



BRILLIANCE WORLDWIDE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8312

Interim Report

For the six months ended 31st March 2014

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

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

Condensed consolidated statement of comprehensive income

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For the three months and six months ended 31 March 2014

INTERIM RESULTS (UNAUDITED)

The board of Directors (the "Board") is pleased to present the unaudited condensed consolidated results of the Group for the three months and six months ended 31 March 2014 together with the unaudited comparative figures for the corresponding period in 2013 as follows:

	Note	Three months ended 31 March		Six months ended 31 March	
		2014	2013	2014	2013
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
TURNOVER	3	10,633	18,848	32,821	41,949
Cost of sales		(10,047)	(17,231)	(30,083)	(39,781)
GROSS PROFIT		586	1,617	2,738	2,168
Other revenue		49	13	49	13
Selling and distribution expenses		(653)	(491)	(2,325)	(2,014)
Administrative and other operating expenses		(2,685)	(3,079)	(5,136)	(4,314)
LOSS FROM OPERATIONS		(2,703)	(1,940)	(4,674)	(4,147)
Finance costs	4(c)	(44)	(106)	(155)	(220)
LOSS BEFORE TAXATION	4	(2,747)	(2,046)	(4,829)	(4,367)
Income tax	5	(95)	-	(95)	474
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(2,842)	(2,046)	(4,924)	(3,893)
Other comprehensive income					
Exchange differences arising on translation of foreign operations, with no income tax effects		91	26	91	57
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(2,751)	(2,020)	(4,833)	(3,836)
Loss per share					
Basic and diluted (HK\$)	7	(0.004)	(0.003)	(0.007)	(0.006)

2 Condensed consolidated statement of financial position

As at 31 March 2014

	Note	31 March 2014 HK\$'000 (unaudited)	30 September 2013 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	2,967	2,588
Intangible asset		192	223
		3,159	2,811
Current assets			
Inventories		14,313	16,679
Trade and other receivables	9	3,946	12,110
Amount due from ultimate holding company		445	445
Cash and bank balances		9,708	9,435
		28,412	38,669
Current liabilities			
Trade and other payables	10	6,347	9,895
Bank borrowings		961	2,836
Tax payable		2,695	2,348
		10,003	15,079
Net current assets		18,409	23,590
Total assets less current liabilities		21,568	26,401
Non-current liabilities			
Deferred tax liabilities		120	120
Net assets		21,448	26,281
Equity			
Share capital	11	6,920	6,920
Reserves		14,528	19,361
Total Equity attributable to owners of the Company		21,448	26,281

Condensed consolidated statement of changes in equity

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As at 31 March 2014

	Attributable to owners of the Company						Retained profit/losses	Total
	Share capital	Share premium	Share-based compensation reserve	Capital reserve	Merger reserve	Translation reserve		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2013 (audited)	6,920	16,489	631	3,718	(383)	31	12,387	39,793
Other comprehensive income	-	-	-	-	-	50	-	50
Loss for the period	-	-	-	-	-	-	(14,250)	(14,250)
Total comprehensive income/(expense) for the period	-	-	-	-	-	50	(14,250)	(14,200)
Equity-settled share based transactions	-	-	688	-	-	-	-	688
At 30 September 2013 and 1 October 2013 (audited)	6,920	16,489	1,319	3,718	(383)	81	(1,863)	26,281
Other comprehensive income	-	-	-	-	-	91	-	91
Loss for the period	-	-	-	-	-	-	(4,924)	(4,924)
Total comprehensive income/(expense) for the period	-	-	-	-	-	91	(4,924)	(4,833)
At 31 March 2014 (unaudited)	6,920	16,489	1,319	3,718	(383)	172	(6,787)	21,448

4 Condensed consolidated statement of cash flows

For the six months ended 31 March 2014

	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Net cash generated from/(used in) operating activities	2,267	(5,386)
Net cash used in investing activities	(210)	(211)
Net cash used in financing activities	(1,875)	(367)
Net increase/(decrease) in cash and cash equivalents	182	(5,964)
Effect of foreign exchange rate changes	91	(73)
Cash and cash equivalents at the beginning of period	9,435	15,998
Cash and cash equivalents at the end of period	9,708	9,961
Analysis:		
Cash and bank balance	11,196	14,478
Bank overdraft	(1,488)	(4,517)
	9,708	9,961

Notes to the condensed consolidated statement of comprehensive income

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For the six months ended 31 March 2014

1. CORPORATE INFORMATION

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

The Company is an investment holding company. The Company’s subsidiaries are principally engaged in garment manufacturing.

