金滿堂

BRILLIANCE WORLDWIDE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8312

Annual Report

2015

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

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

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

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This 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 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.

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Corporate Information

Board of Directors

Executive Directors

Mr. Ko Chun Hay, Kelvin *(Chairman and CEO)*
Madam Lam Mei Nar, Miller

Independent Non-executive Directors

Mr. Li Kar Fai, Peter
Mr. Zhang Qing
Mr. Li Xiao Dong

Company Secretary

Mr. Chan Cho Chak (FCCA, CPA)

Audit Committee

Mr. Li Kar Fai, Peter *(Chairman)*
Mr. Zhang Qing
Mr. Li Xiao Dong

Remuneration Committee

Mr. Li Kar Fai, Peter *(Chairman)*
Mr. Ko Chun Hay, Kelvin
Mr. Li Xiao Dong

Nomination Committee

Mr. Li Kar Fai, Peter *(Chairman)*
Mr. Ko Chun Hay, Kelvin
Mr. Li Xiao Dong

Authorised Representatives

Mr. Ko Chun Hay, Kelvin
Madam Lam Mei Nar, Miller

Compliance Officer

Mr. Ko Chun Hay Kelvin

Principal Bankers

Bank of Communication Limited

Auditors

Deloitte Touche Tohmatsu

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Headquarters and Principal Place of Business in Hong Kong

Flat 16, 1st Floor
Wah Yiu Industrial Centre
30–32 Au Pui Wan Street
Fotan, New Territories
Hong Kong

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
A18/F., Asia Orient Tower
Town Place, 33 Lockhart Road
Wanchai, Hong Kong

Principal Share Registrar and Transfer Office

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Corporate Website

www.brilliancew.com

Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors") of Brilliance Worldwide Holdings Limited (the "Company") and its subsidiaries (the "Group"), I am glad to present this statement to our business partners and shareholders.

The Group is an exporter of apparel products distributing a wide range of innerwear and other apparel products to its customers mainly in Europe. During the year, the Group focuses on sourcing of quality apparel products to customers and assisting customers in the design of the products. The increasingly severe environment of the apparel products led to intensified competition, the sales of the Group thereby further declined. Further, the significant depreciation of the Euro against our transacted currency US$, placed considerable pressure on the Group's financial results during the year. With sales continued to be sluggish, the Group will adhere to its approach to control operating costs and consider ways to improve its income so as to bring positive impact to the results of the Company.

The Group closely reviews its existing businesses and investment opportunities, and will also establish the direction of its future business development through diversified strategies, depending on the results of review and the existence of any appropriate opportunities, so as to expand the revenue sources of the Group. During the year, we have studied in depth, two internet-related projects but final cooperation plan has not been fixed. The Group will prudently consider the costs and returns of each investment opportunities, other than only focus on the sales of apparel products, with the aim to achieve the best utilization of resources and to maximize the returns to shareholders. During the year, the Group has started its Hong Kong securities investments, mainly focus on blue chips shares for prudence shake, hoping to have long term gain for the Group. Meanwhile, we will think over and look for fund raising opportunities from time to time based on market conditions, in order to expand the Group's asset portfolio and its potential for long term growth.

During the year, the Board of the Group has not reached a consensus on the audit fee for the year ended 30 September 2015, with Messrs CCIF CPA Limited ("CCIF") our former auditor and he has tendered his resignation accordingly. CCIF has confirmed in his resignation letter that there are no matters need to bring to the attention to the shareholders or creditors and I must to take this opportunity to express our appreciation to his professional and valuable services to our Group in the past years. On 9 October 2015, the Board has resolved to engage Messrs Deloitte Touche Tomatsu ("Deloitte") as our Group's auditor to fill the casual vacancy following the resignation of CCIF and to hold office until the conclusion of the next General Meeting of the Company. I would also like to take this opportunity to welcome Deloitte with the hope to upgrade our Group's financial management and internal control standards to an international level with their professional and valuable advices.

I must express my sincere gratitude to Mr Ko Yuk Tong, the former CEO of the Group for his valuable contribution to our Group in the past years. Special thanks must give to all the Board member, the management team and staff for their dedication and contribution to the Group's development. I would also like to thank all the shareholders and business partners for their continuous support and trust.

Ko Chun Hay, Kelvin
Chairman

18 December 2015

Management Discussion and Analysis

Business Review

The Group's turnover contributed from the sales of innerwear, casual wear and baby and children wear for the year ended 30 September 2015 were HK$30.3 million, HK$8.0 million and HK$16.1 million (for the year ended 30 September 2014 were HK$35.5 million, HK$13.9 million and HK$14.0 million) respectively.

The product mix of the Group reflects that the portion of sales of innerwear has dropped from 56.0% to 55.8%. The innerwear products of the Group remain as the main products of the Group. The portion of sales of casual wear to the total sales has decreased from 21.9% to 14.5% and the sales of baby and children wear has increased from 22.1% to 29.7%, respectively.

Financial Review

The turnover and cost of sales for the year ended 30 September 2015 was approximately HK$54.4 million and HK$50.9 million (2014: HK$63.4 million and HK$58.4 million), respectively. The gross profit was approximately HK$3.4 million at gross profit margin of 6.3%. Loss for the year attributable to owners has increased by HK$2.4 million from approximately HK$2.9 million to HK$5.3 million, it were mainly due to the drop in gross profit margin and non-cash share-based payment of HK$1.8 million. Although it is difficult to get a reliable supplier, we will continue to source other suppliers of goods to achieve a lower cost for our products to improve our overall profitability.

Liquidity and Financial Resources

At 30 September 2015, cash and bank balances and pledged bank deposits of the Group amounted to approximately HK$6.8 million (At 30 September 2014: HK$9.6 million). The current ratio (current asset divided by current liabilities) of the Group was 6.2 times and 5.5 times as at 30 September 2015 and 2014, respectively. In view of the Group's current level of cash and bank balances, funds generated internally from our operations and the banking facilities available, the Board is confident that the Group will have sufficient resources to meet its finance needs for its operations.

Outlook

Owing to the unfavorable currency impact resulting from the year-on-year depreciation of Euro, our major market, against our transacted currency US$, together with the keen competition in apparel products, the turnover has declined about 14.3% in comparing with year 2014. It is expected that the situation will not be improved in the short run.

With the newly monetary policy of increasing liquidity of The Central Bank of Europe, we hope that it may stimulate the purchasing forces of European importers and we can indirectly benefit from this policy. As such, the Group will search for any business opportunities to increase sales channels and customer base.

Although there is a slowdown of economic growth in China, it remains as one of the fastest growth economy in the world. The Group believes that the rising standard of living in China will offer tremendous business opportunities in the area in particular to the strong purchasing force in China consumer market. The Group will explore any opportunities which may include but not limit to cooperate with business partners who are strong in the market, to develop business in this area to capture the demand so as to improve the performance of the Group. We will cautiously consider the costs and returns in each investment with the aim to achieve the best utilization of resources and to maximize the returns to shareholders. Bearing in mind of these, we shall also consider other kind of investments but not limit to apparel related business.

Final Dividend

The directors do not recommend the payment of any dividend in respect of the year ended 30 September 2015 (for the year ended 30 September 2014: Nil).

