



**BRILLIANCE WORLDWIDE HOLDINGS LIMITED**

**金 滿 堂 控 股 有 限 公 司 \***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8312)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2015**

### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed in the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the "Directors") of Brilliance Worldwide Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement, in both English and Chinese versions, is available on the Company's website at [www.brillianceww.com](http://www.brillianceww.com).*

\* for identification purposes only

# Condensed consolidated statement of comprehensive income

For the three months and six months ended 31 March 2015

## INTERIM RESULTS (UNAUDITED)

The board of Directors (the "Board") is pleased to present the unaudited condensed consolidated results of the Group for the three months and six months ended 31 March 2015 together with the unaudited comparative figures for the corresponding period in 2014 as follows:

	Note	Three months ended 31 March		Six months ended 31 March	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
<b>TURNOVER</b>	3	<b>7,091</b>	10,633	<b>26,464</b>	32,821
Cost of sales		<b>(6,540)</b>	(10,047)	<b>(24,266)</b>	(30,083)
<b>GROSS PROFIT</b>		<b>551</b>	586	<b>2,198</b>	2,738
Other revenue		–	49	<b>7</b>	49
Selling and distribution expenses		<b>(456)</b>	(653)	<b>(1,081)</b>	(2,325)
Administrative and other operating expenses		<b>(1,050)</b>	(2,685)	<b>(2,290)</b>	(5,136)
<b>LOSS FROM OPERATIONS</b>		<b>(955)</b>	(2,703)	<b>(1,166)</b>	(4,674)
Finance costs	4(c)	<b>(23)</b>	(44)	<b>(123)</b>	(155)
<b>LOSS BEFORE TAXATION</b>	4	<b>(978)</b>	(2,747)	<b>(1,289)</b>	(4,829)
Income tax	5	<b>139</b>	(95)	<b>139</b>	(95)
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>(839)</b>	(2,842)	<b>(1,150)</b>	(4,924)
<b>Other comprehensive income</b>					
Exchange differences arising on translation of foreign operations, with no income tax effects		<b>(1)</b>	91	<b>(5)</b>	91
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>(840)</b>	(2,751)	<b>(1,155)</b>	(4,833)
<b>Loss per share</b>					
Basic and diluted (HK\$)	7	<b>(0.001)</b>	(0.004)	<b>(0.002)</b>	(0.007)

# Condensed consolidated statement of financial position

As at 31 March 2015

		<b>31 March 2015 HK\$'000 (unaudited)</b>	30 September 2014 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>1,079</b>	1,133
Intangible asset		<b>118</b>	154
		<b>1,197</b>	1,287
<b>Current assets</b>			
Inventories		–	626
Trade and other receivables	9	<b>18,031</b>	17,016
Amount due from ultimate holding company		<b>9</b>	9
Pledged bank deposits		<b>3,400</b>	7,000
Cash and bank balances		<b>4,848</b>	2,595
		<b>26,288</b>	27,246
<b>Current liabilities</b>			
Accruals and other payables	10	<b>475</b>	468
Bank borrowings		<b>4,636</b>	4,398
Tax payable		–	138
		<b>5,111</b>	5,004
<b>Net current assets</b>		<b>21,177</b>	22,242
<b>Net assets</b>		<b>22,374</b>	23,529
<b>Equity</b>			
Share capital	11	<b>6,920</b>	6,920
Reserves		<b>15,454</b>	16,609
<b>Total Equity attributable to owners of the Company</b>		<b>22,374</b>	23,529

# Condensed consolidated statement of changes in equity

For the six months ended 31 March 2015

	Attributable to owners of the Company						Retained profit/ (accumulated losses)	Total
	Share capital	Share premium	Share- based compensation reserve	Capital reserve	Merger reserve	Translation reserve		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 October 2013 (audited)	6,920	16,489	1,319	3,718	(383)	81	(1,863)	26,281
Loss and total comprehensive expense for the period	–	–	–	–	–	–	(2,082)	(2,082)
At 31 March 2014 (unaudited)	6,920	16,489	1,319	3,718	(383)	81	(3,945)	(24,199)
At 1 October 2014 (audited)	<b>6,920</b>	<b>16,489</b>	<b>1,319</b>	<b>3,718</b>	<b>(383)</b>	<b>239</b>	<b>(4,773)</b>	<b>23,529</b>
Other comprehensive expenses	–	–	–	–	–	(5)	–	(5)
Loss for the period	–	–	–	–	–	–	(1,150)	(1,150)
Total comprehensive expense for the period	–	–	–	–	–	(5)	(1,150)	(1,155)
At 31 March 2015 (unaudited)	<b>6,920</b>	<b>16,489</b>	<b>1,319</b>	<b>3,718</b>	<b>(383)</b>	<b>234</b>	<b>(5,923)</b>	<b>22,374</b>

