



BRILLIANCE WORLDWIDE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8312

2012

THIRD QUARTERLY REPORT

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 report, 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 the GEM of the Stock Exchange (the “GEM Listing Rules”) 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 report is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2012 together with the unaudited comparative figures for the corresponding period in 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2012

	Note	Three months ended 30 September		Nine months ended 30 September	
		2012 HK\$'000 (unaudited)	2011 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)	2011 HK\$'000 (unaudited)
Turnover	3	29,503	31,380	82,723	105,262
Cost of sales		(27,241)	(27,525)	(76,015)	(91,846)
Gross profit		2,262	3,855	6,708	13,416
Other revenue and other net income	4	73	(27)	149	50
Selling and distribution expenses		(1,463)	(1,007)	(2,857)	(3,685)
Administrative and other operating expenses		(2,342)	(1,932)	(9,380)	(5,933)
(Loss)/profit before operations		(1,470)	889	(5,380)	3,848
Finance costs		(164)	(62)	(504)	(185)
(Loss)/profit before tax	5	(1,634)	827	(5,884)	3,663
Income tax expenses	6	-	(62)	-	(346)
(Loss)/profit and total comprehensive income for the period attributable to owners of the Company		(1,634)	765	(5,884)	3,317
(Loss)/earnings per share					
HK cent – Basic and diluted	8	(0.2 cent)	0.1 cent	(0.8 cent)	0.5 cent

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2012

1. CORPORATE INFORMATION

Brilliance Worldwide Holdings Limited (the "Company") was 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 12 November 2010. Its 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 condensed consolidated statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income were consistent with those applied for the financial statements of the Group for the year ended 31 December 2011.

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

The condensed consolidated statement of comprehensive income 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 garment manufacturing. Turnover represents sales value of goods supplied to customers. The amount of each significant category of revenue recognised in turnover for the nine months ended 30 September 2011 and 2012 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 nine months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sweden	27,874	60,133
U.K.	26,215	13,923
Spain	11,371	10,644
Germany	3,397	8,227
Hong Kong	7,268	10,407
Japan	956	358
Others	5,642	1,570
Total turnover	82,723	105,262

Information about products

	For the nine months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Inner wear	45,186	43,512
Casual wear	19,881	46,934
Baby and children wear	17,656	14,816
Total turnover	82,723	105,262

4. OTHER REVENUE AND OTHER NET INCOME

	For the nine months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Other revenue		
Bank interests income	104	–
Total interest income on financial assets not at fair value through profit or loss	104	–
Other net income		
Net foreign exchange gain	45	–
Gain on disposal of property, plant and equipment	–	48
Others	–	2
	45	50
	149	50

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is stated after charging the following:

(a) Staff costs

	For the nine months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries, allowances and other benefit (including directors' remuneration)	22,098	23,414
Mandatory provident fund contributions	39	29
	22,137	23,443

(b) Other items

	For the nine months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditor's remuneration	240	240
Cost of inventories (<i>note i</i>)	76,015	91,846
Processing fees (<i>note ii</i>)	22,520	27,203
Depreciation	1,665	3,648
Operating lease charges	583	563
Gain on disposal of property, plant and equipment	-	(48)
Exchange (gain)/loss, net	(45)	18

(c) Finance costs

	For the nine months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank advances wholly repayable within five years	504	185
Total interest expense on financial liabilities not at fair value through profit or loss	504	185

Notes:

- (i) Cost of inventories includes HK\$20,726,000 (2011: HK\$26,408,000) 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 nine months ended 30 September	
	2012	2011
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Staff cost		
– Salaries, allowances and other benefits	2,521	1,210
Cost of inventories		
– Direct labour	18,504	22,204
– Utilities	912	788
– Rental	583	563

6. INCOME TAX EXPENSES

Income tax in the condensed consolidated statement of comprehensive income represents:

	For the nine months ended 30 September	
	2012	2011
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Current tax – Hong Kong profits tax		
Provision for the period	–	346
	–	346

No provision for Hong Kong profits tax has been made in the financial statement as the Group has no assessable profits for the nine months ended 30 September 2012. The provision for Hong Kong profits tax for the nine months ended 30 September 2011 is calculated at 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 (2011: Nil).