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. As at 30 September 2015, the gearing ratio was 15.0% (2014:18.7%). This ratio is calculated as total debt divided by total capital.

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 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 United States dollar.

Contingent Liabilities

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

Significant Investments

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

Future Plans for Material Investments or Capital Assets

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

Material Acquisitions or Disposals

There is no material acquisitions or disposals during the year.

Employees and Remuneration Policy

As at 30 September 2015, the Group has 5 directors and 11 employees. Total staff costs, including Directors' emoluments and share-based payment, amounted to approximately HK$3.9 million for the year ended 30 September 2015 (for the year ended 30 September 2014: HK$1.9 million). 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 annual report, 42,900,000 share options have been granted but not yet exercised, to the following Directors and employees under such share option scheme:

Name of Grantees	No. of share option	Exercise price	Exercise Period
Mr. Ko Chun Hay, Kelvin	6,900,000	HK$0.087	20/1/2012 to 19/1/2017
	6,900,000	HK$0.091	9/2/2013 to 8/2/2020
	6,900,000	HK$0.222	13/7/2015 to 12/7/2020
Madam Lam Mei Nar Miller	6,900,000	HK$0.222	13/7/2015 to 12/7/2020
Mr. Li Kar Fai Peter	1,000,000	HK$0.222	13/7/2015 to 12/7/2020
Employees	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
	500,000	HK$0.222	13/7/2015 to 12/7/2020

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Ko Chun Hay, Kelvin Msc, FCPA, ACMA, aged 52, is the chairman, chief executive officer and an executive director of the Company and the Group. He is also the compliance officer of the Company. He is responsible for managing and ensuring that the board of director of the Group functions effectively and takes up the responsibilities imposed on a company chairman by the Code on Corporate Governance Practices of the GEM Listing Rules. He is also responsible for overall corporate and business development and formulating and monitoring the strategic plan for the Group. He holds a master degree of Science in Finance from the City University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Chartered Institute of Management Accountants. He has over 30 years' experience in finance, audit, taxation and management spanning a diverse range of businesses from manufacturing to property development group. He is the husband of Madam Lam Mei Nar, Miller, an executive director of the Company.

Madam Lam Mei Nar, Miller, aged 48, is executive director of the Company. She has over 10 years' experience in the senior management role of an import and export company taking charge of the daily operation. She is responsible for supervising the exports of goods and administration of the Group. Madam Lam is the wife of Mr. Ko Chun Hay, Kelvin, an executive director of the Company.

Independent Non-Executive Directors

Mr. Li Kar Fai, Peter, BA, CPA, aged 51, was appointed as an independent non-executive director on 3 November 2010. He is an independent non-executive director of Asia Coal Limited, a company listed on the Main Board of the Hong Kong Stock Exchange. He holds a Bachelor degree in Accountancy from the City University of Hong Kong and is an associate member of the Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in audit, corporate finance and accounting.

Mr. Zhang Qing, BA, CICPA, aged 47, was appointed as an independent non-executive director on 3 November 2010. He is the financial controller of Carlsberg Group, a multinational brewery company with its manufacturing operations in the PRC and he is in charge of the financial management of the divisions in Yunnan Province. He holds a bachelor degree in industrial enterprise management from Jiangxi Radio and Television University, the PRC and is a member of The Chinese Institute of Certified Public Accountants and a certified accountant conferred by the Ministry of Finance, the PRC. He has over 20 years of experience in accounting and financial management with industrial and electronics companies based in the PRC.

Mr. Li Xiao Dong, MBA, BA, aged 47, was appointed as an independent non-executive director on 3 November 2010. He is currently the audit manager of Huafeng Microline (Huizhou) Circuits Ltd and is in charge of internal audit department directly reporting to the Board of directors. He holds a bachelor degree in finance from Hunan University in the PRC and a master degree of business administration from New York Institute of Technology, US. He worked for a number of multinational companies and listed companies in Hong Kong and has over 20 years of experience in internal audit, financial management and corporate governance. He is a member of the Certified Internal Auditor of the PRC.

Senior Management

Mr. Pu Li Wei, aged 42, is the financial controller responsible for the overall financial planning and management of the Group. He is responsible of executing, auditing and monitoring the internal control; verifying and managing on the foreign exchange and processing trade custom accounts; auditing payment; preparing management accounts; and preparing and filing tax returns. He graduated with a bachelor degree in accountancy from Zhejiang University in the PRC. He is also an accountant conferred by the Ministry of Finance, the PRC. He has over 20 years of experience in accounting, finance and administration.

Ms. Wei Mei E, aged 56, is the manager responsible for the products quality check-up in the production line. She has to assess quality of products supplied by the suppliers to meet customers' requirements. She has over 30 years' of experience in manufacturing and quality control in the apparel industry.

Ms. Lau Pin Shan, aged 46, is the manager responsible for the products quality check-up in the production line. She was graduated in West North Textile College in Kwangtung Province. Her duties is mainly to assess quality of products supplied by the suppliers to meet customers' requirements. She has over 15 years' of experience in manufacturing and quality control in the apparel industry.

Company Secretary

Mr. Chan Cho Chak, aged 53, was appointed as the company secretary of the Company on 1 September 2010. He is a practising accountant in Hong Kong and has over 15 years of professional experience in public accounting and company secretarial work. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He holds a Professional Diploma in accountancy from the Hong Kong Polytechnic University. He is the founder partner of Chan Fan & Co., an audit firm established in Hong Kong.

Corporate Governance Report

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 year ended 30 September 2015, except for the followings:

(i) After the resignation of Mr. Ko Yuk Tong as an executive director and chief executive officer ("CEO") of the Company with effect from 31 March 2015, Mr. Ko Chun Hay, Kelvin has takeover the CEO duty. Thus, under code provision A.2.1, the roles of chairman and CEO should be separated and should not be performed by the same individual. Mr. Ko Chun Hay, Kelvin, who acts as the chairman and the CEO of the Company, is also responsible for the overall business strategy and development and management of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions, complement the role of the chairman and the CEO. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. As such, the structure is beneficial to the Group and the Shareholders as a whole.

(ii) The Company has not arranged any appropriate Directors and Officers Liability Insurance coverage on the directors' and officers' liabilities in respect of any legal actions against the directors and senior management arising out of corporate activities during the year.

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

During the year, 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 year ended 30 September 2015, he had fully complied with the required standard of dealings and there was no event of non-compliance.

Board of Directors

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making. Pursuant to the Code, the Board adopted a board diversity policy (the "Board Diversity Policy"). The Company recognises and embraces the benefits of diversity of Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

The Board comprises two executive Directors and three independent non-executive Directors and the Board is accountable to shareholders. The management and control of the business of the Company is vested in its Board. It is the duty of the Board to enhance value to the shareholders of the Company. The composition of the Board and biographies of the Directors are set out on page 7 of this annual report.

The two executive Directors are responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The three independent non-executive Directors are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as to provide a balance in the Board in order to protect shareholders' interest and overall interest of the Group.

Each independent non-executive Director has given the Company an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the independent non-executive Directors are independent and meet the independent guidelines set out in Rule 5.09 of the GEM Listing Rules.

