满金堂

BRILLIANCE WORLDWIDE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8312

Interim Report

2011

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

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This report, for which 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 the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report, in both English and Chinese versions, is available on the Company's website at www.yokogt.com.

The board of Directors (the "Board") is pleased to present the unaudited consolidated results of the Group for the three months and six months ended 30 June 2011 together with the unaudited comparative figures for the corresponding period in 2010 as follows:

Consolidated Statement of Comprehensive Income

For the three months and six months ended 30 June 2011

		Three months ended 30 June		Six months ended 30 June	
	Note	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
TURNOVER	3	39,621	28,754	73,882	53,489
Cost of sales		(34,296)	(23,971)	(64,321)	(44,703)
GROSS PROFIT		5,325	4,783	9,561	8,786
Other revenue and other net income	4	7	1,357	77	1,399
Selling and distribution expenses		(1,027)	(1,399)	(2,678)	(2,490)
Administrative and other operating expenses		(2,553)	(1,694)	(4,001)	(2,512)
PROFIT FROM OPERATIONS		1,752	3,047	2,959	5,183
Finance costs	5(c)	(62)	(128)	(123)	(147)
PROFIT BEFORE TAXATION	5	1,690	2,919	2,836	5,036
Income tax	6	(189)	(234)	(284)	(414)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		1,501	2,685	2,552	4,622
Earnings per share					
Basic and diluted (HK$)	8	0.002	0.005	0.004	0.008

Consolidated Statement of Financial Position

As at 30 June 2011

	Note	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*9*	8,472	9,482
Current assets			
Inventories		22,610	16,749
Trade and other receivables	*10*	17,589	19,810
Amount due from ultimate holding company		—	642
Cash and bank balances		21,185	21,503
		61,384	58,704
Current liabilities			
Trade and other payables	*11*	18,456	19,763
Secured bank loans and overdrafts		4,592	4,487
Tax payables		350	30
		23,398	24,280
Net current assets		37,986	34,424
Total assets less current liabilities		46,458	43,906
Non-current liabilities			
Deferred tax liabilities		331	331
		331	331
NET ASSETS		46,127	43,575
EQUITY			
Share capital	*12*	6,920	6,920
Reserves		39,207	36,655
Total equity attributable to owners of the Company		46,127	43,575

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the company				
	Share capital HK$'000	**Share premium** HK$'000	**Merger reserve** HK$'000	**Retained earnings** HK$'000	**Total** HK$'000
At 1 January 2010	10	—	—	8,721	8,731
Issue of ordinary shares of a subsidiary for loan capitalisation	1	3,718	—	—	3,719
Elimination of share capital pursuant to the Reorganisation	(11)	—	—	—	(11)
Credit the 10,000 shares in issue as fully paid on 3 November 2010 *(Note 12(b)(iii))*	—	—	—	—	—
Issue of 54,990,000 ordinary shares of the Company pursuant to the Reorganisation *(Note 12(b)(iii))*	550	—	(383)	—	167
Issue of 518,500,000 ordinary shares of the Company pursuant to the capitalisation issue *(Note 12(b)(iv))*	5,185	(5,185)	—	—	—
Issue of 118,500,000 ordinary shares of the Company upon listing *(Note 12(c))*	1,185	26,070	—	—	27,255
Transaction costs directly attributable to the issue of new shares	—	(4,396)	—	—	(4,396)
Profit and total comprehensive income for the year	—	—	—	8,110	8,110
At 31 December 2010 and 1 January 2011	6,920	20,207	(383)	16,831	43,575
Profit and total comprehensive income for the period	—	—	—	2,552	2,552
At 30 June 2011	**6,920**	**20,207**	**(383)**	**19,383**	**46,127**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2011

	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	1,059	(2,327)
NET CASH USED IN INVESTING ACTIVITIES	(1,359)	(1,284)
NET CASH GENERATED FROM FINANCING ACTIVITIES	82	1,163
NET DECREASE IN CASH AND CASH EQUIVALENTS	(218)	(2,448)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	19,811	2,867
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19,593	419
Analysis:		
Cash and bank balance	21,185	2,062
Bank overdraft	(1,592)	(1,643)
	19,593	419

Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2011

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, Shatin, 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. Its issued shares have been listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 25 November 2010.

2. Basis of Preparation

The Group's unaudited consolidated interim 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 years presented as a result of these developments.

The unaudited condensed consolidated interim 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 judgements in the process of applying the Group's accounting policies.

The accounting policies adopted in preparing the unaudited consolidated interim financial statements were consistent with those applied for the financial statements of the Group for the year ended 31 December 2010.

