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China Merit International Investment Inc.

(incorporated in British Virgin Islands with limited liability)

BRILLIANCE WORLDWIDE HOLDINGS LIMITED

金滿堂控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8312)

JOINT ANNOUNCEMENT

- (I) SALE AND PURCHASE AGREEMENT IN RELATION TO THE SALE AND PURCHASE OF SHARES IN BRILLIANCE WORLDWIDE HOLDINGS LIMITED;**
- (II) MANDATORY UNCONDITIONAL CASH OFFER BY SUN INTERNATIONAL SECURITIES LIMITED ON BEHALF OF CHINA MERIT INTERNATIONAL INVESTMENT INC. FOR ALL THE ISSUED SHARES IN BRILLIANCE WORLDWIDE HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY CHINA MERIT INTERNATIONAL INVESTMENT INC. AND PARTIES ACTING IN CONCERT WITH IT);**
- (III) CANCELLATION OF OPTIONS;**
- AND**
- (IV) RESUMPTION OF TRADING**

Financial Adviser to China Merit International Investment Inc.



大有融資有限公司
MESSIS CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee



Titan Financial Services Limited

THE SALE AND PURCHASE AGREEMENT

The Company was informed by Magic Ahead (the controlling shareholder of the Company) that on 15 March 2016, Magic Ahead as vendor, Mr. Ko as guarantor and the Offeror as purchaser entered into the Sale and Purchase Agreement pursuant to which, Magic Ahead has agreed to sell and the Offeror has agreed to acquire an aggregate of 474,000,000 Shares (i.e. the Sale Shares), for a total cash consideration of HK\$280,000,000, or approximately HK\$0.5908 per Sale Share, which had been fully paid by the Offeror on Completion in cash and receipt acknowledged by Magic Ahead. The Sale Shares represent approximately 68.5% of the total issued share capital of the Company as at the date of this joint announcement.

Before the signing of the Sale and Purchase Agreement, an aggregate sum of RMB18,000,000 (equivalent to approximately HK\$21,200,000) has been paid by the Offeror to Magic Ahead as Earnest Money and consideration for the exclusive right granted by Magic Ahead for the negotiation on the Sale and Purchase Agreement, which had been fully refunded to the Offeror on the Business Day immediately after the date of Completion.

Prior to Completion, Magic Ahead held a total of 519,000,000 Shares, representing 75.0% of the total issued share capital of the Company. Immediately after Completion and as at the date of this joint announcement, Magic Ahead holds a total of 45,000,000 Shares and the Offeror holds 474,000,000 Shares, representing approximately 6.5% and 68.5% of the total issued share capital of the Company as at the date of this joint announcement, respectively.

Completion took place immediately upon signing of the Sale and Purchase Agreement on 15 March 2016.

CANCELLATION OF OPTIONS

The Board resolved to cancel all the 42,900,000 Options with effect from 16 March 2016 with the consent of the relevant holders of the Options.

MANDATORY UNCONDITIONAL CASH OFFER

Prior to Completion, the Offeror and parties acting in concert with it did not own any Shares, convertible securities, options, warrants or derivatives in the Company. Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it own 474,000,000 Shares, representing approximately 68.5% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it). The Offer is unconditional in all respects.

As at the date of this joint announcement, there are no outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company.

Sun International will, on behalf of the Offeror, make the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) on terms to be set out in the offer documents or, as the case may be, the Composite Document in accordance with the Takeovers Code on the following basis:

The Offer

For each Offer Share HK\$0.5908 in cash

The Offer Price of HK\$0.5908 per Offer Share under the Offer is the same as the purchase price per Sale Share paid by the Offeror pursuant to the Sale and Purchase Agreement.

The principal terms of the Offer are set out under the section headed “Mandatory unconditional cash offers” below.

Non-acceptance Shares

Immediately after Completion and as at the date of this joint announcement, Magic Ahead holds a total of 45,000,000 Shares, representing approximately 6.5% of the total issued share capital of the Company as at the date of this joint announcement. Pursuant to the Sale and Purchase Agreement, Magic Ahead and Mr. Ko have irrevocably undertaken to the Offeror that Magic Ahead will (i) not dispose of, and/or not to pledge to any other parties and/or not to transfer and/or otherwise make these 20,760,000 Shares (representing approximately 3.0% of the total issued share capital of the Company as at the date of this joint announcement) available for acceptance for the Offer; and (ii) not to accept the Offer in respect of these 20,760,000 Shares.

