day following the fulfillment of all the conditions specified in the Agreement or such other date to be agreed between the Vendor and the Company in writing
"Subscription Price"	HK\$1.50 per Subscription Share, which is equivalent to the Placing Price
"Subscription Shares"	a total of 80,000,000 new Shares to be issued pursuant to the Subscription
"Supplemental Agreement"	the supplemental agreement dated 4 June 2007 entered into among the Vendor, the Warrantors, the Company and the Placing Agent to amend the conditions of the Subscription
"Takeovers Code"	The Code on Takeovers and Mergers
"Vendor"	Hang Sing Overseas Limited, a company incorporated in the British Virgin Islands with limited liability
"Warrantors"	Mr. Chan Shing and Ms. Lau Ting (the spouse of Mr. Chan Shing)
"HK\$"	Hong Kong dollars
"%"	per cent.

By order of the Board of Directors of
Burwill Holdings Limited
Ng Lai Ping, Grace
Company Secretary

Hong Kong, 4 June 2007

As at the date of this announcement, the board of Directors of the Company comprise Mr. Chan Shing, Mr. Sit Hoi Tung, Mr. Yang Da Wei, Ms. Lau Ting, Ms. Tung Pui Shan, Virginia, Mr. Kwok Wai Lam and Mr. Yin Mark as Executive Directors, Mr. Cui Shu Ming, Mr. Song Yufang and Mr. Huang Shenglan as Independent Non-Executive Directors and Mr. Sze Tsai Ping, Michael as Non-Executive Director.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.