2. BASIS OF PREPARATION

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

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

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

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

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements were consistent with those applied for the financial statements of the Group for the nine months ended 30 September 2013.

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

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

6 Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2014

3. TURNOVER AND SEGMENT INFORMATION

Segment revenue, results, assets and liabilities

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

Geographical information

The Group's operations are located in Hong Kong.

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

	Turnover from external customers		Non-current assets	
	Six months ended 31 March		As at 31 March	As at 30 September
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Sweden	6,122	13,440	–	–
U.K.	14,852	15,646	–	–
Spain	3,185	4,416	–	–
Hong Kong	6,062	5,763	2,861	2,580
The PRC, excluding Hong Kong	–	–	298	231
Others	2,600	2,684	–	–
Total turnover/ non-current assets	32,821	41,949	3,159	2,811

Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2014

3. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

Information about products

	For the six months ended 31 March	
	2014	2013
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Innerwear	19,133	26,771
Casual wear	7,050	7,361
Baby and children wear	6,638	7,817
Total turnover	32,821	41,949

Information about major customers

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

	For the six months ended 31 March	
	2014	2013
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Customer A	13,665	11,918
Customer B	6,077	11,889
Customer C	3,185	4,187

4. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

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

	For the six months ended 31 March	
	2014	2013
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries, wages and other benefits	8,038	13,443
Equity-settled share-based payment expenses	–	631
Contributions to defined contribution retirement plans	10	22
	8,048	14,096

8 Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2014

4. LOSS BEFORE TAXATION (CONTINUED)

(b) Other items

	For the six months ended 31 March	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Auditor's remuneration	160	160
Cost of inventories	30,083	39,781
Depreciation on property, plant and equipment	370	1,057
Amortisation of intangible assets	31	32
Operating lease charges	383	405
Exchange loss, net	31	96
Loss of disposal of property, plant and equipment	–	292

(c) Finance costs

	For the six months ended 31 March	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Interest on bank advances wholly repayable within five years, being total interest expenses on financial liabilities not at fair value through profit or loss	155	220

Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2014

5. INCOME TAX

No provision for Hong Kong Profit tax has been made in the financial statement as the Group has no assessable profits for the six months ended 31 March 2013 and 2014.

No provision for profits tax in the Cayman Islands and British Virgin Islands has been made as the Group has no assessable profits for the period in these jurisdictions (2013: Nil).

6. DIVIDEND

The Directors do not recommend payment of any dividend for the six months ended 31 March 2014 (2013: Nil).

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$4,924,000 (2013: HK\$3,893,000) and the weighted average of 692,000,000 shares in issue for the six months ended 31 March 2013 and 2014.

(b) Diluted loss per share

The computation of diluted loss per share does not assume the exercise of the Company's share options outstanding during the period as the exercise price of those options is higher than the average market price for shares for both 2014 and 2013.

8. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 March 2014, the Group acquired property, plant and equipment with a cost of approximately HK\$55,000 (2013: HK\$7,000).

10 Notes to the condensed consolidated statement of comprehensive income

For the six months ended 31 March 2014

9. TRADE AND OTHER RECEIVABLES

	31 March 2014 HK\$'000 (unaudited)	30 September 2013 HK\$'000 (audited)
Trade receivables	5,033	11,557
Bills discounted with recourse	–	29
Less: allowance for doubtful debts	(1,269)	(1,269)
Loans and receivables	3,764	10,317
Deposits and prepayments	182	1,793
	3,946	12,110

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

Ageing analysis

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

	31 March 2014 HK\$'000 (unaudited)	30 September 2013 HK\$'000 (audited)
0–90 days	3,764	10,304
91–180 days	–	12
181–365 days	1,269	1,270
	5,033	11,586
Less: allowance for doubtful debts	(1,269)	(1,269)
	3,764	10,317

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

Notes to the condensed consolidated statement of comprehensive income

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For the six months ended 31 March 2014

10. TRADE AND OTHER PAYABLES

	31 March 2014 HK\$'000 (unaudited)	30 September 2013 HK\$'000 (audited)
Trade payables	4,362	7,402
Accruals and other payables	1,985	2,493
Financial liabilities measured at amortised cost	6,347	9,895

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

	31 March 2014 HK\$'000 (unaudited)	30 September 2013 HK\$'000 (audited)
0-90 days	4,362	7,243
91-180 days	-	92
181-365 days	-	67
	4,362	7,402

11. SHARE CAPITAL

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

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.