# Condensed consolidated statement of cash flows

For the six months ended 31 March 2015

	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Net cash (used in)/generated from operating activities	(1,460)	2,267
Net cash generated from/(used in) investing activities	3,477	(210)
Net cash generated from/(used in) financing activities	4	(1,875)
Net increase in cash and cash equivalents	2,021	182
Effect of foreign exchange rate changes	(2)	91
Cash and cash equivalents at the beginning of period	1,693	9,435
Cash and cash equivalents at the end of period	3,712	9,708
<b>Analysis:</b>		
Cash and bank balance	4,848	11,196
Bank overdraft	(1,136)	(1,488)
	3,712	9,708

# Notes to the condensed consolidated statement of comprehensive income

*For the six months ended 31 March 2015*

## 1. CORPORATE INFORMATION

Brilliance Worldwide Holdings Limited (the "Company") is incorporated and domiciled in the Cayman Islands as an exempted company with limited liability on 24 February 2010. The Company has established a principal place of business in Hong Kong at Flat 16, 1st Floor, Wah Yiu Industrial Centre, 30–32 Au Pui Wan Street, Fotan, New Territories, Hong Kong and has been registered as a non-Hong Kong company under part XI of the Hong Kong Companies Ordinance on 27 October 2010.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in distribution of apparel products.

## 2. BASIS OF PREPARATION

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the company. There have been no significant changes to the accounting policies applied in these financial statements for the period presented as a result of these developments.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgments in the process of applying the Group's accounting policies.

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements were consistent with those applied for the financial statements of the Group for the year ended 30 September 2014.

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000), unless otherwise stated.

The condensed consolidated financial statements have not been reviewed nor audited by the Company's auditors, but have been reviewed by the Company's audit committee.

# Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2015

## 3. TURNOVER AND SEGMENT INFORMATION

### Segment revenue, results, assets and liabilities

The Group is principally engaged in manufacturing and distributing apparel products. For management purposes, the Group operates in one business unit based on their products. Although the garments are sold to domestic and overseas customers, the Group's Board of Directors, being the chief operating decision-maker ("CODM"), regularly reviews their consolidated financial information to assess the performance and makes resource allocation decisions. Accordingly, no segmental revenue and results are presented.

### Geographical information

The Group's operations are located in Hong Kong.

The Group's turnover from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Turnover from external customers		Non-current assets	
	Six months ended 31 March		As at 31 March	As at 30 September
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Sweden	3,937	6,122	–	–
U.K.	12,666	14,852	–	–
Spain	5,359	3,185	–	–
Hong Kong	3,588	6,062	1,079	1,133
The PRC, excluding Hong Kong	–	–	118	154
Others	914	2,600	–	–
Total turnover/ non-current assets	26,464	32,821	1,197	1,287

# Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2015

## 3. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

### Information about products

	For the six months ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Innerwear	16,098	19,133
Casual wear	4,361	7,050
Baby and children wear	6,005	6,638
Total turnover	26,464	32,821

### Information about major customers

Revenues from external customers contributing 10% or more of the Group's total revenue are as follows:

	For the six months ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Customer A	11,791	13,665
Customer B	5,359	6,077
Customer C	3,812	3,185
Customer D	2,815	N/A



# Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2015

## 4. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

### (a) Staff costs (including directors' and chief executive officer's remuneration)

	For the six months ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries, wages and other benefits	1,008	8,038
Contributions to defined contribution retirement plans	16	10
	<b>1,024</b>	<b>8,048</b>

### (b) Other items

	For the six months ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cost of inventories	–	30,083
Depreciation on property, plant and equipment	53	370
Amortisation of intangible assets	34	31
Exchange loss, net	–	31

### (c) Finance costs

	For the six months ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank advances wholly repayable within five years, being total interest expenses on financial liabilities not at fair value through profit or loss	123	155

# Notes to the condensed consolidated statement of comprehensive income

*For the six months ended 31 March 2015*

## **5. INCOME TAX**

No provision for Hong Kong Profit tax has been made in the financial statement as the Group has no assessable profits for the six months ended 31 March 2014 and 2015.