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

2. Basis of Preparation *(continued)*

The consolidated accounts have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

3. Turnover and Segment Information

The principal activity of the Group is apparel manufacturing. Turnover represents sales of goods. The amount of each significant category of revenue recognised in turnover for the six months ended 30 June 2010 and 2011 is as follows:

Geographical information

In presenting information on the basis of geographical, segments revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

The Group comprises the following main geographical segments:

	For the six months ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Sweden	**40,063**	26,333
U.K.	**8,254**	7,435
Spain	**10,644**	3,172
Germany	**5,965**	5,957
Hong Kong	**8,699**	10,194
Japan	**257**	374
Others	**—**	24
Total turnover	**73,882**	53,489

3. Turnover and Segment Information *(continued)*

Information about products

	For the six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Innerwear	**28,700**	26,639
Casual wear	**33,010**	23,577
Baby and children wear	**12,172**	3,273
Total turnover	**73,882**	53,489

4. Other Revenue and Other Net Income

	For the six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Other revenue		
Interest income from loans to a director	**–**	30
Total interest income on financial assets not at fair value through profit or loss	**–**	30
Compensation from supplier on defective goods	**–**	1,130
	–	1,160
Other net income		
Net foreign exchange gain	**21**	105
Gain on disposal of property, plant and equipment	**54**	–
Others	**2**	134
	77	239
	77	1,399

5. Profit Before Taxation

Profit before taxation is stated after charging/(crediting) the following:

(a) Staff costs

	For the six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Salaries, allowances and other benefit (including directors' remuneration)	**915**	1,318
Mandatory provident fund contributions	**43**	12
	958	1,330

(b) Other items

	For the six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Auditor's remuneration	**160**	138
Cost of inventories	**64,321**	44,703
Processing fees	**19,053**	17,561
Depreciation	**2,423**	2,409
Operating lease charges	**362**	375
(Gain)/Loss on disposal of property, plant and equipment	**(54)**	7
Exchange gain, net	**(21)**	(105)

5. Profit Before Taxation *(continued)*

(c) Finance costs

	For the six months ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Interest on bank advances wholly repayable within five years	**123**	103
Bank loans interest	**—**	30
Interest on loans from directors	**—**	14
Total interest expense on financial liabilities not at fair value through profit or loss	**123**	147

Notes:

(i) Cost of inventories includes HK$18,781,000 (2010: HK$16,263,000) relating to staff cost, depreciation and operating lease charges, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

(ii) The processing fees include the following items which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses:

	For the six months ended 30 June	
	2011 HK$'000 (unaudited)	*2010 HK$'000 (unaudited)*
Staff cost		
— Salaries, allowances and other benefits	***915***	*1,318*
Cost of inventories		
— Direct labour	***15,982***	*13,501*
— Utilities	***525***	*571*
— Rental	***375***	*362*

6. Taxation

Income tax in the consolidated statement of comprehensive income represents:

	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Current tax — Hong Kong profits tax		
Provision for the year	284	414
	284	414

The provision for Hong Kong Profits Tax for 2011 is calculated at 16.5% (2010: 16.5%) of estimated assessable profits for the period.

No provision for profits tax in the Cayman Islands and British Virgin Islands ("BVI") has been made as the Group has no income assessable for tax for the period in these jurisdictions (2010: Nil).

7. Dividend

The Directors do not recommend payment of any dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

8. Earnings Per Share

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of approximately HK$2,552,000 (six months ended 30 June 2010: HK$4,622,000) and the weighted average of 644,275,000 shares (six months ended 30 June 2010: 573,500,000 shares after adjusting for the capitalization issue in 2010) in issue during the six months period.

(b) *Diluted earnings per share*

Diluted earnings per share is equal to basic earnings per share as there were no dilutive potential ordinary shares outstanding for the six months period ended 30 June 2011 and 2010.

9. Movement in Property, Plant and Equipment

During the six months ended 30 June 2011, the Group acquired property, plant and equipment with a cost of approximately HK$1,583,000 (2010: HK$1,622,000).