7. DIVIDEND

The Directors do not recommend payment of any dividend for the nine months ended 30 September 2012 (for the nine months ended 30 September 2011: Nil).

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the period attributable to owners of the Company of approximately HK\$5,884,000 (period attributable to owners of the Company for the nine months ended 30 September 2011: HK\$3,317,000) and the weighted average of 692,000,000 shares (for the nine months ended 30 September 2011: weighted average of 674,144,000 shares) in issue during the nine months period.

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is equal to basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding for the nine months ended 30 September 2012 and 2011.

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 turnover contributed from innerwear, casual wear and baby and children wear for the nine months ended 30 September 2012 are HK\$45.2 million, HK\$19.9 million and HK\$17.6 million (2011: HK\$43.5 million, HK\$46.9 million and HK\$14.8 million) respectively.

The product mix of the Group reflects that the portion of sales of casual wear to the total sales has dropped from 44.6% to 24.0%. Due to the significant drop of sales in casual wear, the portion of sales of innerwear has increased from 41.3% to 54.6%. The portion of sales of baby and children wear has also increased from 14.1% to 21.3%. The innerwear products of the Group will remain the main products of the Group.

FINANCIAL REVIEW

During the period under review, the turnover of the Group for the nine months ended 30 September 2012 was approximately HK\$82.7 million, representing a decrease of 21.4% from the same period last year due to the lower demands and the critical offered purchase price with thin margin, from most of the Group's European customers. Sales to most of the European customers reflect a decline except for sales to UK and Spain. Sales to UK have increased by 88.3% year to year and it may be due to the additional money supply in the country stimulating the demand for products including the imported goods. We have accepted more orders from Spain contributing to the mild increase in sales during the period.

Cost of sales of the Group decreased by approximately 17.2% from approximately HK\$91.8 million for the nine months ended 30 September 2011 to approximately HK\$76.0 million for the nine months ended 30 September 2012. The decrease in cost of sales was mainly due to the decrease in sales order during the period. The gross profit has dropped to HK\$6.7 million, representing a decrease of 50.0% from the same period last year. In line with the drop of sales, the selling and distribution expenses have been decreased by 22.5%. The increase of administrative and other operating expenses are mainly contributed from the termination compensation to staff for contraction of business and reallocation of management staff cost from cost of sale.

The financial turmoil in Europe and the unstable worldwide economic environment have continuously affecting the Group's turnover and profitability during the period. The poor economic environment in Europe has pushed the European importers, our main customers, to purchase at relatively cheaper products. In addition to the selling price pressure, the Group is also suffering from the effect of increase in labor costs, raw material costs and the appreciation of Renminbi. As a result, the gross margin of the Group has dropped from 12.7% to 8.1%. In order to maintain our normal operation, we have to unavoidably accept some more relatively lower margin orders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2012, cash and bank balances of the Group amounted to approximately HK\$20.5 million (As at 31 December 2011: HK\$19.5 million). The current ratio (current asset divided by current liabilities) of the Group was 2.6 times and 3.2 times as at 31 December 2011 and 30 September 2012 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.

OUTLOOK

In line with the fall of overall exports of Guangdong Province, the Group recorded a drop of 21.4% in turnover. Most of our major customers from Europe have reduced their purchases in China while shifting to purchase in the other South East Asia countries, where cheaper products are manufactured. Through the past years' testing orders to those countries, our customers seem to have developed confidence over their production and are increasing the portion of purchases with those countries.