No provision for profits tax in the Cayman Islands and British Virgin Islands has been made as the Group has no assessable profits for the period in these jurisdictions (2014: Nil).

## **6. DIVIDEND**

The Directors do not recommend payment of any dividend for the six months ended 31 March 2015 (2014: Nil).

## **7. LOSS PER SHARE**

### **(a) Basic loss per share**

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$1,150,000 (2014: HK\$4,924,000) and the weighted average of 692,000,000 shares in issue for the six months ended 31 March 2014 and 2015.

### **(b) Diluted loss per share**

Diluted loss per share equals to the basic loss per share for both six months period ended 31 March 2014 and 2015 because the outstanding share options had an anti-dilutive effect on the basic loss per share.

## **8. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT**

The Group had not acquired any property, plant and equipment during the six months ended 31 March 2015 (2014: HK\$55,000).

# Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2015

## 9. TRADE AND OTHER RECEIVABLES

	<b>31 March 2015 HK\$'000 (unaudited)</b>	30 September 2014 HK\$'000 (audited)
Trade receivables	<b>3,962</b>	6,451
Bills discounted with recourse	–	654
Less: allowance for doubtful debts	–	(1,269)
Loans and receivables	<b>3,962</b>	5,836
Deposits, prepayments and other receivables	<b>14,070</b>	11,180
	<b>18,031</b>	17,016

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

### Ageing analysis

Included in trade and other receivables are trade and bills receivables (net of allowance for doubtful debts) with the following ageing analysis presented based on invoice date as of the end of the reporting period:

	<b>31 March 2015 HK\$'000 (unaudited)</b>	30 September 2014 HK\$'000 (audited)
0–90 days	<b>3,962</b>	5,836
91–180 days	–	–
181–365 days	–	1,269
	<b>3,962</b>	7,105
Less: allowance for doubtful debts	–	(1,269)
	<b>3,962</b>	5,836

Trade and bills receivables are normally due within 15 to 60 days from the date of billing.

# Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2015

## 10. ACCRUALS AND OTHER PAYABLES

	<b>31 March 2015 HK\$'000 (unaudited)</b>	<b>30 September 2014 HK\$'000 (audited)</b>
Accruals and other payables	<b>475</b>	468
Financial liabilities measured at amortised cost	<b>475</b>	468

## 11. SHARE CAPITAL

	<b>Number of ordinary shares</b>	<b>Nominal value ordinary shares HK\$</b>
<b>Authorised:</b> As at 1 October 2013, 30 September 2014 and 31 March 2015	10,000,000,000	100,000,000
<b>Issued and fully paid:</b> As at 1 October 2013, 30 September 2014 and 31 March 2015	692,000,000	6,920,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

# Management discussion and analysis

## BUSINESS REVIEW

The Group's turnover contributed from innerwear, casual wear and baby and children wear for the six months ended 31 March 2015 were HK\$16.1 million, HK\$4.4 million and HK\$6.0 million (2014: HK\$19.1 million, HK\$7.1 million and HK\$6.6 million) respectively.

The product mix of the Group reflects that the portion of sales of innerwear and baby and children wear to the total sales have increased from 58.3 to 60.8% and from 20.2% to 22.7%, respectively. Due to the increase of sales in innerwear and baby and children wear, the portion of sales of casual wear has decreased from 21.5% to 16.5%. The innerwear and baby and children wear products of the Group remain as the main products of the Group.

## FINANCIAL REVIEW

The turnover of the Group for the six months ended 31 March 2015 was approximately HK\$26.5 million, representing a decrease of 19.4% from the same period last year. Cost of sales of the Group decreased by approximately 19.3% from approximately HK\$30.1 million for the six months ended 31 March 2014 to approximately HK\$24.3 million the six months ended 31 March 2015. The decrease in cost of sales was mainly due to the decrease in sales order during the period. The gross profit margin maintained at about 8.3% for both period.