Number of Meetings and Directors' Attendance

Regular board meetings should be held at least four times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the year ended 30 September 2015, 4 regular board meetings, 4 audit committee meetings, 2 remuneration committee meetings and 1 nomination committee meeting were held. The individual attendance record of each Director at the meetings during the financial year is set out below:

	Attendance/Number of meetings			
Name of Directors	**Board**	**Audit committee**	**Remuneration committee**	**Nomination committee**
Executive Directors				
Mr. Ko Chun Hay, Kelvin (Chairman and CEO)	4/4	4/4	2/2	1/1
Madam Lam Mei Nar, Miller (appointed on 31 March 2015)	3/4	—	—	—
Mr. Ko Yuk Tong (resigned on 31 March 2015)	1/4	—	—	—
Independent Non-executive Director				
Mr. Li Kar Fai, Peter (Chairman of audit committee, remuneration committee and nomination committee)	4/4	4/4	2/2	1/1
Mr. Zhang Qing	4/4	4/4	2/2	1/1
Mr. Li Xiao Dong	4/4	4/4	2/2	1/1

The company secretary attended all the scheduled Board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting and finance.

Corporate Governance Functions and Conduct of Meetings

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

Code Provision A.1.3 stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or audit committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All Directors are given an opportunity to include matters in the agenda for regular Board meetings. The Board and each director also have separate and independent access to the senior executives whenever necessary. With the support of the senior executives, the Chairman is responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are duly kept by the company secretary of the meetings and opened for inspection by the Directors.

The Company's articles of association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

Directors' continuous training and professional development

Pursuant to Code Provision A.6.5, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this annual report, all Directors have participated in continuous professional development by attending training course or reading relevant materials on the topics related to corporate governance and regulations.

The individual training record of each Director received for the year ended 30 September 2015 is summarized below:

Name of Directors	**Attending seminar(s)/ relevant materials in relation to the business or directors' duties Yes/No**
Executive Directors	
Mr. Ko Chun Hay, Kelvin	Yes
Madam Lam Mei Nar, Miller (appointed on 31 March 2015)	Yes
Mr. Ko Yuk Tong (resigned on 31 March 2015)	No
Independent Non-executive Directors	
Mr. Li Kar Fai, Peter	Yes
Mr. Zhang Qing	Yes
Mr. Li Xiao Dong	Yes

All the Directors also understand the importance of continuous professional development and are committed to participate any suitable training or reading relevant materials in order to develop and refresh their knowledge and skills.

Audit Committee

The Company has established an audit committee on 3 November 2010 with written terms of reference in compliance with the GEM Listing Rules. The audit committee has three members comprising all the independent non-executive Directors, namely, Mr. Li Kar Fai, Peter as the chairman of the audit committee, Mr. Zhang Qing and Mr. Li Xiao Dong.

All committee members possess appropriate industry and financial experience to advise on the Group's strategy and other matters. The composition of the audit committee meets the requirements of Rule 5.28 of the GEM Listing Rules. The primary duties of the audit committee are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements and to oversee independence and qualifications of the external auditors.

At the meetings held during the year, in performing its duties in accordance with its terms of reference, the work performed by the Audit Committee included:

(a) review and supervise the financial reporting process and internal control system of the Company and its subsidiaries;

(b) recommendation to the Board, of the appointment of Deloitte Touche Tohmatsu as the external Auditor and approval of their remuneration;

(c) determination of the nature and scope of the audit; and

(d) review the financial statements for the relevant periods.

Remuneration Committee

The Company has established a remuneration committee on 3 November 2010 with written terms of reference in compliance with the GEM Listing Rules. The remuneration committee comprises one non-executive Director, namely, Mr. Ko Chun Hay, Kelvin and two independent non-executive Directors, namely, Mr. Li Kar Fai, Peter and Mr. Li Xiao Dong, with Mr. Li Kar Fai, Peter being appointed as the chairman of the remuneration committee.

During the year under review, the remuneration committee held 2 meetings to recommend to the Board the policy and structure for the remuneration of the executive Directors and senior management, determining the specific remuneration packages of all the executive Directors and senior management, reviewing and approving performance based remuneration and compensation for loss or termination of office payable to executive Directors and senior management, ensuring no Director is involved in deciding his own remuneration and approving the service contracts of Directors and senior management.

Nomination Committee

The Company has established a nomination committee on 3 November 2010 with written terms of reference in compliance with the GEM Listing Rules. The nomination committee comprises one executive Director namely, Mr. Ko Chun Hay, Kelvin and two independent non-executive Directors, namely, Mr. Li Kar Fai, Peter and Mr. Li Xiao Dong, with Mr. Li Kar Fai, Peter has been appointed as the chairman of the nomination committee.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship (if necessary), assessing the independence of the independent non-executive directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the chief executive officer. In considering the nomination of new directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the cards and/or other professional areas.

Communication with Shareholders

The Company endeavors to maintain an on-going dialogue with the shareholders and in particular, through annual general meetings or other general meetings to communicate with the shareholders and encourage their participation.

The Company will ensure that there are separate resolutions for separate issues proposed at the general meetings.

The Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner, subject to relevant regulatory requirements.

General Meetings with Shareholders

The Company's annual general meeting provides a useful platform for direct communication between the Board and shareholders. Separate resolutions are proposed on each substantially separate issue at the general meetings.

The 2015 annual general meeting ("2015 AGM") was held on 30 March 2015. The attendance record of the Directors at the 2015 AGM is set out below:

Name of Directors	Meetings attended/held
Executive Directors	
Mr. Ko Chun Hay, Kelvin	Yes
Madam Lam Mei Nar, Miller (appointed on 31 March 2015)	No
Mr. Ko Yuk Tong (resigned on 31 March 2015)	No
Independent Non-executive Directors	
Mr. Li Kar Fai, Peter	Yes
Mr. Zhang Qing	No
Mr. Li Xiao Dong	No

The Company's external auditors also attended the 2015 AGM.

Shareholders' Rights

Convening an extraordinary general meeting

Pursuant to article 64 of the Articles of Association, extraordinary general meetings of the Company (the "EGM(s)") shall be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s), as a result of the failure of the Board to convene the EGM(s), shall be reimbursed to the requisitionist(s) by the Company.

Putting enquiries to the Board

To ensure effective communication between the Board and the shareholders, the Company has adopted a Shareholders' communication policy (the "Policy"). Under the Policy, the Company's information shall be communicated to the Shareholders mainly through general meetings, including annual general meetings, the Company's financial reports (annual, interim and quarterly reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website.

Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. Any such questions shall be first directed to the company secretary of the Company at the Company's 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.

Putting forward proposals at Shareholders' meeting

The number of shareholders necessary for putting forward a proposal at a Shareholders' meeting shall be any number of shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the request.

Company Secretary

Mr. Chan Cho Chak was appointed as the company secretary of the Company on 1 September 2010. He is responsible to the Board for ensuring the board procedures are followed and that the Board is briefed on legislative, regulatory and corporate governance developments. Up to the date of this report, he has undertaken not less than 15 hours of relevant professional training.

Directors' and Auditor's Responsibilities in respect of the Consolidated Financial Statements

The Board is responsible for presenting a balanced, clear and understandable assessment of annual, interim and quarterly reports, other price-sensitive announcements and other financial disclosures required under the GEM Listing Rules and other statutory requirements.