Financial resources available for the Offer

The Offeror intends to finance and satisfy the consideration under the Offer by (i) a loan facility granted by Sun Finance Company Limited, which is secured by a charge over the Shares owned or to be owned by the Offeror; and (ii) an external financing.

Messis Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

Independent Board Committee and Independent Financial Adviser

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Li Kar Fai Peter, Mr. Li Xiao Dong and Mr. Zhang Qing, has been formed to make recommendations to the Independent Shareholders in respect of the Offer pursuant to Rule 2.1 of the Takeovers Code.

Titan Financial has been appointed to advise the Independent Board Committee in relation to the Offer pursuant to Rule 2.1 of the Takeovers Code. The appointment of Titan Financial has been approved by the Independent Board Committee.

Maintenance of listing and sufficient public float of the Company

The Offeror intends to maintain the listing of the Shares on GEM and will undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float as required under the GEM Listing Rules exists in the Shares.

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, amongst other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in connection with the Offer; and (iv) the relevant forms of acceptance and transfer, to the Shareholders within 21 days of the date of this joint announcement. It is expected that such Composite Document will be issued on or before 8 April 2016.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company in due course.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 10:26 a.m. on 15 March 2016 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 21 March 2016.

WARNING

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES DURING THE OFFER PERIOD. IF SHAREHOLDERS AND POTENTIAL INVESTORS ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

Reference is made to the announcements of the Company dated 29 February 2016 and 11 March 2016 in relation to, *inter alia*, the negotiation between Magic Ahead and the Offeror for the possible sale of the controlling interests in the Company.

The Company was informed by Magic Ahead (the controlling shareholder of the Company) that on 15 March 2016, Magic Ahead as vendor, Mr. Ko as guarantor and the Offeror as purchaser entered into the Sale and Purchase Agreement pursuant to which, Magic Ahead has agreed to sell and the Offeror has agreed to acquire an aggregate of 474,000,000 Shares (i.e. the Sale Shares), for a total cash consideration of HK\$280,000,000, or approximately HK\$0.5908 per Sale Share. Principal terms of the Sale and Purchase Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT**Date**

15 March 2016

Parties

- (i) Magic Ahead, as vendor;
- (ii) Mr. Ko, as guarantor; and
- (iii) the Offeror, as purchaser.

The Sale Shares

The Sale Shares comprise a total of 474,000,000 Shares, representing 68.5% of the total issued share capital of the Company as at the date of this joint announcement. The Sale Shares were acquired by the Offeror free from any encumbrance and together with all rights attached and accrued to them at the date of Completion including all rights to any dividend or other distribution declared, made or paid on or after the date of the Completion.

Consideration for the Sale Shares

The purchase price for the 474,000,000 Shares acquired by the Offeror is HK\$280,000,000, or approximate to HK\$0.5908 per Sale Share, which was determined after arm's length negotiations between the Offeror and Mr. Ko, had been fully paid by the Offeror on Completion in cash and receipt acknowledged by Magic Ahead.

Before the signing of the Sale and Purchase Agreement, an aggregate sum of RMB18,000,000 (equivalent to approximately HK\$21,200,000) has been paid by the Offeror to Magic Ahead as Earnest Money and consideration for the exclusive right granted by Magic Ahead for the negotiation on the Sale and Purchase Agreement, which had been fully refunded to the Offeror on the Business Day immediately after the date of Completion.

Non-acceptance Shares

Immediately after Completion and as at the date of this joint announcement, Magic Ahead holds a total of 45,000,000 Shares, representing approximately 6.5% of the total issued share capital of the Company as at the date of this joint announcement. Pursuant to the Sale and Purchase Agreement, Magic Ahead and Mr. Ko have irrevocably undertaken to the Offeror that Magic Ahead will (i) not dispose of, and/or not to pledge to any other parties and/or not to transfer and/or otherwise make these 20,760,000 Shares (representing approximately 3.0% of the total issued share capital of the Company as at the date of this joint announcement) available for acceptance for the Offer; and (ii) not to accept the Offer in respect of these 20,760,000 Shares.