10. Trade and Other Receivables

	2011 HK$'000 (unaudited)	2010 HK$'000 (audited)
Trade receivables	14,589	19,560
Less: Loans and receivables allowance for doubtful debts	—	—
	14,589	19,560
Deposits and prepayments	3,000	250
	17,589	19,810

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

(a) *Ageing analysis*

Trade receivables are net of allowance for doubtful debts of 2011: Nil (2010: Nil) with the following ageing analysis presented based on invoice date as of the end of the reporting period:

	2011 HK$'000 (unaudited)	2010 HK$'000 (audited)
0–90 days	14,568	19,537
91–180 days	—	—
181–365 days	21	23
	14,589	19,560

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

11. Trade and Other Payables

	2011 HK$'000 (unaudited)	2010 HK$'000 (audited)
Trade payables	**15,536**	15,553
Accruals and other payables	**2,920**	4,210
Financial liabilities measured at amortised cost	**18,456**	19,763

The following is an ageing analysis of trade payables presented based on invoice date as at the end of the reporting period:

	2011 HK$'000	2010 HK$'000
0–90 days	**15,488**	14,258
91–180 days	**48**	1,295
	15,536	15,553

12. Share Capital

	Note	Number of ordinary shares	Nominal value ordinary shares HK$
Authorised:			
Ordinary shares of HK$0.1 each upon incorporation on 24 February 2010	*(a)*	1,000,000	100,000
Subdivision of 1 ordinary share of HK$0.1 each into 10 ordinary shares of HK$0.01 each	*(b)(i)*	9,000,000	—
Increased in authorised share capital, ordinary shares of HK$0.1 each	*(b)(ii)*	9,990,000,000	99,900,000
At 31 December 2010 and 30 June 2011		**10,000,000,000**	**100,000,000**
Issued and fully paid:			
Issue of 1,000 ordinary share	*(a)*	1,000	—
Subdivision of 1 ordinary share of HK$0.1 each into 10 ordinary shares of HK$0.01 each	*(b)(i)*	9,000	—
Credit the 10,000 shares in issue as fully paid on 3 November 2010	*(b)(ii)*	—	100
Issue of ordinary shares pursuant to the Reorganisation	*(b)(iii)*	54,990,000	549,900
Issue of ordinary shares pursuant to the capitalisation issue	*(b)(iv)*	518,500,000	5,185,000
Issue of ordinary shares upon listing	*(c)*	118,500,000	1,185,000
At 31 December 2010 and 30 June 2011		**692,000,000**	**6,920,000**

12. Share Capital *(continued)*

The owners 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.

No share options were granted for the year ended 31 December 2010 and 30 June 2011.

Notes:

(a) The authorised share capital of the Company as at the date of its incorporation was HK$100,000 dividend into 1,000,000 shares of HK$0.1 each. 1,000 ordinary shares were allotted and issued nil paid to the sole shareholder, Magic Ahead Investments Limited ("Magic Ahead"), on the same date.

(b) Pursuant to the written resolution of sole shareholder of the Company passed on 3 November 2010, the following were approved:

(i) each issued and unissued share of HK$0.1 in the capital of the Company was subdivided into 10 shares of HK$0.01 each. Accordingly, the authorised share capital of the Company was changed from 1,000,000 shares of HK$0.1 each to 10,000,000 shares of HK$0.01 each and the issued and fully paid share capital of the Company was changed from 10,000 shares of HK$0.1 each to 100,000 shares of HK$0.01 each.

(ii) the authorised share capital of the Company was increased from HK$100,000 divided into 10,000,000 shares to HK$100,000,000 divided into 10,000,000,000 shares by the creation of an additional 9,990,000,000 shares of HK$0.01 each which rank pari passu with the existing shares in all respects.

(iii) on 3 November 2010, pursuant to a sale and purchase agreement, Magic Ahead transferred 20,000 shares in Prosperity Global to the Company and in consideration of and in exchange for which, the Company allotted and issued 54,990,000 Shares, credited as fully paid to Magic Ahead and the Company credited as fully paid at par the existing 10,000 nil-paid Shares. A sum equal to the excess in value determined for the shares in Prosperity Global over the aggregate par value of the shares issued and credited as fully paid by the Company in exchange therefor is credited to the contributed surplus account of the Company.

(iv) conditional on the share premium account of the Company being credited as a result of the initial listing of the shares of the Company on the Stock Exchange, directors of the Company were authorised to capitalise an amount of HK$5,185,000 from such account and applying such sum in paying up in full as par a total of 518,500,000 shares of allotment and issued to the shareholders of the Company whose names appeared on the register of members of the Company at the close of business on 12 November 2010. The Company was listed on the Stock Exchange on 25 November 2010 and the aforesaid allotment was completed.

(c) On 25 November 2010, 118,500,000 new shares with par value of HK$0.01 each were issued for subscription and purchase by selected institutional, professional and other investors at the placing price of HK$0.23 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is an apparel manufacturer and exporter established in Hong Kong with its principal business of manufacturing and distributing a wide range of innerwear as well as other apparel products on an original equipment manufacturing basis.

