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Burwill Holdings Limited

寶威控股有限公司

(Provisional Liquidators Appointed)

(Incorporated in Bermuda with limited liability)

(Stock Code: 24)

THE CAPITAL REORGANISATION

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The Company proposes to implement the Capital Reorganisation, which comprises the Capital Reduction and the Share Premium Cancellation. Credits arising from the Capital Reduction and the Share Premium Cancellation will be transferred to the Contributed Surplus Account to enable the application of such amount then standing to the credit of the Contributed Surplus Account as is necessary to set off the accumulated losses of the Company as permitted by the Bye-Laws and all applicable laws.

GENERAL

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in relation to the Capital Reorganisation. A Circular will be despatched to the Shareholders as soon as practicable.

To the best of the Director's and Provisional Liquidators' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has a material interest in the Capital Reorganisation and no Shareholders will be required to abstain from voting on the resolution(s) to approve the Capital Reorganisation at the SGM.

THE CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation, which comprises the Capital Reduction and the Share Premium Cancellation, details of which are as follows:-

(i) Capital Reduction

It is proposed that (1) the issued share capital of the Company will be reduced by cancelling the paid up capital of the Company to the extent of HK\$0.0999 on each of the issued Existing Share such that the par value of each issued Existing Share will be reduced from HK\$0.10 to HK\$0.0001; and (2) the authorised share capital of the Company will be reduced from HK\$880,000,000 divided into 8,800,000,000 Existing Shares to HK\$880,000 divided into 8,800,000,000 New Shares by the reduction of the par value of each authorised Existing Share from HK\$0.10 to HK\$0.0001 each.

Based on the number of Existing Shares in issue as at the date of this announcement, as a result of the Capital Reduction, a credit of approximately HK\$510.7 million will arise in the books of the Company.

(ii) Share Premium Cancellation

Upon the Capital Reduction becoming effective, the entire amount standing to the credit of the share premium account of the Company, being the aggregate amount subscribed for the Existing Shares in excess of each such Existing Share's par value at that time will be cancelled.

According to the annual report of the Company for the year ended 31 December 2018, the share premium account of the Company amounted to approximately HK\$878.0 million.

The credits arising from the Capital Reduction and the Share Premium Cancellation will be transferred to the Contributed Surplus Account to enable the application of such amount then standing to the credit of the Contributed Surplus Account as is necessary to set off the accumulated losses of the Company, and the balance after such set off (if any) will remain credited to the Contributed Surplus Account and may be applied in the future for distribution to the Shareholders or in any manner permitted under the Bye-Laws and all applicable laws.

Conditions of the Capital Reorganisation

The implementation of the Capital Reorganisation and the listing of the New Shares are conditional upon:

- (i) the passing of special resolution(s) by the Shareholders by way of poll at the SGM to approve the Capital Reorganisation;
- (ii) the compliance with the relevant procedures and requirements under the Listing Rules, the Bye-Laws, the Companies Act 1981 of Bermuda and all applicable laws to effect the Capital Reorganisation; and
- (iii) the Stock Exchange granting the listing of, and the permission to deal in, the New Shares.

Effects of the Capital Reorganisation

As at the date of this announcement, save as regards (i) the outstanding share options entitling the holders thereof to exercise and hold 495,800,000 Existing Shares; and (ii) the convertible bonds entitling the holders thereof to convert into up to 920,721,000 Existing Shares, the Company does not have any other outstanding options, warrants or securities in issue which are convertible or exchangeable into the shares of the Company. Assuming no further Existing Shares will be issued or repurchased prior to the effective date of the Capital Reduction, the effect of the Capital Reduction and the share capital structure of the Company is summarised below:-

	As at the date of this announcement	Immediately after the Capital Reduction
Par value	HK\$0.10 per Existing Share	HK\$0.0001 per New Share
Authorised:		
Number of authorised shares	8,800,000,000 Existing Shares	8,800,000,000 New Shares
Authorised share capital	HK\$880,000,000	HK\$880,000
Issued:		
Number of issued shares	5,111,622,235 Existing Shares	5,111,622,235 New Shares
Issued share capital	HK\$511,162,224	HK\$511,162

Save for the application of the credits arising from the Capital Reduction and Share Premium Cancellation towards offsetting the accumulated losses of the Company, the Provisional Liquidators consider the implementation of the Capital Reorganisation will have no effect on the underlying assets, liabilities, businesses, operations, management or financial position of the Company and the Group or the rights of the Shareholders.