Undertaking on NAV of the Group

Pursuant to the Sale and Purchase Agreement, Magic Ahead has agreed and undertaken that the Group's audited consolidated NAV as at the date of Completion shall not be less than HK\$22,000,000. If the Group's audited consolidated NAV as at the date of Completion is less than HK\$19,500,000 (including the Group's audited cash amount is not less than HK\$6,000,000) (the "**Agreed NAV Amount**"), Magic Ahead shall pay the amount of the shortfall to the Offeror for the discrepancy between the Agreed NAV Amount and the audited consolidated NAV of the Group as at the date of Completion.

Completion

Completion took place immediately upon signing of the Sale and Purchase Agreement on 15 March 2016.

SHAREHOLDING STRUCTURE

Set out below are (i) the shareholding structure of the Company immediately before Completion; and (ii) the shareholding structure of the Company immediately after Completion and as at the date of this joint announcement:

	Immediately before Completion		Immediately after Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Magic Ahead	519,000,000	75.0	45,000,000	approximately 6.5
The Offeror and parties acting in concert with it	—	—	474,000,000	approximately 68.5
Public Shareholders	<u>173,000,000</u>	<u>25.0</u>	<u>173,000,000</u>	<u>25.0</u>
Total	<u><u>692,000,000</u></u>	<u><u>100.0</u></u>	<u><u>692,000,000</u></u>	<u><u>100.0</u></u>

CANCELLATION OF OPTIONS

The Board announces that with the consent of the relevant holders of the Options, the following 42,900,000 Options were cancelled on 16 March 2016:

Name of holders of Options	Date of grant	Exercise period	Exercise price (HK\$)	Number of Options
Mr. Ko (Executive Director)	19/01/2012	20/01/2012–19/01/2017	0.087	6,900,000
	08/02/2013	09/02/2013–08/02/2020	0.091	6,900,000
	13/07/2015	13/07/2015–12/07/2020	0.222	6,900,000
Madam Lam Mei Nar Miller (Executive Director)	13/07/2015	13/07/2015–12/07/2020	0.222	6,900,000
Mr. Li Kar Fai Peter (Independent Non-executive Director)	13/07/2015	13/07/2015–12/07/2020	0.222	1,000,000
Mr. Ko Yuk Tong (brother of Mr. Ko)	19/01/2012	20/01/2012–19/01/2017	0.087	6,900,000
	08/02/2013	09/02/2013–08/02/2020	0.091	6,900,000
Mr. Pu Li Wei (employee)	13/07/2015	13/07/2015–12/07/2020	0.222	500,000
				42,900,000

The above Options were granted to the relevant grantees as an incentive for them to perform well and remain with the Group. In view of the Offer, the above Options would no longer serve the original purpose for which they were granted. The Board also noted that Magic Ahead has agreed with the Offeror to procure the cancellation of the above Options prior to completion of the sale of the Sale Shares or in any event, no later than the commencement of the Offer. As such, with the relevant consents tendered by the holders of the Options, the Board has resolved to cancel the above Options with effect from 16 March 2016.

As informed by Mr. Ko, Mr. Ko will compensate all the holders of the Options (other than Mr. Ko himself) for their consent to cancel their own Options on a see-through basis so that they will be entitled to receive a price for their cancelled Options being the amount by which the consideration for each of the Sale Shares exceeds the exercise price of their Options. As at the date of this joint announcement, none of the holders of the Options, which will be compensated by Mr. Ko on a see-through basis, is a Shareholder.

MANDATORY UNCONDITIONAL CASH OFFER

Prior to Completion, the Offeror and parties acting in concert with it did not own any Shares, convertible securities, options, warrants or derivatives in the Company. Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it own 474,000,000 Shares, representing approximately 68.5% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, immediately upon Completion, the Offeror is required to make a mandatory unconditional general offer in cash for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). The Offer is unconditional in all respects.

As at the date of this joint announcement, there are no outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company.