The Directors acknowledged their responsibility for preparing the consolidated financial statements of the Company for the year ended 30 September 2015. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

The auditors to the Company acknowledge their reporting responsibilities in the independent auditor's report on the consolidated financial statements for the year ended 30 September 2015.

Auditor's Remuneration

The remuneration paid to the external auditors of the Company in respect of audit services for the year ended 30 September 2015 amounted to HK$500,000 (for the year ended 30 September 2014: $280,000).

Internal Controls and Risk Management

The Board has overall responsibility for the internal control system and risk management procedures of the Company. The Board has developed its systems of internal control and risk management and is also responsible for reviewing and maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company. During the year under review, the Board has conducted a review of the effectiveness of the internal control system of the Company.

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The Group's internal control system is designed to provide reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of business objective. The system includes a defined management structure with segregation of duties and a cash management system such as monthly reconciliation of bank accounts.

The Board reviews the effectiveness of the Group's material internal controls and is of the opinion that the resources for and qualifications of staff of the Company's accounting and financial reporting function are adequate and sufficient. Based on information furnished to it and on its own observations, the Board is satisfied with present internal controls of the Group.

Investor Relations

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (www.brilliancew.com) has provided an effective communication platform to the public and the shareholders.

During the year ended 30 September 2015, there had been no significant change in the Company's constitutional documents.

Report of the Directors

The Directors present their annual report and the audited consolidated financial statements for the year ended 30 September 2015.

Principal Activities

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 34 to the consolidated financial statements. There were no significant changes in nature of Group's principal activities during the year.

Subsidiaries

Details of the Company's subsidiaries as at 30 September 2015 are set out in note 34 to the consolidated financial statements.

Results and Dividend

The results of the Group for the year ended 30 September 2015 are set out in the consolidated of statement profit or loss and consolidated statement of profit or loss and other comprehensive income on pages 26 to 27 of this annual report respectively.

The Directors do not recommend the payment of any dividend in respect of the year ended 30 September 2015 (for the year ended 30 September 2014: Nil).

Segmental Information

Details of segment reporting are set out in note 8 to the consolidated financial statements.

Major Customers and Suppliers

For the year ended 30 September 2015, the aggregate amount of turnover attribute to the Group's largest and five largest customers was 40.2% and 94.5% of the total value of the Group's turnover respectively. The Group's purchase to the largest and five largest suppliers accounted for 100.0% and 100.0% of the total value of the Group's purchase respectively.

At no time during the period have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in major customers or suppliers.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company during the year are set out in note 27 to the consolidated financial statements.

Reserves

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 29.

Distributable Reserves

At 30 September 2015, the Company's reserves, calculated in accordance with the provisions of Cayman Islands' legislation, amounted to HK$10,981,000 (At 30 September 2014: HK$14,116,000).

Purchase, Sale or Redemption of Listed Securities

During the year ended 30 September 2015, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares.

Financial Summary

A summary of the results of the Group for the past five financial years is set out on page 75 of this annual report.

Directors and Directors' Service Contract

In accordance with the Articles of the Company, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the nearest to but not less than one-third shall retire from the office and, being eligible, will offer themselves for re-election, at the forthcoming annual general meeting of the Company.

The service contracts between the Company and each of the Directors are for a term of two years and are subject to renewal by agreement for one or more consecutive terms of three years. Their terms of office are also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Confirmation of Independence

The Company has received annual confirmations of independence from Mr. Li Kar Fai, Peter, Mr. Zhang Qing, and Mr. Li Xiao Dong pursuant to the Rules Governing the Listing of Securities on the GEM Listing Rules. The Company considers the independent non-executive Directors to be independent pursuant to Rule 5.09 of the GEM Listing Rules as at the date of this annual report.

Directors' and Senior Management's Biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 7 to 8 of this annual report.

Directors' Interests in Contracts

Save as disclosed in note 33 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party during the year.

Competing Interest

For the year ended 30 September 2015, the Directors were not aware of any business or interest of the Directors, the controlling shareholder, the management shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

Directors of Subsidiaries

The names of all directors who have served on the board of the subsidiaries of the Company during the year and up to the date of this report are as follows:

- Mr. Ko Chun Hay, Kelvin
- Madam Lam Mei Nar, Miller, appointed on 31 March 2015
- Mr. Ko Yuk Tong , resigned on 31 March 2015

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, details of which are set out below in the section "Share Option".

Details of the emoluments of the Directors and five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in notes 11 and 12 to the consolidated financial statements, respectively.

Contract of Significance

There is no contract of significance between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries for the year ended 30 September 2015.

Directors' and Chief Executives' Interests and Short Positions in Shares and Debentures of the Company

As at 30 September 2015, 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 of Director	Capacity	Number of shares	Percentage of the Company's issued share capital
Mr. Ko Chun Hay, Kelvin (note)	Interest of controlled corporation	519,000,000 (L)	75%

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

Save as disclosed above, as at 30 September 2015, 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 2015, 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	Number of shares	Percentage of the Company's issued share capital
Magic Ahead Investments Limited (note)	Beneficial owner	519,000,000 (L)	75%

Note: Magic Ahead Investments Limited, a company incorporated in British Virgin Islands on 15 October 2009 with limited liability and an investment holding company where the entire issued share capital of which is held by Mr. Ko Yuk Tong and Mr. Ko Chun Hay, Kelvin in the proportion of 3.7% and 96.3% respectively as at the 30 September 2015.

Save as disclosed above, as at 30 September 2015, 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.

Share Option

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 Option 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 Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the date of approval of the Option 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 Option Scheme and any other share option scheme(s) of the Company must be, 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 Option 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 commenting from 3 November 2010.

On 19 January 2012, as approved by the Board, a total of 13,800,000 options, have been granted to two participants 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 two participants at an exercise price of HK$0.091 per Share. On 13 July 2015, as approved by the Board, a total of 15,300,000 options, have been granted to four participants at an exercise price of HK$0.222 per Share.

Up to the date of this annual report, a total of 42,900,000 Shares, representing 6.2% of the existing issued share capital of the Group are available for issue to the Participants and the 42,900,000 options have not yet been exercised by the Participants upto the date of this report.

Related Party Transaction

Except for the related party transactions of the Group and the Company are set out in note 33 to the consolidated financial statements, The directors are not aware of any related party transaction during the year.

Corporate Governance

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report section set out on pages 9 to 16.

Public Float

Based on the information that is publicly available to the Company and within the knowledge, as at the date of this report, there is sufficient public float of 25% of the Company's issued shares as required under the GEM Listing Rules.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association and the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Events After the Reporting Period

As at the end of the reporting period, the Group did not have any significant events after the reporting period.

