



Burwill Holdings Limited

寶威控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 24)

MAJOR TRANSACTION

On 26 August 2004, Camety, a wholly owned subsidiary of the Company, entered into the Agreement with, inter alia, Reindeer in respect of the sale of the Property at a cash consideration of HK\$138,000,000.

The terms and conditions of the Agreement were determined after arm's length negotiations between the parties thereto with reference to the normal commercial terms and are considered by the Board to be fair and reasonable and in the interests of the Shareholders as a whole.

The transaction contemplated under the Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. A circular in connection with the Agreement will be despatched to the Shareholders as soon as practicable. A special general meeting will be held to consider and, if thought appropriate, to approve the sale of the Property. No Shareholder is required to abstain from voting at the SGM.

THE AGREEMENT

Date of the Agreement

26 August 2004

Parties

- (1) *Vendor*
Camety Company Limited, a wholly owned subsidiary of the Company.
- (2) *Purchaser*
Reindeer Village Ltd., whose principal activity is investment holding.
- (3) *Estate Agent*
AG Wilkinson & Associates, whose principal activity is real estate agency.

The Company confirms that to the best of its knowledge, information and belief having made all reasonable enquiry, Reindeer, AG Wilkinson & Associates and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Asset to be transferred

Under the Agreement, Camety agreed to sell the Property to Reindeer at a cash consideration of HK\$138,000,000 subject to existing tenancies.

Consideration

The consideration of the Property is HK\$138,000,000 payable by Reindeer to Camety in cash and was agreed by the parties after arm's length negotiations with reference to the normal commercial terms. The Property was acquired by Camety in 1996 and the cost of the property as carried to 31 December 2003 was HK\$153,573,000. The book value of the Property as at 31 December 2003 was HK\$155,000,000. The profit attributable to the Property for the year ended 31 December 2003 and 31 December 2002 were HK\$6,088,000 and HK\$4,998,000 respectively. The loss on disposal of the Property based on the cost is HK\$17,053,000 and based on the book value as at 31 December 2003 is HK\$18,480,000. The Property was valued at HK\$155,000,000 as at 31 December 2003 by an independent valuer not connected with the Company and its connected persons.

HK\$4,000,000 was paid by Reindeer to Camety upon signing of the Agreement as deposit. HK\$9,800,000 shall be paid upon signing of the formal agreement for sale and purchase on or before 8 September 2004. HK\$124,200,000 shall be paid upon completion on or before 18 November 2004 as balance of purchase price.

A commission of HK\$1,380,000 is payable by Camety to AG Wilkinson & Associates before 19 November 2004.

Formal agreement

A formal sale and purchase agreement is expected to be entered into by Reindeer and Camety on or before 8 September 2004.

Completion

Completion of the Agreement is scheduled to take place on or before 18 November 2004.

The sale of the Property under this Agreement is conditional on the approval of Shareholders as required by the Listing Rules.

REASON FOR THE PROPERTY DISPOSAL

The Board considers the disposal of the Property will provide the opportunity for the Company to realize its assets at a reasonable market price. The net proceeds will be used for the repayment of an existing loan in the amount of approximately HK\$64,157,000 and the remaining balance for general working capital purpose.

The Board is of the view that the disposal of the Property is in the interest of the Company and the terms of the Agreement are on normal commercial terms, which are fair and reasonable and in the interest of the Shareholders as a whole.

The Board confirms that the consideration for the transaction has been determined after arm's length negotiations between the parties thereto.

SPECIAL GENERAL MEETING

The Agreement constitutes a major transaction for the Company. A special general meeting will be held to consider and, if thought appropriate, approve the sale of the Property under the Agreement. A circular with information of the Agreement together with a notice of SGM will be despatched to the Shareholders as soon as practicable. No Shareholder is required to abstain from voting at the SGM.

GENERAL

The Company is an investment holding company. Its subsidiaries are principally engaged in steel trading, warehousing and distribution, steel manufacturing and processing, property development and investment.

DEFINITIONS

In this announcement, the following terms have the following meanings:

"Agreement"	the preliminary sale and purchase agreement dated 26 August 2004 entered into between Reindeer as purchaser, Camety as vendor and AG Wilkinson & Associates as agent in respect of the sale and purchase of the Property
"Board"	the board of directors of the Company
"Camety"	Camety Company Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
"Company"	Burwill Holdings Limited
"connected person(s)"	as defined under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Property"	G/F, 1/F and 2/F (including staircases, landings and flat roof), Yuen King Building, 26-37 Sai Yeung Choi Street South/51A and 52B Shantung Street, Mongkok, Kowloon, Hong Kong, the remaining portion of Section B of Kowloon Inland Lot No. 1568
"Reindeer"	Reindeer Village Ltd.
"SGM"	the special general meeting to be held to consider and, if thought appropriate, approve the sale of the Property under the Agreement
"Shareholders"	shareholders of the Company
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

As at the date of this announcement, the Board comprises Mr. Chan Shing, Mr. Yang Da Wei, Ms. Lau Ting, Mr. Yu Wing Keung, Dicky, Ms. Tung Pui Shan, Virginia, Mr. Kwok Wai Lam, Mr. Yin Mark, Mr. Sit Hoi Tung and Mr. Sun Ho as executive directors, Mr. Cui Shu Ming and Mr. Song Yufang as independent non-executive directors and Mr. Sze Tsai Ping, Michael as non-executive director.

By Order of the Board
Burwill Holdings Limited
Kwok Wai Lam
Executive Director

Hong Kong, 26 August 2004