Terms of the Offer

Sun International will, on behalf of the Offeror and in compliance with Rule 26.1 of the Takeovers Code, make the Offer on the following basis:

For each Offer Share HK\$0.5908 in cash

The Offer Price of HK\$0.5908 per Offer Share under the Offer is the same as the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Offer will be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

The Offer Price

The Offer Price of HK\$0.5908 per Offer Share represents:

- (a) a discount of approximately 1.53% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 1.51% over the average closing price of approximately HK\$0.582 per Share as quoted on the Stock Exchange for the last 5 trading days immediately prior to and including the Last Trading Day;

- (c) a premium of approximately 4.75% over the average closing price of approximately HK\$0.564 per Share as quoted on the Stock Exchange for the last 10 trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 17.65% to the average closing price of approximately HK\$0.502 per Share as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including the Last Trading Day; and
- (e) a premium of approximately 1,937.2% over the audited consolidated NAV of the Group per Share as at 30 September 2015 of approximately HK\$0.029 calculated based on audited consolidated NAV of the Group attributable to the Shareholders as at 30 September 2015 of approximately HK\$20,043,000 and 692,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest trading prices

During the period commencing six months prior to the commencement of the offer period (i.e. 29 February 2016) and ending on the Last Trading Day, the lowest closing price of the Shares as quoted on GEM was HK\$0.20 per Share on 15 September 2015 and the highest closing price of the Shares as quoted on GEM was HK\$0.67 per Share on 6 January 2016.

Value of the Offer

On the basis of the Offer Price of HK\$0.5908 per Offer Share and 692,000,000 issued Shares as at the date of this joint announcement, the total issued share capital of the Company is valued at HK\$408,833,600.

Excluding the 474,000,000 Shares held by the Offeror and parties acting in concert with it, there are 218,000,000 Shares subject to the Offer and the value of the Offer is at HK\$128,794,400.

Financial resources available for the Offer

The Offeror intends to finance and satisfy the consideration under the Offer by (i) a loan facility granted by Sun Finance Company Limited, which is secured by a charge over the Shares owned or to be owned by the Offeror; and (ii) an external financing.

Messis Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, Independent Shareholders will sell their Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including but not limited to all rights to any dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all encumbrances whatsoever together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Payment in cash in respect of an acceptance of the Offer will be made as soon as possible but in any event within seven (7) Business Days (as defined under the Takeovers Code) of the date of the receipt of the duly completed acceptance of the Offer. Relevant documents evidencing title of the Shares must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

Stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, will be deducted from the amount payable to such accepting Shareholders who accept the Offer. The Offeror will bear its own portion of buyer's Hong Kong ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptances or if higher, the market value of the Shares, and will be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Offer.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Messis Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or

associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

As the Offer to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders whose addresses as shown in the registers of members of the Company are outside Hong Kong and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

INFORMATION ON THE GROUP

Principal activities

The Company is an investment holding company. The principal activities of the Group are garment distributions. The Shares have been listed on the GEM since November 2010. As at the date of this joint announcement, the Group sells innerwear, casual wear and baby and children wear in Sweden, the United Kingdom, Spain and Hong Kong.

Financial information

Set out below is a summary of the audited consolidated results of the Group for each of the two years ended 30 September 2014 and 2015, as extracted from the Company's annual report for the year ended 30 September 2015:

	For the year ended	
	30 September	
	2015	2014
	(audited)	(audited)
	HK\$'000	HK\$'000
Revenue	54,351	63,446
Loss before tax	5,418	3,424
Loss for the year	5,280	3,424
Loss attributable to the Shareholders	5,280	2,910

The audited consolidated NAV of the Group attributable to the Shareholders as at 30 September 2015 was approximately HK\$20,043,000, which is equivalent to approximately HK\$0.029 per Share based on 692,000,000 Shares in issue as at the date of this joint announcement.

INFORMATION ON THE OFFEROR

The Offeror, China Merit International Investment Inc., is an investment holding company incorporated in the BVI with limited liability. As at the date of this joint announcement, save for entering into the MOU, the Sale and Purchase Agreement and entering into the financial arrangement with Sun International in relation to the Sale and Purchase Agreement and the Offer, the Offeror did not engage in any other business activities.

As at the date of this joint announcement, the Offeror is wholly and beneficially owned by Mr. Liu who is also the sole director of the Offeror. Mr. Liu has many years of experience in the financial services industry in Hong Kong.