## LIQUIDITY AND FINANCIAL POSITION

At 31 March 2015, cash and bank balances and pledged bank deposits of the Group amounted to approximately HK\$8.2 million (At 30 September 2014: HK\$9.6 million). The current ratio (current asset divided by current liabilities) of the Group was 5.1 times and 5.4 times as at 31 March 2015 and 30 September 2014, respectively. In view of the Group's current level of cash and bank balances, funds generated internally from our operations and the banking facilities available, the Board is confident that the Group will have sufficient resources to meet its finance needs for its operations.

## CAPITAL MANAGEMENT

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the company will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt/(cash) is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt, if any.

# Management discussion and analysis

## OUTLOOK

During the period, the Group, by shifting of its resources to better serve its customers, has focused the business on apparel distribution, which has reflected an improvement of financial position by reduction of operation loss. After changing mode of operation, our business seems to be stabilised during the period. World factory shifting to South East Asia countries is a trend and we are looking for cooperation with those manufacturers in the area.

The Group plans to develop sales in China, which will not be limited to selling of apparel products. Internet shopping is a prevalent mode of customers in China. It is an advancement of market segment that will be captured in future. The Directors will prudently consider the costs and returns of each investment opportunities with the aim to achieve the best utilization of resources and to maximize the returns to shareholders.

## EMPLOYEES AND REMUNERATION POLICY

Total staff costs, including Directors' emoluments, amounted to approximately HK\$1.0 million for the six months ended 31 March 2015. The Group's remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market conditions. The Group provided discretionary bonus, medical insurance, provident fund, education subsidy and training to its employees. The Company adopted a share option scheme on 3 November 2010, under which the Company can grant options to, among others, employees of the Group to subscribe for shares of the Company with a view to rewarding them for their contributions to the Group and giving incentives to them for optimizing their future contributions to the Group. Up to the date of this announcement, 27,600,000 share options have been granted but not yet exercised, of which 13,800,000 share options have been granted to the following Director under such share option scheme:

Name of Director	No. of share option	Exercise price	Exercise Period
Mr. Ko Chun Hay, Kelvin	6,900,000	HK\$0.087	20/1/2012 to 19/1/2017
	6,900,000	HK\$0.091	9/2/2013 to 8/2/2020

## CAPITAL COMMITMENT

As at the end of the reporting period, the Group does not have any significant capital commitment.

# **Management discussion and analysis**

## **FOREIGN CURRENCY EXPOSURE**

Presently, there is no hedging policy with respect to the foreign exchange exposure. The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Renminbi and United States dollar.

## **CONTINGENT LIABILITIES**

As at the end of the reporting period, the Group did not have any significant contingent liabilities.

## **SIGNIFICANT INVESTMENTS**

As at the end of the reporting period, the Group did not have any significant investment plans.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this annual report, there was no specific plan for material investments or capital assets as at 30 September 2014 and 31 March 2015.

## **MATERIAL ACQUISITIONS OR DISPOSALS**

During the six months ended 31 March 2015, there was no material acquisition or disposal of subsidiaries and associated companies by the Group.

On 11 March 2014, the Group has disposed the entire issued share capital of one of its subsidiary company, Yoko Garment Limited and its subsidiary at a consideration of HK\$4.03 million. The disposal was approved in an Extraordinary General Meeting of the Company held on 11 April 2014.

# Corporate governance report

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the Rules Governing the Listing Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") during the six months ended 31 March 2015.

## COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

During the period, the Group adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Upon the Group's specific enquiry, each Director confirmed that during the six months ended 31 March 2015, he had fully complied with the required standard of dealings and there was no event of non-compliance.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2015, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares (the "Shares"), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

### Long positions in the Shares

Name	Capacity	Number of shares	Percentage of the Company's issued share capital
Mr. Ko Chun Hay, Kelvin (Note)	Interest of controlled corporation	519,000,000 (L)	75%

Note: Mr. Ko Chun Hay, Kelvin is deemed to be interested in 519,000,000 Shares held by Magic Ahead Investments Limited under the SFO.

Save as disclosed above, as at 31 March 2015, none of the Directors or chief executive of the Company or their respective associates had registered any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.



