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Burwill Holdings Limited

寶威控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 24)

**INSIDE INFORMATION ANNOUNCEMENT
UPDATES ON FINANCIAL POSITION,
PROFIT WARNING
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Burwill Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

UPDATES ON FINANCIAL POSITION

Reference is made to (i) a facility agreement dated 21 December 2017 (the “**Facility Agreement**”) entered into by the Company and Haitong International Financial Products (Singapore) Pte. Ltd. (the “**Lender**”) for the advancement of a loan in the total sum of HK\$70 million to the Company (the “**Loan**”), such Loan was used to invest in the shares of Alita Resources Limited (formerly known as Alliance Mineral Assets Limited) as pledged shares for the Loan; and (ii) the announcements of the Company dated 25 September 2017 and 20 March 2018 in relation to the subscription agreements entered into by the Company and Haitong International Financial Products (Singapore) Pte. Ltd. in relation to the issue of convertible bonds in the aggregate principal amount of not more than US\$20,000,000 (the “**Subscription Agreement I**”), and the Company and certain subscribers in relation to the issue of convertible bonds in the aggregate principal amount of not more than US\$13,000,000 (the “**Subscription Agreement II**”), respectively (collectively, the “**Subscription Agreements**”).

The board of directors of the Company (the “**Board**”) announces that as at the date of this announcement, the Company has failed to repay the Loan together with the accrued interests which have become due and payable under the Facility Agreement, and has received demand letters from the Lender for repayment. The Group does not have sufficient cash available to fulfil its repayment obligations of the Loan which has resulted in an event of default under the Facility Agreement (the “**Default**”).

The Default has constituted breach of covenants under the Facility Agreement and triggered cross-defaults under the other loan facilities entered into between members of the Group and its other lenders, including without limitation, the Subscription Agreements, which contain covenants requiring the Group not to default any other loan facilities entered by the Group, having a material adverse effect. As at the date of this announcement, the Company has assessed that the potential demands for repayment of loans by the relevant lenders including those yet to fall due, the aggregate unfulfilled repayment obligations and possible breaches of the other loan facilities and notes amount to approximately over HK\$300 million.

Given that (i) the Group is going to dispose of substantial portion of its available assets to fulfill its repayment obligations under the Facility Agreement and other loan facilities; (ii) the market price of lithium concentrate and its downstream products, lithium carbonate, operated by the Group has dropped by more than 60% from the historical high, and the steel trade was also greatly reduced owing to the anti-dumping policies of various countries, resulting the very limited cash inflow of the Group; and (iii) the current financial difficulty and the series of defaults in its repayment obligations are likely to affect the availability of the existing and future credit lines granted by the relevant banks to the Company directly, the Board considers that the Group's business operations have been materially and adversely impacted. As at the date of this announcement, the Group's business operations are mostly suspended due to the aforesaid financial difficulties. After the date of this announcement, the Group will not carry out any new sales activities.

The Company is considering all possible ways, including without limitation, asset and business restructuring as well as debt restructuring with its creditors and is looking for all feasible sources of financing to resume its business operations.

The Company confirms that, save as disclosed in this announcement, it is currently not aware of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance. The Company will issue further announcement(s) to provide updates on the above matters as and when required pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT WARNING

The Board wishes to inform the shareholders of the Company that the Group expects to record a loss of unaudited results for the first half of this year as compared to the profit recorded for the same period last year. The turnaround is attributable to the impairment loss of approximately HK\$55 million of the securities investment in the Singapore-listed lithium company in the first half of 2019 and share option expenses for the grant of options of approximately HK\$20 million.

The Company is in the process of finalising the Group's interim results for the six months ended 30 June 2019. This announcement is made based on preliminary assessment on the unaudited management accounts of the Group for the six months ended 30 June 2019. The Group's interim results will be announced on 30 August 2019.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited was halted from 9:00 a.m. on 19 August 2019 and will remain suspended pending the Group's demonstration of its compliance with the Rule 13.24.

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

Hong Kong, 21 August 2019

As at the date of this announcement, the Board of the Company comprises Mr. Chan Shing, Mr. Sit Hoi Tung, Mr. Kwok Wai Lam and Mr. Sham Kai Man as executive directors; Mr. Cui Shu Ming, Mr. Tsang Kwok Wa and Mr. Cheung Sing Din as independent non-executive directors; and Mr. Huang Shenglan as non-executive director.