OFFEROR'S INTEREST IN SECURITIES OF THE COMPANY

For the six months immediately prior to 29 December 2015 (being the date of the first Rule 3.7 announcement issued by the Company) and up to the date of this joint announcement, save for entering into the MOU, the Sale and Purchase agreement and the financial arrangement with Sun International, the Offeror and parties acting in concert with it have not dealt in nor do they have any Shares, rights over the Shares

(including agreements to purchase, options, warrants, convertible securities, voting rights and irrevocable commitments to accept any of the Offer) or derivatives in respect of securities of the Company.

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale Shares, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of it owns or has control or direction over any voting rights or rights over the Shares or options, derivatives or warrants or other securities convertible into Shares;
- (ii) there is no outstanding derivatives in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with it;
- (iii) there is no other arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offer;
- (iv) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its beneficial owner and/or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with it has received any irrevocable commitment to accept the Offer; and
- (vi) none of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

OFFEROR'S INTENTION IN RELATION TO THE GROUP

The Offeror intends that the Group will continue its existing principal activities. The Offeror will conduct a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may diversify the business of the Group with the objective of broadening its sources of income, which may cover, among others, the financial services industry in the PRC or Hong Kong. However, as of the date of this joint announcement, no such investment or business opportunities have been identified nor has the Offeror entered into any agreement, arrangements, understandings, intention or negotiation in relation to the injection of any assets or business into the Group. Notwithstanding the foregoing, the Offeror has not entered into any agreement,

arrangements, understandings, intention or negotiations in relation to the continued employment of the employees, disposal and/or re-deployment of the assets (including fixed assets) of the Group, or termination or scaling down of any Group's business, other than in its ordinary course of business.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

The Board is currently made up of five members, comprising two executive Directors, namely Mr. Ko Chun Hay Kelvin and Madam Lam Mei Nar Miller, and three independent non-executive Directors, namely Mr. Li Kar Fai Peter, Mr. Li Xiao Dong and Mr. Zhang Qing. Pursuant to the terms of the Sale and Purchase Agreement, Magic Ahead and Mr. Ko had, at the request of the Offeror, delivered the undated written resignations of all Directors to the Offeror at Completion and such resignation shall be effective from the earliest time permitted under the Takeovers Code, the GEM Listing Rules or other applicable rules or regulations or such later date as the Offeror may determine.

In addition, pursuant to the terms of the Sale and Purchase Agreement, Magic Ahead and Mr. Ko shall, if so required by the Offeror, cause such persons as the Offeror may nominate to be validly appointed as the Directors and such appointment(s) shall be effective from such later date as the Offeror may determine, provided that such date shall not be earlier than the earliest date as may be permitted under the Takeovers Code or the Executive. Any changes to the Board composition will be announced by the Company and made in compliance with the Takeovers Code and the GEM Listing Rules.

MAINTENANCE OF LISTING AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on GEM following the close of the Offer. The Offeror and the proposed Directors who would be nominated by the Offeror and appointed as Directors will jointly and severally undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Li Kar Fai Peter, Mr. Li Xiao Dong and Mr. Zhang Qing, has been formed to make recommendations to the Independent Shareholders in relation to the Offer pursuant to Rule 2.1 of the Takeovers Code.

Titan Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer pursuant to Rule 2.1 of the Takeovers Code. The appointment of Titan Financial has been approved by the Independent Board Committee.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, amongst other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in connection with the Offer; and (iv) the relevant form of acceptance and transfer, to the Shareholders within 21 days of the date of this joint announcement.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company in due course.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including a person who owns or controls 5% or more of any class of relevant securities of the Company or the Offeror or any person who as a result of any transaction owns or controls 5% or more of any class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 10:26 a.m. on 15 March 2016 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 21 March 2016.