# Corporate governance report

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND DEBENTURES OF THE COMPANY

Save as disclosed below, as at 31 March 2015, the Directors were not aware of any other person who had, or was deemed to have, interests or short positions in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

### Long positions in the Shares

Name	Capacity	Number of shares	Percentage of the Company's issued share capital
Magic Ahead Investments Limited (Note)	Beneficial owner	519,000,000 (L)	75%

Note: Magic Ahead Investments Limited, a company incorporated in British Virgin Islands on 15 October 2009 with limited liability and an investment holding company where the entire issued share capital of which is held by Mr. Ko Yuk Tong and Mr. Ko Chun Hay, Kelvin in the proportion of 25.00% and 75.00% respectively as at 31 March 2015.

## CONTRACT OF SIGNIFICANCE

At 31 March 2015, there is no contract of significance between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries.

## COMPETING INTEREST

For the six months ended 31 March 2015, the Directors were not aware of any business or interest of the Directors, the controlling shareholder, the management shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

# Corporate governance report

## SHARE OPTION SCHEME

A share option scheme (the "Scheme") was adopted by the Shareholders by way of written resolutions passed on 3 November 2010. Details of the Scheme are as follows:

**(i) Purpose**

The purpose of the Scheme is to attract and retain the best quality personnel for the development of the Company's businesses; to provide additional incentive to the employees including any executive or non-executive director and officer of the Company or any affiliate, consultants, agents, representatives, advisers, customers, contractors, business allies and joint venture partners; and to promote the long term financial success of the Company by aligning the interests of the option holders to the shareholders of the Company.

**(ii) Qualifying participants**

Any employee including any executive or non-executive director of the Company or any affiliate, any consultant, agent, representative, adviser, customer, contractor, business ally or joint venture partner of the Company or any affiliate.

**(iii) Maximum number of shares**

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the date of approval of the Scheme or 30% of the issued share capital of the Company from time to time. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme(s) of the Company must not, in aggregate, exceed 30% of the total number of issued shares of the Company from time to time.

**(iv) Limit for each participant**

The total number of Shares of the Company issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to each participant must not exceed 1% of the Shares of the Company in issue.

**(v) Option period**

The period within which the Shares must be taken up an option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant option.

The Board has the authority to determine the minimum period for which an option must be held before it can vest. The Scheme itself does not specify any minimum holding period.

# Corporate governance report

## SHARE OPTION SCHEME (CONTINUED)

### (vi) Acceptance and payment on acceptance

The options will be offered for acceptance for a period of 28 days from the date on which the options are offered to an eligible person. Upon acceptance of the options, the eligible person shall pay HK\$1 to the Company as consideration for the grant.

### (vii) Subscription price

The subscription price for each Share subject to and upon the exercise of the options will be a price determined by the Board and notified to each Participant and shall be at least the highest of (i) the closing price of each Share on GEM as stated in the daily quotations sheet of Stock Exchange on the date of grant of the options, which must be a business day; (ii) the average closing price of each Share on GEM as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of one Share.

### (viii) Remaining life of the option Scheme

The Scheme will remain valid for a period of 10 years commencing from 3 November 2010.

On 19 January 2012, as approved by the Board, a total of 13,800,000 options, have been granted to 2 executive Directors at an exercise price of HK\$0.087 per Share. On 8 February 2013, as approved by the Board, a total of 13,800,000 options, have been granted to 2 executive Directors at an exercise price of HK\$0.091 per Share. As at 31 March 2015, a total of 27,600,000 Shares, representing 3.99% of the existing issued share capital of the Company are available for issue in respect of the granted options under the Scheme. Up to the date of this announcement, the 27,600,000 granted options have not yet been exercised by the Participants.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the six months ended 31 March 2015.

# Corporate governance report

## AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Li Kar Fai, Peter (chairman of the audit committee), Mr. Zhang Qing and Mr. Li Xiao Dong.

The audit committee has reviewed the financial statements of the Group for the six months ended 31 March 2015 pursuant to the relevant provisions contained in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

By order of the Board  
**Brilliance Worldwide Holdings Limited**  
**Ko Chun Hay, Kelvin**  
*Chairman*

Hong Kong, 12 May 2015

*As at the date of this announcement, the executive directors are Mr. Ko Chun Hay Kelvin and Madam Lam Mei Nar, Miller and the independent non-executive directors are Mr. Li Xiao Dong, Mr. Zhang Qing and Mr. Li Kar Fai Peter.*