BUSINESS REVIEW

The Group's turnover contributed from innerwear, casual wear and baby and children wear for the six months ended 31 March 2014 were HK\$19.1 million, HK\$7.1 million and HK\$6.6 million (2013: HK\$26.8 million, HK\$7.4 million and HK\$7.8 million) respectively.

The product mix of the Group reflects that the portion of sales of innerwear to total sales has dropped from 63.8% to 58.3%. Due to the drop of sales in innerwear, the portion of sales of casual wear has increased from 17.5% to 21.5%. The portion of sales of baby and children wear has also increased from 18.6% to 20.2%. The innerwear products of the Group remain as the main products of the Group.

FINANCIAL REVIEW

The turnover of the Group for the six months ended 31 March 2014 was approximately HK\$32.8 million, representing a decrease of 21.8% from the same period last year. Cost of sales of the Group decreased by approximately 24.4 % from approximately HK\$39.8 million for the six months ended 31 March 2013 to approximately HK\$30.1 million the six months ended 31 March 2014. The decrease in cost of sales was mainly due to the decrease in sales order during the period. The Group strategically selected to accept relatively higher margin sales orders and consequently, turnover dropped while gross profit margin improved from 5.2% to 8.3%.

Growth in sales in China is far from satisfaction. In reviewing our marketing strategy, the Directors consider that our existing base of customers is in Dongguan, Guangdong Province, of which is experiencing a big downturn due to serious closure of factories in the area. It is one of the main reasons for poor sales performance of the Group's sales in China in the past two years. It is time for the Directors to consider changing different locations and different sales channels in China.

LIQUIDITY AND FINANCIAL POSITION

At 31 March 2014, cash and bank balances of the Group amounted to approximately HK\$9.7 million (At 30 September 2013: HK\$9.4 million). The current ratio (current asset divided by current liabilities) of the Group was 2.8 times and 2.6 times as at 31 March 2014 and 30 September 2013, respectively. Facing with business uncertainties and prudence sake, the Directors intentionally reduced the debts of the Group during the period. In view of the Group's current level of cash and bank balances, funds generated internally from our operations and the banking facilities available, the Board is confident that the Group will have sufficient resources to meet its finance needs for its operations.

CAPITAL MANAGEMENT

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

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

OUTLOOK

Owing to the strong Renminbi strategy, and implementation of more stringent labours laws in the PRC and a general decrease in available labour workforce have led to increased labour and raw material costs, leading to an increased cost of production and creating a negative impact to the Group's profitability. The China-based manufacturers are now facing keen competition with those manufacturers in South East Asia. Under such situation and based on the past few years' experience, the Directors hold a pessimistic view in apparel manufacturing business in China. In considering to the disposal of lost and low-margin business, no signals for weakening of Renminbi nor a downturn of raw material and labour costs in PRC and better utilization of resources to sales and distribution activities, the Directors had decided and had obtained approval from shareholders in an Extra General Meeting on 11 April 2014 to dispose the Group's manufacturing base in China.

In future, the Group's business plan is centered on three pillars. Firstly, the Group will focus on the distribution of apparel products to its existing and other potential customers and customer management will be enhanced such that the Group's major customers can be retained in the year ahead. Secondly, the Group will increase its efforts to capture the consumer sentiment initially in the PRC through the selling and distribution of own-brand products through supermarket and other retail outlets as well as the internet. Thirdly, the Group will cautiously consider the costs and returns in each other investment with the aim to achieve the best utilization of resources and to maximize the returns to shareholders. Bearing in mind of these, the Group will also consider other kind of investments but not limited to apparel related business.

Throughout the years, the Group has established valuable and long standing relationships with its customers, which the Company considers to be a competitive advantage of the Group. By re-focusing the Group's principal business on apparel distribution, the Directors believe that the Group will be able to shift its resources to better serve its customers, to increase its efforts in PRC sales and other potential investments, which in turn enable the Group to improve its profitability.