In consideration to the appreciation of Renminbi in the past few years, labor and raw material costs have shown an upward trend and are reducing the competitiveness of production in China with other South Asia countries. There is no chance for the manufacturers in China to reduce their selling price to the customers. Closure of small apparel and apparel-related manufacturers are noted in Huizhou because of the harsh environment. We also note that there are a large number of small factories operating in critical situation and are hoping for an improved economic environment to be appeared.

The Group has strategically turned to those relatively strong customers in other European countries and hopefully to develop a diversified stronger customer base through this critical period. Bearing in mind of the risk, we will accept bank's bills payment as the prerequisite terms for accepting new customers' orders.

Sales in China will be our Group's main focus in the coming days. As its first step, the Group by using the brand name "JAZZ BOAT", supplying innerwears for man, has successfully entered into the biggest supermarket group in Dongguan with over 60 shops. In future, we will target to put our products into other big supermarket groups in China and more variety of products will be supplied. A range of product line is now under design and production. After a few months' trial sales, we strongly feel that there is enormous demand in consumer products in China, and we are confidence to capture such demand. Based on our experience in manufacturing, we do not expect any difficulties in supplying quality products to China market, but we need additional time to familiarize different demands in different sales outlets. Strategic plan in extension of the products to other sales outlets will be implemented step by step after the stability of sales in supermarkets.

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.

The debt to equity ratio of the Company as at 30 September 2012 and 31 December 2011 are as follows:

	30 September 2012	31 December 2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Bank borrowings and overdraft	4,850	5,653
Less: cash and bank balances	(23,485)	(19,482)
Net cash	(18,635)	(13,829)
Total equity	40,955	46,842
Net debt to equity	N/A	N/A

Neither the Company nor any its subsidiaries are subject to externally imposed capital requirements.

GROUP'S EMOLUMENT POLICY

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group. Each Director may also receive a year-end bonus in respect of each financial year. The amount of such bonus will be determined by the remuneration committee of the Board, subject to shareholders' approval at general meeting. The emolument policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. The Company has adopted a share option scheme as an incentive to eligible participants.

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 Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") during the nine months ended 30 September 2012.

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

During the nine months ended 30 September 2012, 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 nine months ended 30 September 2012, 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 September 2012, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares (the "Shares") 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	Notes	Capacity and nature of interest	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%
Madam 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 nine months ended 30 September 2012, there were no debt securities issued by the Group and the Company at any time.

As at 30 September 2012, none of the Directors or the chief executive of the Company or their respective associates had registered any other interest or short position 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 AND DEBENTURES OF THE COMPANY

As at 30 September 2012, so far as is known to the Directors, the following persons, not being Directors or the 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 and nature of interest	Number of shares	Percentage of the Company's issued share capital
Magic Ahead Investments Limited <i>(Note)</i>	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, Mr. Ko Chun Hay, Kelvin and Madam Liu Lai Kuen in the proportion of 51.39%, 48.15% and 0.46% respectively as at 30 September 2012.

For the nine months ended 30 September 2012, there were no debt securities issued by the Group and the Company at any time.

Save as disclosed above, as at 30 September 2012, 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.

CONTRACT OF SIGNIFICANCE

At 30 September 2012, 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 nine months ended 30 September 2012, 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.

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.

(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 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 of Directors, a total of 13,800,000 Options, have been granted to 2 executive directors at an exercise price of HK\$0.087 per Share. As at the date of this report, a total of 55,400,000 Options, representing 8.0% of the existing issued share capital of the Group are available for issue in respect of the remaining options which may be granted under the Scheme. Up to the date of this report, the 13,800,000 Options have not yet been exercised by the grantees.

INTERESTS OF THE COMPLIANCE ADVISERS

As notified by TC Capital Asia Limited ("TC Capital"), the Company's compliance adviser, neither TC 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 September 2012.

Pursuant to the agreement dated 1 April 2012 entered into between TC Capital and the Company, TC Capital will receive fee for acting as the Company's compliance adviser with effect from 1 April 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the nine months ended 30 September 2012.

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 nine months ended 30 September 2012 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, 13 November 2012

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.