Auditors

CCIF CPA Limited has tendered his resignation due to the costs consideration, during the year. Deloitte Touche Tohmatsu has been appointed to fill the causal vacancy accordingly. The financial statements have been audited by Deloitte Touche Tohmatsu who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board
Brilliance Worldwide Holdings Limited

Ko Chun Hay, Kelvin
Chairman

Hong Kong, 18 December 2015

Independent Auditor's Report

Deloitte.
德勤

TO THE MEMBERS OF BRILLIANCE WORLDWIDE HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Brilliance Worldwide Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 74, which comprise the consolidated statement of financial position as at 30 September 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 September 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other Matter

The consolidated financial statements of the Group for the year ended 30 September 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 24 December 2014.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 December 2015

Consolidated Statement of Profit or Loss

For the year ended 30 September 2015

	NOTES	2015 HK$'000	2014 HK$'000
Continuing operation			
Revenue	7	**54,351**	63,446
Cost of sales		**(50,917)**	(58,405)
Gross profit		**3,434**	5,041
Other income, gains and losses	9	**(434)**	116
Selling and distribution expenses		**(2,101)**	(3,699)
Administrative expenses		**(6,141)**	(4,725)
Finance costs	10	**(176)**	(157)
Loss before taxation	13	**(5,418)**	(3,424)
Taxation credit	14	**138**	—
Loss for the year from continuing operation		**(5,280)**	(3,424)
Discontinued operation			
Profit for the year from discontinued operation	15	**—**	514
Loss for the year attributable to owners of the Company		**(5,280)**	(2,910)
Loss per share	17		
From continuing and discontinued operations			
Basic and diluted (HK cents)		**(0.76)**	(0.42)
From continuing operation			
Basic and diluted (HK cents)		**(0.76)**	(0.49)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2015

	2015 **HK$'000**	2014 HK$'000
Loss for the year	**(5,280)**	(2,910)
Other comprehensive (expense) income		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operation	**(11)**	158
Total comprehensive expense for the year attributable to the owners of the Company	**(5,291)**	(2,752)

Consolidated Statement of Financial Position

At 30 September 2015

	NOTES	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment	18	**940**	1,133
Intangible asset	19	**—**	154
		940	1,287
Current assets			
Inventories	20	**—**	626
Trade and other receivables	21	**14,578**	17,016
Amount due from ultimate holding company	22	**—**	9
Investments held-for-trading	23	**1,427**	—
Pledged bank deposits	24	**—**	7,000
Bank balances and cash	24	**6,795**	2,595
		22,800	27,246
Current liabilities			
Other payables and accrued charges		**699**	468
Bank borrowings	25	**2,998**	4,398
Tax payable		**—**	138
		3,697	5,004
Net current assets		**19,103**	22,242
Net assets		**20,043**	23,529
Capital and reserves			
Share capital	27	**6,920**	6,920
Reserves		**13,123**	16,609
Total equity		**20,043**	23,529

The financial statements on pages 26 to 74 were approved and authorised for issue by the Board of Directors on 18 December 2015 and are signed on its behalf by:

Ko Chun Hay, Kelvin
Executive Director

Lam Mei Nar, Miller
Executive Director

Consolidated Statement of Changes in Equity

For the year ended 30 September 2015

	Attributable to the owners of the Company							
	Share capital	Share premium	Share-based compensation reserve	Capital reserve	Merger reserve	Translation reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000 (Note (i))	HK$'000 (Note (ii))	HK$'000	HK$'000	HK$'000
At 1 October 2013	6,920	16,489	1,319	3,718	(383)	81	(1,863)	26,281
Loss for the year	—	—	—	—	—	—	(2,910)	(2,910)
Other comprehensive income for the year	—	—	—	—	—	158	—	158
Total comprehensive income (expense) for the year	—	—	—	—	—	158	(2,910)	(2,752)
At 30 September 2014	6,920	16,489	1,319	3,718	(383)	239	(4,773)	23,529
Loss for the year	—	—	—	—	—	—	(5,280)	(5,280)
Other comprehensive expense for the year	—	—	—	—	—	(11)	—	(11)
Total comprehensive expense for the year	—	—	—	—	—	(11)	(5,280)	(5,291)
Recognition of equity-settled share-based payments	—	—	1,805	—	—	—	—	1,805
At 30 September 2015	6,920	16,489	3,124	3,718	(383)	228	(10,053)	20,043

Notes:

(i) On 18 March 2011, Yoko Garment Limited, a then wholly-owned subsidiary of the Company capitalised the indebtedness of HK$3,719,432 comprising the loan from a director and amount due to a director of HK$2,747,267 and HK$972,165 respectively, owed by Yoko Garment Limited to Mr. Ko Chun Hay, Kelvin in consideration of the allotment and issue of a total 800 ordinary shares of HK$1.00 each in the share capital of Yoko Garment Limited, all credited as fully paid, to Mr. Ko Chun Hay, Kelvin.

(ii) Merger reserve represents the difference between the nominal values of the ordinary shares issued by the Company and the share capital of subsidiaries acquired through an exchange of shares pursuant to the reorganisation in prior years.

Consolidated Statement of Cash Flows

For the year ended 30 September 2015

	NOTE	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES			
Loss for the year		**(5,280)**	(2,910)
Adjustments for:			
Finance costs		**176**	182
Depreciation of property, plant and equipment		**170**	181
Amortisation of intangible asset		**154**	69
Bank interest income		**(32)**	(49)
Dividend income		**(5)**	—
Equity-settled share-based payment		**1,805**	—
Written down of inventories		**—**	808
Loss on disposal of property, plant and equipment		**23**	—
Gain on disposal of discontinued operation		**—**	(13,383)
Income tax expense recognised in profit or loss of discontinued operation		**—**	6,758
Income tax credit		**(138)**	—
Change in fair value of investments held-for-trading		**437**	—
Operating cash flows before movements in working capital		**(2,690)**	(8,344)
Decrease in inventories		**626**	15,245
Decrease (increase) in trade and other receivables		**2,438**	(6,722)
Increase (decrease) in other payables and accrued charges		**231**	(5,304)
Purchases of investments held-for-trading		**(1,864)**	—
Cash used in operations		**(1,259)**	(5,125)
Hong Kong Profits Tax refunded		**—**	485
NET CASH USED IN OPERATING ACTIVITIES		**(1,259)**	(4,640)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**—**	(54)
Withdrawal of pledged bank deposits		**7,000**	—
Placement of pledged bank deposits		**—**	(7,000)
Dividend received		**5**	—
Bank interest received		**32**	49
Disposal of subsidiaries, net of cash disposed	30	**—**	2,831
Repayment from ultimate holding company		**9**	436
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**7,046**	(3,738)

Consolidated Statement of Cash Flows (Continued)

For the year ended 30 September 2015

	NOTE	2015 HK$'000	2014 HK$'000
FINANCING ACTIVITIES			
New bank borrowings raised		**8,410**	6,958
Repayment of bank borrowings		**(9,630)**	(6,004)
Net fund arising from discounted bills with recourse		**722**	456
Interest paid		**(176)**	(182)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**(674)**	1,228
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**5,113**	(7,150)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**1,693**	8,685
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(11)**	158
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**6,795**	1,693
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**6,795**	2,595
Bank overdrafts		**—**	(902)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**6,795**	1,693

Notes to the Consolidated Financial Statements

For the year ended 30 September 2015

1. General

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate and ultimate holding company is Magic Ahead Investments Limited ("Magic Ahead"), incorporated in the British Virgin Islands and the ultimate controlling shareholder of Magic Ahead is Mr. Ko Chun Hay, Kelvin, the chairman, chief executive officer and executive director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in "Corporate Information" section of the annual report.

