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**Burwill Holdings Limited**  
**寶威控股有限公司**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 24)

**SUPPLEMENTARY ANNOUNCEMENT  
IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT  
OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2017**

Reference is made to the announcement of Burwill Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 March 2018 in relation to the final results of the Group for the year ended 31 December 2017 (the “**2017 Annual Results Announcement**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the 2017 Annual Results Announcement.

Reference is made to the paragraph headed “Extract of Independent Auditors’ Report - Basis for qualified opinion” on pages 14 to 15 of the 2017 Annual Results Announcement. The Board wishes to supplement the following:

- (1) *Current status of the legal proceedings between the shareholders of CLA and the actions and proposed plan of the Company to remove the audit qualification*

The Audit Committee had discussed with the Company’s auditors as to how the qualified opinion could be removed. The view of the Company’s auditors as to the conditions that the audit qualification could be removed have been disclosed in the paragraph headed “Audit Committee” on page 22 of the 2017 Annual Results Announcement.

Details and the latest status of the legal proceedings between the shareholders of CLA are set out below:-

On 4 November 2016, Burwill Commercial Holdings Limited (“**BCHL**”), a wholly-owned subsidiary of the Company, as plaintiff issued a writ of summons in the High Court of Hong Kong against Charm Best Investments Inc. (“**Charm Best**”) and Mr. IP Kwok Kin (“**Mr. IP**”) as defendants (“**HCA 2895/2016**” or the “**Legal Proceedings**”).

BCHL made the claim for, inter alia, the declaration that BCHL validly exercised its rights under the deed of share charge dated 13 September 2016 (the “**Deed**”). BCHL’s position is that it has exercised its rights under the Deed to, inter alia, take over the 55% charged shares in CLA (the “**Charged Shares**”) on 14 October 2016. As a result, Charm Best was no longer the shareholder of CLA and Mr. IP was no longer a director of CLA. The Charged Shares have been transferred to the Group’s wholly-owned subsidiary, Double Honour Enterprises Limited, which holds the Charged Shares on trust as a nominee.

A Statement of Claim under the action of HCA 2895/2016 was filed by BCHL on 13 February 2017 which was subsequently amended and filed on 9 March 2017.

On 23 May 2017, Mr. IP and Charm Best issued a defence and counterclaim in the High Court of Hong Kong against BCHL and CLA under HCA 2895/2016. BCHL as plaintiff (by original action) had filed and served the Reply and Defence to Counterclaim on 17 July 2017.

On 18 November 2016, Mr. IP and Charm Best issued a writ of summons in the High Court of Hong Kong against, inter alia, BCHL and CLA (“**HCA 3015/2016**”). On 4 January 2017, the Court queried the need for the plaintiffs in HCA 3015/2016 (Mr. IP and Charm Best), to issue such legal action and then on 6 February 2017, the Court directed the plaintiffs in HCA 3015/2016 to proceed by way of a counterclaim under HCA 2895/2016.

In relation to the Legal Proceedings, the Company confirms that as at the date hereof, the parties to the Legal Proceedings were at discovery stage, and the date of trial of the Legal Proceedings has not been fixed.

It is the intention of the Company to pursue with the Legal Proceedings until an outcome of which become certain and hence the audit qualification as mentioned above could be removed. Nevertheless, only as the last resort, as an alternative to remove the audit qualification, the Company may consider disposal of its 45% interest in CLA to third party at a reasonable market price.

The Company will publish further announcement(s) to update the Shareholders and potential investors of the removal of the audit qualification as and when appropriate.

(2) *Actual and potential impact of the audit qualification and the views of the management and audit committee of the Company*

As mentioned in the 2017 Annual Results Announcement, the independent auditors are unable to satisfy themselves as to whether (i) the carrying amount of the Group’s investment in CLA of approximately HK\$147,340,000 (net of provision for impairment loss of approximately HK\$91,032,000 which was made by the Group against the net assets of CLA at 31 December 2017) as included in the Group’s consolidated balance sheet as at 31 December 2017; and (ii) the Group’s share of the loss of CLA of approximately HK\$82,942,000 (net of provision for impairment loss of approximately HK\$91,032,000 which was made by the Group against the net assets of CLA at 31 December 2017) and other comprehensive expense of CLA of approximately HK\$2,290,000, as included in the Group’s consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2017.

In view of the audit qualification, as at pages 14 and 15 of the 2017 Annual Results Announcement, the Company has made provision for impairment loss of approximately HK\$91,032,000 for its investment in CLA as at 31 December 2017 as required in its consolidated financial statements.

The audit committee of the Company agreed with the view of the Management and confirmed that it had critically reviewed and agreed with the position of the Management on the major judgmental areas in relation to the provision for impairment loss for its investments in CLA.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 11 April 2018

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