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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 2018**

Reference is made to the announcement of Burwill Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 March 2019 in relation to the final results of the Group for the year ended 31 December 2018 (the “**2018 Annual Results Announcement**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the 2018 Annual Results Announcement.

Reference is made to the paragraph headed “Extract of Independent Auditors’ Report - Basis for qualified opinion” on pages 18 to 19 of the 2018 Annual Results Announcement. The Board wishes to supplement as follows:

Proposed plan of the Company to remove the audit qualification

The root cause of the qualified opinion for 2018 is that the auditors of the Company were unable to obtain sufficient appropriate audit evidence regarding the financial information of CLA for the year ended 31 December 2018 as a result of the disputes of the Group with Mr. Ip and Charm Best which was originated from the failure of Charm Best with respect to its repayment obligations to the Group on CLA’s behalf. Details of which are disclosed under Note 35 to the Consolidated Financial Statements at pages 192 to 193 of the 2017 annual report of the Company. As a result, the Company commenced the Legal Proceedings against Mr. Ip and Charm Best in November 2016, details of which are set out in the announcement of the Company dated 14 November 2016.

After the group restructure of CLA, which involved the disposal of certain subsidiaries of CLA and was completed on 7 November 2018, the disputes of the Group with Mr. Ip and Charm Best and hence the Legal Proceedings was no longer a major issue for the current year’s audit qualification following the group restructure of CLA. Therefore, the auditors were able to obtain sufficient appropriate audit evidence with respect to the remainder companies. As such, the management of the Company (the “**Management**”) expects that the Company can remove audit qualification for the financial year ended 31 December 2019 (except for the opening) even when (a) the Legal Proceedings has not been completed before 31 December 2019; and (b) the Company has not completed the disposal of its 45% interest in CLA before 31 December 2019.

Actual and potential impact of the audit qualification and the views of the management and audit committee of the Company

As mentioned in the 2018 Annual Results Announcement, the independent auditors continue to be unable to satisfy themselves as to whether (i) the carrying amount of the Group's investment in CLA of approximately HK\$139,984,000 as included in the Group's consolidated balance sheet as at 31 December 2018; and (ii) the Group's share of the loss of CLA of approximately HK\$431,000 and other comprehensive income of CLA of approximately HK\$409,000, as included in the Group's consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2018, respectively, were fairly stated.

The audit committee of the Company (the "Audit Committee") has reviewed the qualified opinions on the Company's audited accounts for the year ended 31 December 2018 and has well noted the basis thereof.

The Management has reviewed the impact of the audit qualification on the Group and considers that such audit qualification does not have significant effect on Group's daily operation as the audit qualification is related to an associate of the Group only.

As mentioned above, after the group restructure of CLA, the Management expects, and the Audit Committee concurs that with the basis stated above, the Company can remove audit qualification for the financial year ended 31 December 2019 (except for the opening).

The Audit Committee concurred with the Management's view that the Company can remove the audit qualification on the financial information of CLA for the financial year ended 31 December 2019 (except for the opening).

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, 16 April 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.