The Company is an investment holding company. The principal activities and other details of its subsidiaries are set out in note 34.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

The Group has applied the following amendments to HKFRSs and an interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC)-Int 21	Levies

The application of these amendments to HKFRSs and an interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[1]
Amendments to HKAS 1	Disclosure initiative[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[2]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[2]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[2]
Amendments to HKAS 27	Equity method in separate financial statement[2]

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for annual periods beginning on or after 1 January 2016

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 9 Financial instruments (Continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have an impact on the Group's financial assets. However, in the opinion of the directors of the Company, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from contracts with customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the adoption of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, in the opinion of the directors of the Company, it is not practicable to provide a reasonable estimate of the effect for the application of HKFRS 15 until a detailed review has been completed.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. Significant Accounting Policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use for the purposes of impairment assessment in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. Significant Accounting Policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- has exposure, or rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. Significant Accounting Policies (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend income from investments is recognised when the Group's rights to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases) and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost or deemed cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of these property, plant and equipment, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

3. Significant Accounting Policies (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with definite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives (other than those not yet available for use) is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

3. Significant Accounting Policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'loss before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. Significant Accounting Policies (Continued)

Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rate prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange reserve.

3. Significant Accounting Policies (Continued)

Retirement benefit costs

Payments to defined contribution retirement benefits schemes, state-managed retirement benefit schemes and Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

In respect of share options, the fair value of services received is determined by reference to the fair value of share options granted at the grant date. The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based compensation reserve).

At the end of the reporting period, the Group revises its estimates of the number of share options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based compensation reserve.

When the share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to accumulated losses.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into financial assets at FVTPL and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

Financial assets at FVTPL of the Group are classified as held-for-trading. A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near future;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the 'other income, gains and losses' line item. Fair value is determined in the manner described in note 6.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amount due from ultimate holding company, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of loans and receivables below).

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

For loans and receivables carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

The carrying amount of the loans and receivables is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When the trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classified as debt and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities

Financial liabilities including other payables and accrued charges and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the obligation are discharged, cancelled or expired. On derecognition, the difference between the carrying amount of a financial liability derecognised/ extinguished and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Allowance for trade receivables

When there is objective evidence of an impairment loss, the Group takes into consideration the estimation of future cash flows to determine the impairment loss. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. At the end of the reporting period, the carrying amount of trade receivables is HK$5,933,000 (2014: HK$5,182,000, net off with allowance for bad and doubtful debts of HK$1,269,000).

5. Capital Risk Management

The Group manages its capital 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 capital structure of the Group consists of debt, which includes bank borrowings disclosed in note 25, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share repurchase as well as the issue of new debt or the redemption of existing debt.

6. Financial Instruments

Categories of financial instruments

	2015 HK$'000	2014 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**14,365**	15,511
Investments held-for-trading	**1,427**	—
Financial liabilities		
Amortised cost	**3,697**	4,866

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount due from ultimate holding company, pledged bank deposits, bank balances and cash, other payables and accrued charges and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) *Currency risk*

The Group's transactions are mainly denominated in United States dollars ("USD") (which is the functional currency of respective group entity) except for certain other receivables and bank balances which are denominated in Renminbi ("RMB"), a currency other than the functional currency of the respective group entities.

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are approximately as follows:

	Assets		Liabilities	
	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000
RMB	**164**	121	**—**	—

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) *Currency risk (Continued)*

Sensitivity analysis

5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding denominated monetary items and adjusts their translation at the year end for a 5% change in the foreign currency exchange rate. A positive number below indicates decrease in post-tax loss for the year where RMB strengthens 5% against HK$ and USD respectively, the functional currency of the respective group entities. For a 5% weakening of RMB against HK$ and USD, there would be an equal and opposite impact on the post-tax loss for the year and the balances below would be negative.

	2015	2014
	HK$'000	HK$'000
Decrease in post-tax loss for the year	**7**	6

(ii) *Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to the impact of interest rate changes on variable-rate bank borrowings, pledged bank deposits and bank balances.

The Group's exposure to interest rates on financial liabilities are detailed in the liquidity risk management section in this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of the Hong Kong Prime Rate and market rate arising from the Group's HK$ denominated bank borrowings.

The Group currently does not have interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

For the variable-rate bank balances at 30 September 2015 and 2014 and pledged bank deposits at 30 September 2014, the directors consider the Group's exposure to future cash flow interest rate risk is minimal taking into account the minimal fluctuation on market interest rate during the end of the reporting period. Accordingly, no sensitivity analysis on interest rate risk is presented.

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

The sensitivity analyses below were determined based on the exposure to interest rates for the variable-rate bank borrowings at the end of the reporting period. The analysis was prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point (2014: 100 basis point) increase or decrease represented management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2014: 100 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 30 September 2015 would increase/decrease by HK$25,000 (2014: post-tax loss increase/decrease by HK$37,000).

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the end of the reporting period exposure does not reflect the exposure during the year.

(iii) Price risk

Price risk on equity securities

As at 30 September 2015, the Group is exposed to listed equity securities price risk through its financial assets held-for-trading. The directors of the Company manages this exposure by closely monitoring the performance of the investments and market conditions. The directors of the Company would consider diversifying the portfolio of investments as they consider appropriate.

Sensitivity analysis

If the quoted prices of the respective equity instruments had been 5% higher/lower and all other variables were held constant, loss for the year ended 30 September 2015 would decrease/increase by HK$71,000 (2014: nil) as a result of the changes in fair value of investments held-for-trading.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent price risk in relation to changes in fair value of investments held-for-trading as at the end of the reporting period exposure does not reflect the exposure during the year.

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Credit risk

The Group's credit risk is primarily attributable to trade and receivables and bank balances as at 30 September 2015 and 2014 and amount due from ultimate holding company and pledged bank deposits as at 30 September 2014.

As at 30 September 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the directors of the Company review the recoverable amount of each individual trade debt and amount due from ultimate holding company at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the company consider that the Group's credit risk is significantly reduced.

The Group also has concentration of credit risk as 73% of the total trade receivables is due from one major customer (2014: 67% of the total trade receivables is due from the one major customer). This customer is a subsidiary of a British multinational retailing company. Continuous subsequent settlements are received and there is no historical default of payments by this customer. Management of the Company assigned a team to closely follow up the debts due.

Other than that, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Group's bank balances and pledged bank deposits, are placed with banks of good reputation and the Group has limited exposure to any single financial institution.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for financial liabilities are based on the agreed repayment dates.