Reasons for the Capital Reorganisation

The Capital Reduction is necessary in order to ensure that the Company's share capital more appropriately reflects the Company's available assets. The capital of the Company has been substantially depleted; the Company reported in its last annual report that it had an accumulated loss of HK\$691.2 million as at 31 December 2018.

The Capital Reorganisation will facilitate the re-capitalisation of the share capital of the Company through the issue of New Shares; it would not be possible to raise new capital for the Company without the Capital Reduction. Pursuant to the Bye-Laws and the Companies Act 1981 of Bermuda, the Company may not issue any shares at a price less than the par value per share. Prior to the suspension of trading in shares of the Company, the closing price per share of the Company was HK\$0.071, which is below the par value of Existing Shares of HK\$0.10 each. The Capital Reduction will keep the par value of the New Shares at a lower level of HK\$0.0001 per New Share, which will provide greater flexibility for equity fund raising of the Company in the future.

In view of the above, the Provisional Liquidators consider that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Status of the New Shares

The New Shares will be identical and rank *pari passu* in all respects with each other and have identical rights to the Existing Shares (save as to par value), and the Capital Reduction will not result in any change in the relative rights of the Shareholders.

Listing application and dealings

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the New Shares.

Subject to the granting of the listing of, and the permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

The granting of the listing of, and the permission to deal in, the New Shares on the Stock Exchange will be subject to the fulfilments of the resumption conditions imposed by the Stock Exchange, details of which are set out in the Company's announcement dated 24 March 2020.

None of the equity or debt securities of the Company are listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in the equity or debt securities on any other stock exchange is being or is currently proposed to be sought from any other stock exchange.

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, Shareholders may submit share certificates for the Existing Shares to the branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for certificates of the New Shares within the prescribed time. Thereafter, certificates of the Existing Shares will remain effective as prima facie evidence of title but will be accepted for exchange only on payment of a fee of HK\$2.5 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by the Shareholders. Upon the Capital Reorganisation becoming effective, existing share certificates for the Existing Shares will only remain effective as prima facie evidence of title and may be exchanged for certificates for the New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The colour of the New Share certificates will be announced by the Company in due course.

Expected timetable

The expected timetable for the implementation of the Capital Reorganisation is as follows:-

Events	2020
Despatch date of Circular with notice of the SGM.....	On or before Wednesday, 17 June
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Thursday, 2 July
Closure of the register of members for the entitlement to attend and vote at the SGM (both days inclusive)	From Friday, 3 July to Wednesday, 8 July

“Capital Reduction”	the proposed reduction of (i) the issued share capital of the Company by cancelling the paid up capital of the Company to the extent of HK\$0.0999 on each of the issued Existing Share such that the par value of each issued Existing Share will be reduced from HK\$0.10 to HK\$0.0001; and (ii) the authorised share capital of the Company from HK\$880,000,000 divided into 8,800,000,000 Existing Shares to HK\$880,000 divided into 8,800,000,000 New Shares by reducing the par value of each authorised Existing Share from HK\$0.10 to HK\$0.0001 each
“Capital Reorganisation”	collectively, the Capital Reduction and the Share Premium Cancellation
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Capital Reorganisation and a notice convening the SGM
“Contributed Surplus Account”	the contribution surplus account of the Company
“Company”	Burwill Holdings Limited (Provisional Liquidators Appointed), a company incorporated in Bermuda with limited liability, and the Existing Shares are listed on the Main Board of the Stock Exchange (stock code: 24)
“Court”	High Court of the Hong Kong Special Administrative Region
“Director(s)”	the directors of the Company
“Existing Share(s)”	share(s) of a par value of HK\$0.10 each in the share capital of the Company before the Capital Reorganisation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries incorporated in Hong Kong, Mainland China and elsewhere
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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

“New Share(s)”	share(s) of a par value of HK\$0.0001 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“Provisional Liquidators”	Messrs. So Man Chun and Jong Yat Kit, being the joint and several provisional liquidators of the Company acting as agents without personal liability
“SGM”	the special general meeting of the Company to be held to consider and if thought fit, approve all the necessary resolution(s) in relation to the Capital Reorganisation
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

Burwill Holdings Limited
(Provisional Liquidators Appointed)
So Man Chun
Jong Yat Kit

*Joint and Several Provisional Liquidators
Acting as agents of the Company without
personal liability*

Hong Kong, 4 June 2020

As at the date of this announcement, the Board comprises Mr. Huang Shenglan as non-executive director.