The Group's revenues contributed from innerwear, casual wear and baby and children wear for the six months ended 30 June 2011 are HK$28.7 million, HK$33.0 million and HK$12.2 million (2010: HK$26.6 million, HK$23.6 million and HK$3.3 million) respectively.

During the period, the Group continues its strategy to increase the sales of casual wear contributing to the significant increase in turnover in this category and as well as contributing to the increase in total sales. Casual wear becomes the biggest sales portion in the product mix during the period. The portion of sales of casual wear to the total sales has grown from 44.1% to 44.7% while the portion of sales of innerwear has reduced from 49.8% to 38.8%. The sales of baby and children wear have also increased from 6.1% to 16.5% of the total sales. The innerwear and casual wear products of the Group will remain the main products of the Group.

Financial Review

The turnover of the Group for the six months ended 30 June 2011 was approximately HK$73.9 million, representing an increase of 38.1% from the same period last year. The increase is mainly contributed from the sale of casual wear. Cost of sales of the Group increased by approximately 43.9% from approximately HK$44.7 million for the six months ended 30 June 2010 to approximately HK$64.3 million for the six months ended 30 June 2011.

Since the cost of sales has increased more than proportionately to the turnover, the gross profit margin has reflected a downward turn. The Group's gross profit margin has decreased from 16.4% to 12.9%. The sale of casual wear has a relatively lower margin than inner wear. During the period, there is continuous increase in labor costs and raw materials costs and worse still, the appreciation of renminbi has also increased the burden to the cost of production. On the other hand, due to the worldwide unstable economic environment and the continuous appreciation of renminbi, our European customers, the main customers of the Group, are reluctant to increase their purchases in China, both in terms of volume and unit price, while they have increased their purchasing perspectives in other areas of the South East Asia.

In addition to the fall of gross profit margin, there is an increase in administrative expenses after listing in the Hong Kong Stock Exchange. As a result, the net margin during the period has shown a decline from 8.6% to 3.5%. Profit attributable to owners of the Company has dropped to approximately HK$2.6 million representing a decrease of approximately 44.8% as compared with approximately HK$4.6 million for the corresponding period in 2010.

Outlook

In consideration to the continuous appreciation of Renminbi, the relative cost of products manufactured in China becomes more and more expensive than other areas in the South East Asia. During the period, we noted that some of overseas buyers have reduced their purchases in China and consequently, there are a number of small apparel and apparel-related manufacturers have closed their factories in Huizhou because of the inadequate sales support.

With its well-established relationship with its European customers, the Group has obtained great support from its customers, being reflected from the increase in turnover during the period. Although the Directors are cautiously carried on the business by adopting tight control over manufacturing costs, factory operation in PRC becomes difficult owning to the increasing operation costs and limitation of increasing selling price, and consequently, there is a downward trend in gross profit margin. In view of current manufacturing environment in Huizhou, the Directors cannot hold any optimistic view in the second half of the year.

On the other hand, the Directors are quite optimistic about the business in the consumer market in the PRC. The Group is in preparation for launching the Group's key products, men's innerwear in Guangdong Province. Although the launching of products in supermarkets has come across a number of difficulties mainly due to the numerous charges negotiation with the supermarkets, the Group starts to discuss with department stores for establishing concessions. The Directors believe that the importance of the brand awareness and a self-developed brand name is under registration and a Hong Kong singer, Mr. Rico Kwok has signed with the Group as the product representative. In addition, in order to avoid time and capital required for building up a brand from inception, the Directors are in discussion with an established brand name in PRC for acquisition opportunities. The Directors are confident that the opportunity of selling products in the booming domestic market in the PRC may bring in stronger revenue flow and improving profitability of the Group in the coming future.

Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as stated in the Prospectus with the Group's actual business progress for the period from 11 November 2010 being the latest practicable date as defined in the Prospectus (the "Latest Practicable Date") to 30 June 2011 (the "Relevant Period") set out below:

Business objectives for the period from the Latest Practicable Date to 30 June 2011 as stated in the Prospectus	**Actual business progress up to 30 June 2011**
Development and/or acquisition of brandnames	A self-developed brandname is under registration in PRC. Acquisition of established brandname is under discussion with a local PRC company.
Establishment of design and development team	A team of 3 staff has been set up and further expansion is undergoing by searching suitable sales expertise.
Establishment of concessions and retail outlets/distribution channels	Negotiation of sales terms for the supply of products to supermarkets is undergoing and establishment of concessions in department stores are exploring.
Expansion of production capacity	Existing production capacity is adequate for the moment and no expansion has been made.