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Liquidity tables

	Weighted average effective interest rate %	On demand HK$'000	1 month to 3 months HK$'000	3 months to 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at the end of the reporting period HK$'000
2015						
Other payables and accrued charges	—	—	699	—	699	699
Bank borrowings, secured	5.25	2,998	—	—	2,998	2,998
		2,998	699	—	3,697	3,697

	Weighted average effective interest rate %	On demand HK$'000	1 month to 3 months HK$'000	3 months to 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at the end of the reporting period HK$'000
2014						
Other payables and accrued charges	—	—	468	—	468	468
Bank borrowings, secured	8.35	4,398	—	—	4,398	4,398
		4,398	468	—	4,866	4,866

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Secured bank borrowings with a repayment on demand clause as at 30 September 2015 are included in the "on demand" time band in the above maturity analysis. The carrying amount of the secured bank borrowing amounted to approximately HK$2,998,000 (2014: HK$4,398,000) as at 30 September 2015. Taking into account the Group's financial position and assets pledged for the borrowings, the directors of the Company do not believe that it is probable that the financial institutions would exercise their discretionary rights to demand immediate payment. As at 30 September 2015, the directors of the Company believed that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. As at 30 September 2015, the aggregate principal and interest cash outflows would amount to HK$3,012,000 (2014: HK$4,418,000) if the borrowings are repaid in accordance with the scheduled repayment dates set out in the loan agreements which is repayable within three months.

Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of investments held for trading is calculated using quoted prices in active market;
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

7. Revenue

An analysis of the Group's revenue for the years from continuing operation is as follows:

	2015	2014
	HK$'000	HK$'000
Sale of apparel products	**54,351**	63,446

8. Segment Information

The Group's operations is solely derived from the garment distribution during the year. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer of the Group) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in note 3. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Upon completion of disposal of a subsidiary during the year ended 30 September 2014 as set out in note 30, the Group discontinued its manufacturing operation. The segment information reported below does not include any amounts for these discontinued operations, which are described in more detail in note 15.

Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products:

	2015	2014
	HK$'000	HK$'000
Innerwear	**30,334**	35,537
Casual wear	**7,898**	13,895
Baby and children wear	**16,119**	14,014
	54,351	63,446

Geographical information

The Group's continuing operations are mainly carried out in Hong Kong. The Group's revenue is mainly derived from customers located in Sweden, the United Kingdom (the "U.K."), Spain and Hong Kong.

The Group's revenue from continuing operation from external customers by geographical location of customers irrespective of the origin of the goods and its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Sweden	**7,326**	15,339	**—**	—
The U.K.	**23,101**	25,890	**—**	—
Spain	**16,063**	7,800	**—**	—
Hong Kong	**6,169**	10,621	**940**	1,133
People's Republic of China (excluding Hong Kong (the "PRC"))	**—**	—	**—**	154
Others	**1,692**	3,796	**—**	—
	54,351	63,446	**940**	1,287

8. Segment Information (Continued)

Information about major customers

Revenue from external customers from continuing operation of the corresponding year contributing over 10% of total revenue of the Group are as follows:

	2015 HK$'000	2014 HK$'000
Customer A	**21,874**	24,198
Customer B	**7,014**	13,849
Customer C	**16,063**	7,800

9. Other Income, Gains and Losses

	2015 HK$'000	2014 HK$'000
Continuing operation		
Change in fair value of investments held-for-trading	**(437)**	—
Bank interest income	**32**	48
Loss on disposal of property, plant and equipment	**(23)**	—
Other	**(6)**	68
	(434)	116

10. Finance Costs

	2015 HK$'000	2014 HK$'000
Continuing operation		
Interest on bank borrowings repayable within five years	**176**	157

11. Directors' and Chief Executive Officer's Emoluments

The emoluments paid or payable to each of the six (2014: six) directors and chief executive officers were as follows:

Year ended 30 September 2015

	Directors' fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Equity-settled share-based payments HK$'000 (Note (i))	Total 2015 HK$'000
Executive directors					
Ko Chun Hay, Kelvin	**420**	**—**	**18**	**814**	**1,252**
Ko Yung Tong (Note (ii))	**120**	**—**	**6**	**—**	**126**
Lam Mei Nar, Miller (Note (iii))	**90**	**—**	**5**	**814**	**909**
Independent non-executive directors					
Li Xiao Dong	**18**	**—**	**—**	**—**	**18**
Zhang Qing	**18**	**—**	**—**	**—**	**18**
Li Kar Fai, Peter	**30**	**—**	**—**	**118**	**148**
Total	**696**	**—**	**29**	**1,746**	**2,471**

Year ended 30 September 2014

	Directors' fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Equity-settled share-based payments HK$'000	Total 2014 HK$'000
Executive directors					
Ko Chun Hay, Kelvin	480	—	—	—	480
Ko Yung Tong (Note (ii))	240	—	—	—	240
Liu Lai Kuen (Note (iv))	27	—	—	—	27
Independent non-executive directors					
Li Xiao Dong	18	—	—	—	18
Zhang Qing	18	—	—	—	18
Li Kar Fai, Peter	30	10	—	—	40
Total	813	10	—	—	823

11. Directors' and Chief Executive Officer's Emoluments (Continued)

Notes:

(i) Equity-settled share-based payments represent share options granted to directors of the Company in year 2015 under a share option scheme adopted by the Company. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions.

Details of share options granted to directors of the Company and other employee, including the principal terms and number of options granted, are set out in note 28.

(ii) The disclosed emolument for Mr. Ko Yung Tong represented the emoluments received or receivable before his resignation of directorship on 31 March 2015.

(iii) The disclosed emoluments for Madam Lam Mei Nar, Miller represented the emoluments received or receivable after her appointment of directorship on 31 March 2015.

(iv) The disclosed emolument for Madam Liu Lai Kuen represented the emoluments received or receivable before her resignation of directorship on 23 December 2013.

Before 31 March 2015, Mr. Ko Yung Tong was also the Chief Executive Officer of the Company. Upon the resignation of Mr. Ko Yung Tong, Mr. Ko Chun Hay, Kelvin became the Chief Executive Officer. Their emoluments disclosed above include those for services rendered by him as the Chief Executive Officer.

During both years, no emoluments were paid by the Group to the directors of the Company as compensation for loss of office or an inducement to join or upon joining the Group. None of the directors of the Company has waived any emoluments in both years.

12. Employee's Emoluments

Of the five individuals with the highest emoluments in the Group, three (2014: two) were directors of the Company whose emoluments are set out in note 11. The emoluments of the remaining individuals are as follows:

	2015 HK$'000	2014 HK$'000
Salaries and other benefits	**300**	447
Contributions to retirement benefits schemes	**15**	13
	315	460

Their emoluments were within the following bands:

	2015 Number of employees	2014 Number of employees
Less than HK$1,000,000	**2**	3

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office in any of the year.

13. Loss Before Taxation

	2015 HK$'000	2014 HK$'000
Continuing operation		
Loss before taxation has been arrived at after charging:		
Amortisation of intangible assets	**154**	69
Auditor's remuneration	**500**	280
Cost of inventories recognised as an expense	**50,917**	58,405
Depreciation of property, plant and equipment	**170**	181
Rental payments in respect of premises under operating leases	**200**	532
Staff costs including directors' emoluments		
— Salaries and other benefits	**2,031**	1,831
— Contributions to retirement benefits schemes	**65**	34
— Equity-settled share-based payments	**1,805**	—
Total staff costs	**3,901**	1,865

14. Taxation Credit

	2015 HK$'000	2014 HK$'000
Continuing operation		
Overprovision in prior year in Hong Kong	**138**	—

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong Profits Tax has been provided for in the consolidated financial statements as the Group has no assessable profits for the year ended 30 September 2015 (year ended 30 September 2014: no assessable profits).