EMPLOYEES AND REMUNERATION POLICY

Total staff costs, including Directors' emoluments, amounted to approximately HK\$8.0 million for the six months ended 31 March 2014. The Group's remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market conditions. The Group provided discretionary bonus, medical insurance, provident fund, education subsidy and training to its employees. The Company adopted a share option scheme on 3 November 2010, under which the Company can grant options to, among others, employees of the Group to subscribe for shares of the Company with a view to rewarding them for their contributions to the Group and giving incentives to them for optimizing their future contributions to the Group. Up to the date of this report, 27,600,000 share options have been granted but not yet exercised, to the following Directors under such share option scheme:

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

CAPITAL COMMITMENT

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

FOREIGN CURRENCY EXPOSURE

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

CONTINGENT LIABILITIES

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

SIGNIFICANT INVESTMENTS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

MATERIAL ACQUISITIONS OR DISPOSALS

On 11 March 2014, Prosperity Global Investments Limited as the vendor (the "Vendor"), a wholly-owned subsidiary of the Company, and Success Footstep Limited as the purchaser (the "Purchaser"), an independent third party, entered into the conditional sale and purchase agreement (the "Agreement") which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire issued share capital of Yoko Garment Limited and its wholly-owned subsidiary at a consideration of HK\$4.03 million, with completion being conditional upon the fulfilment of all the conditions precedent under the Agreement.

All of the conditions precedent under the Agreement had been fulfilled subsequently. On 11 April 2014, an Extraordinary General Meeting of the Company was held and approved the Agreement.

As at the end of the reporting period, the Group did not have any material acquisitions.

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the Rules Governing the Listing Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") during the six months ended 31 March 2014.

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

During the period, the Group adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Upon the Group's specific enquiry, each Director confirmed that during the six months ended 31 March 2014, he had fully complied with the required standard of dealings and there was no event of non-compliance.

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

As at 31 March 2014, 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	Notes	Capital 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%

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 who resigned as Director on 23 December 2013, is deemed to be interested in 519,000,000 Shares held by Magic Ahead Investments Limited under the SFO.

During the six months ended 31 March 2014, there were no debt securities issued by the Group and the Company at any time.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND DEBENTURES OF THE COMPANY (CONTINUED)

Save as disclosed above, as at 31 March 2014, 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 AND DEBENTURES OF THE COMPANY

At 31 March 2014, 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	Capital and nature of interest	Number of shares	Percentage of the Company's issued share capital
Magic Ahead Investments Limited (Note)	Beneficial owner	519,000,000 (L)	75%

Note:

Magic Ahead Investments Limited, a company incorporated in British Virgin Islands on 15 October 2009 with limited liability and an investment holding company where the entire issued share capital of which is held by Mr. Ko Yuk Tong, Mr. Ko Chun Hay, Kelvin and Madam Liu Lai Kuen in the proportion of 24.54%, 75.0% and 0.46% respectively as at 31 March 2014

For the six months ended 31 March 2014, there were no debt securities issued by the Group and the Company at any time.

Save as disclosed above, as at 31 March 2014, 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 31 March 2014, there is no contract of significance between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries.

COMPETING INTEREST

For the six months ended 31 March 2014, 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.

SHARE OPTION SCHEME (CONTINUED)

(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 (iii) the nominal value of one Share.

(viii) Remaining life of the option Scheme

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

On 19 January 2012, as approved by the Board, a total of 13,800,000 options, have been granted to 2 executive Directors at an exercise price of HK\$0.087 per Share. On 8 February 2013, as approved by the Board, a total of 13,800,000 options, have been granted to 2 executive Directors at an exercise price of HK\$0.091 per Share. As at 31 March 2014, a total of 27,600,000 Shares, representing 3.99% of the existing issued share capital of the Company are available for issue in respect of the granted options under the Scheme. Up to the date of this report, the 27,600,000 granted options have not yet been exercised by the Participants.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the six months ended 31 March 2014.

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 months ended 31 March 2014 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, 15 May 2014

As at the date of this report, the executive directors are Mr. Ko Yuk Tong and Mr. Ko Chun Hay Kelvin and the independent non-executive directors are Mr. Li Xiao Dong, Mr. Zhang Qing and Mr. Li Kar Fai Peter.