The business objectives and planned use of proceeds as stated in the Prospectus were based on the best estimation of future market conditions and development made by the Group at the time of preparing the Prospectus while the proceeds were applied in accordance with the actual development of the market. During the Relevant Period, the net proceeds from issuance of new shares of the Company had been applied as follows:

	Planned use of proceeds as stated in the Prospectus from the Latest Practicable Date to 30 June 2011 HK$	**Actual use of proceeds during the Relevant Period** HK$
Development and/or acquisition of brandnames	—	50,000
Establishment of design and development team	—	70,000
Establishment of concessions and retail outlets	500,000	Will be used as intended
Expansion of production capacity	900,000	Will be used as intended

The Group has focused on the development and acquisition of brandnames during the past period. The first target market for launching of the Group's products is decided to be in supermarkets, as the Directors believe that it is easier to popularize the brandname. We have come across a number of difficulties while negotiating the terms with the supermarkets, which cause the delay in establishment of concessions and retail outlets.

Due to the above reasons, certain expansion activities were postponed, the net proceeds applied during the Relevant Period are less than expected. The Directors expect that most of the business objectives stated in the Prospectus for the Relevant Period will be revisited in the second half of 2011.

All the remaining proceeds as at 30 June 2011 had been placed as interest bearing deposits in banks.

Contingent Liabilities

As at 30 June 2011, the Group did not have any significant contingent liabilities.

CORPORATE GOVERNANCE REPORT

The Company endeavors in maintaining high standard of corporate governance for the enhancement of shareholders' value and provide transparency, accountability and independence. The Company has complied with the required code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules during the six months ended 30 June 2011.

Compliance with the Required Standard of Dealings in Securities Transactions by Directors

The Company has 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. Having made specific enquiries to all the Directors, each respective Director confirmed that during the six months ended 30 June 2011, he or she 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, Underlying Shares and Debentures of the Company

At 30 June 2011, 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	*Note*	Capacity	Number of shares	Percentage of the Company's issued share capital
Mr. Ko Yuk Tong	*1*	Interest of controlled corporation	519,000,000 (L)	75%
Mr. Ko Chun Hay, Kelvin	*2*	Interest of controlled corporation	519,000,000 (L)	75%
Ms. Liu Lai Kuen	*3*	Interest of controlled corporation	519,000,000 (L)	75%

Notes:

1. *Mr. Ko Yuk Tong is deemed to be interested in 519,000,000 Shares held by Magic Ahead Investments Limited under the SFO.*

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

3. *Ms. Liu Lai Kuen is deemed to be interested in 519,000,000 Shares held by Magic Ahead Investments Limited under the SFO.*

During the six months ended 30 June 2011, there were no debt securities issued by the Group and the Company at any time.

Save as disclosed above, as at 30 June 2011, 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.

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 June 2011, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were 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 member of the Group:

Long positions in the Shares

Name	Capacity	Number of shares	Percentage of the Company's issued share capital
Magic Ahead Investments Limited *(Note 1)*	Beneficial owner	519,000,000 (L)	75%

Note:

1. *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, Mr. Ko Chun Hay, Kelvin and Ms. Liu Lai Kuen in the proportion of 50.92%, 30.56% and 18.52% respectively as at the 30 June 2011.*

For the six months ended 30 June 2011, there were no debt securities issued by the Group at any time.

Save as disclosed above, as at 30 June 2011, the Directors were not aware of any other person, other than the Directors and the chief executive of the Company 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.

Competing Interest

For the six months ended 30 June 2011, the Directors were not aware of any business or interest of the Directors or the controlling shareholder of the Company 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.

Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Since the Scheme has become effective on 3 November 2010, no share options were granted, exercised or cancelled by the Company under the Scheme during the period under review and there were no outstanding share options under the Scheme as at 30 June 2011.

Interests of the Compliance Adviser

As notified by Tanrich Capital Limited ("Tanrich Capital"), the Company's compliance adviser, neither Tanrich Capital nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 June 2011.

Pursuant to the agreement dated 16 November 2010 entered into between Tanrich Capital and the Company, Tanrich Capital received and will receive fees for acting as the Company's compliance adviser.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Shares.

Audit Committee

The Company has established an audit committee with written terms of reference on 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 month period ended 30 June 2011 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 August 2011

As at the date of this report, the executive Directors are Mr. Ko Yuk Tong, Mr. Ko Chun Hay Kelvin, Ms. Liu Lai Kuen and Mr. Ko Kam Lun and the independent non-executive Directors are Mr. Li Kar Fai Peter, Mr. Li Xiao Dong and Mr. Zhang Qing.