WARNING

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES DURING THE OFFER PERIOD. IF SHAREHOLDERS AND POTENTIAL INVESTORS ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” should be construed accordingly
“associate(s)”	has the meaning given to it in the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which licenced banks are generally open for business in Hong Kong (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“BVI”	British Virgin Islands
“Company”	Brilliance Worldwide Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the GEM of the Stock Exchange (Stock Code: 8312)
“Completion”	completion of the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be issued jointly by the Offeror and the Company to all the Independent Shareholders in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer
“controlling shareholder(s)”	has the meaning given to it in the GEM Listing Rules
“Director(s) ”	the director(s) of the Company
“Earnest Money”	the earnest money in the sum of RMB18,000,000 (equivalent to approximately HK\$21,200,000) paid by Offeror pursuant to the MOU, which had been fully refunded to the Offeror on the Business Day immediately after the date of Completion

“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Li Kar Fai Peter, Mr. Li Xiao Dong and Mr. Zhang Qing, established for the purpose of advising the Independent Shareholders in relation to the Offer
“Independent Financial Adviser” or “Titan Financial”	Titan Financial Services Limited, a corporation licensed to carry out type 1 (dealings in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee in relation to the Offer
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	14 March 2016, being the last full trading day of the Shares immediately preceding the date of this joint announcement
“Magic Ahead”	Magic Ahead Investments Limited, a company incorporated with limited liability in the BVI, the beneficial owner of the Sale Shares and the controlling shareholder of the Company prior to Completion, which is owned as to 3.7% and 96.3% by Mr. Ko Yuk Tong and Mr. Ko as at the date of this joint announcement

“Messis Capital”	Messis Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offer
“MOU”	the memorandum of understanding dated 27 February 2016 and the extension letter dated 10 March 2016 entered into between Magic Ahead and the Offeror regarding the possible sale of the controlling interests in the Company, which set forth the understanding and certain preliminary terms in relation to the transactions contemplated under the Sale and Purchase Agreement amongst the parties thereto
“Mr. Ko”	Mr. Ko Chun Hay Kelvin, beneficially holding 96.3% of the issued share capital of Magic Ahead, being an executive Director, the chairman of the Board and a director of Magic Ahead as at the date of this joint announcement
“Mr. Ko Yuk Tong”	Mr. Ko Yuk Tong, the brother of Mr. Ko, beneficially holding 3.7% of the issued share capital of Magic Ahead as at the date of this joint announcement
“Mr. Liu”	Mr. Liu Sit Lun, the sole director and sole beneficial owner of the Offeror
“NAV”	net asset value
“Offer”	the mandatory unconditional cash offer to be made by Sun International on behalf of the Offeror, for all the issued Shares not already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it in accordance with the Takeovers Code
“Offer Price”	the cash amount of HK\$0.5908 per Offer Share payable by the Offeror to the Independent Shareholders for each Offer Share accepted under the Offer

“Offer Shares”	all the Shares in issue, other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it, and “Offer Share” means any of them
“Offeror”	China Merit International Investment Inc., a company incorporated in British Virgin Islands with limited liability, the sole shareholder of which is Mr. Liu
“Options”	the outstanding options over Shares granted pursuant to the Share Option Scheme, where one Option represents the right to subscribe for one Share
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excluding Hong Kong, the Special Administrative Region of Macau of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 March 2016 entered into between Magic Ahead, Mr. Ko and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	a total of 474,000,000 Shares acquired by the Offeror from Magic Ahead pursuant to the Sale and Purchase Agreement, representing approximately 68.5% of the total issued share capital of the Company as at the date of this joint announcement, and “Sale Share” means any of them
“Shareholder(s)”	the registered holder(s) of the Shares
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders on 3 November 2010, as amended from time to time

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun International”	Sun International Securities Limited, a corporation licensed by the SFC to conduct type 1 (dealing in securities), type 2 (advising on securities) and type 4 (dealing in futures contracts) regulated activities under the SFO
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC
“%”	per cent

Unless otherwise specified in this joint announcement, amounts denominated in RMB have been converted, for illustrative purpose only, into HK\$ at an exchange rate of RMB0.8476 = HK\$1. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate and any other rate or at all.

By order of the board of
**China Merit International
Investment Inc.**
Liu Sit Lun
Director

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

Hong Kong, 18 March 2016

As at the date of this joint announcement, the Board comprises Mr. Ko and Madam Lam Mei Nar Miller as executive Directors and Mr. Li Kar Fai Peter, Mr. Li Xiao Dong and Mr. Zhang Qing as independent non-executive Directors.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, Mr. Liu and parties acting in concert with any of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror, Mr. Liu and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mr. Liu is the sole director of the Offeror.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group), and confirm, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.brillianceww.com.

** English names of the subject companies are the English translations of the relevant Chinese names of the subject companies and are intended for identification purposes only.*