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions. No provision for tax in other jurisdictions has been made as the Group's income neither arises in, nor is derived in these jurisdictions.

The taxation credit for the year can be reconciled to the loss before taxation from continuing operations per the consolidated statement of profit or loss as follows:

	2015 HK$'000	2014 HK$'000
Loss before taxation from continuing operation	**(5,280)**	(3,424)
Taxation credit at the Hong Kong Profits Tax rate of 16.5%	**(871)**	(565)
Tax effect of expenses not deductible for tax purposes	**298**	—
Tax effect of income not taxable for tax purposes	**(2)**	(19)
Tax effect of the tax losses not recognised	**575**	584
Overprovision in prior years	**(138)**	—
Taxation for the year	**(138)**	—

15. Discontinued Operation

On 11 March 2014, the Company entered into a sale and purchase agreement with an independent third party to dispose of the Group's entire interest in the issued share capital of Yoko Garment Limited which held 100% equity interest in 高高製衣(惠州)有限公司 (collectively known as "Yoko Group") which carried out all of the Group's garment manufacturing operations and local PRC sales and represented a separate major line of the Group's business. The consideration for the disposal of Yoko Group was HK$4,030,000. The disposal was completed on 15 April 2014, on which date control of Yoko Group was passed to the acquirer.

15. Discontinued Operation (Continued)

The operations of the garment manufacturing were classified as discontinued operation and the profit arising therefrom are analysed as follows:

	2014 HK$'000
Loss on discontinued operation for the year	(12,869)
Gain on disposal of discontinued operation (note 30)	13,383
	514

The results of the discontinued operation which have been included in the consolidated statement of profit or loss up to the date of disposal (i.e. 15 April 2014) are as follows:

	HK$'000
Revenue	10,593
Cost of sales	(13,248)
Gross loss	(2,655)
Other income	65
Administrative expenses	(3,496)
Finance costs	(25)
Loss before taxation	(6,111)
Taxation	(6,758)
Loss on discontinued operation	(12,869)

Loss for the year from discontinued operation included the followings:

	2014 HK$'000
Cost of inventories recognised as an expense (Note)	13,248
Depreciation of property, plant and equipment	1
Staff costs	
— Salaries and other benefits	3,465
— Contributions to retirement benefits schemes	581
Total staff costs	4,046

Note: Cost of inventories includes HK$808,000 relating to write down of inventories.

15. Discontinued Operation (Continued)

During the prior year, Yoko Group incurred approximately HK$656,000 of the Group's net operating cash flow and incurred approximately HK$25,000 in respect of financing activities.

The carrying amounts of the assets and liabilities of the discontinued operation at the date of disposal are disclosed in note 30.

16. Dividends

No dividend was paid or proposed during the year ended 30 September 2015, nor has any dividend been proposed since the end of the reporting period (2014: nil).

17. Loss Per Share

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss

	2015 HK$'000	2014 HK$'000
Loss for the purposes of basic and diluted loss per share Loss for the year attributable to owners of the Company	**(5,280)**	(2,910)

Number of shares

	2015	2014
Number of ordinary shares in issue for the purpose of basic and diluted loss per share	**692,000,000**	692,000,000

The computation of diluted loss per share for the year ended 30 September 2015 and 2014 does not assume the exercise of the Company's share options as they would reduce loss per share.

17. Loss Per Share (Continued)

From continuing operation

The calculation of the basic and diluted loss per share from continuing operation attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	2015 HK$'000	2014 HK$'000
Loss for the year attributable to owners of the Company	**(5,280)**	(2,910)
Less: Profit for the year from discontinued operation attributable to owners of the Company	**—**	514
Loss for the purpose of basic and diluted loss per share from continuing operation	**(5,280)**	(3,424)

The denominator used is the same as above for basic and diluted loss per share.

From discontinued operation

For the year ended 30 September 2014, basic earnings per share for the discontinued operation was HK cents 0.07, based on the earnings for the year from discontinued operation attributable to the owner of the Company of HK$514,000 and the denominator used is the same as above for basic loss per share.

18. Property, Plant and Equipment

	Leasehold land and buildings HK$'000	Plant and machinery HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST					
At 1 October 2013	1,000	11,727	9,452	1,891	24,070
Additions	—	21	33	—	54
Disposal of subsidiaries	—	(11,718)	(9,436)	(1,191)	(22,345)
At 30 September 2014	1,000	30	49	700	1,779
Disposals	—	(30)	—	—	(30)
At 30 September 2015	1,000	—	49	700	1,749
DEPRECIATION					
At 1 October 2013	75	10,389	9,435	1,583	21,482
Provided for the year	20	11	10	140	181
Eliminated on disposal	—	(10,393)	(9,433)	(1,191)	(21,017)
At 30 September 2014	95	7	12	532	646
Provided for the year	20	—	10	140	170
Eliminated on disposal	—	(7)	—	—	(7)
At 30 September 2015	115	—	22	672	809
CARRYING VALUES					
At 30 September 2015	885	—	27	28	940
At 30 September 2014	905	23	37	168	1,133

18. Property, Plant and Equipment (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the shorter of the lease terms or 50 years
Furniture, fixtures and office equipment	20%
Plant and machinery	20%
Motor vehicles	20%

At 30 September 2015, leasehold land and buildings of the Group with carrying values of HK$885,000 (2014: HK$905,000) were pledged with a bank to secure banking facilities granted to the Group. The leasehold land was situated in Hong Kong under medium lease. In the opinion of the directors of the Company, allocation of the carrying amounts between the leasehold land and buildings elements could not be made reliably, accordingly, the owner-occupied leasehold land and buildings of HK$885,000 (2014: HK$905,000) are included in property, plant and equipment.

19. Intangible Asset

	HK$'000
COST	
At 1 October 2013, 30 September 2014 and 30 September 2015	343
ACCUMULATED AMORTISATION	
At 1 October 2013	120
Charge for the year	69
At 30 September 2014	189
Charge for the year	154
At 30 September 2015	343
CARRYING VALUES	
At 30 September 2015	—
At 30 September 2014	154

Intangible asset represents the trademark of "JAZZBOAT" held by the Group and is amortised on a straight-line basis over 5 years.

20. Inventories

	2015 **HK$'000**	2014 HK$'000
Inventories:		
Goods in transit	**—**	626

21. Trade and Other Receivables

	2015 **HK$'000**	2014 HK$'000
Trade receivables	**5,933**	6,451
Allowance for doubtful debts	**—**	(1,269)
	5,933	5,182
Bills receivables	**1,580**	654
Total trade and bills receivables	**7,513**	5,836
Deposits made to suppliers	**6,994**	10,895
Other receivables	**71**	285
	14,578	17,016

21. Trade and Other Receivables (Continued)

The following is an aged analysis of trade receivables net of allowance for bad and doubtful debts presented based on the invoice date at the end of each reporting period and aged analysis of bills receivable presented based on the date of issuance of the bills at the end of each reporting period.

	2015 HK$'000	2014 HK$'000
Trade receivables		
0–30 days	**4,565**	5,182
31–60 days	**1,368**	—
	5,933	5,182
Bills receivables		
Less than 30 days	**1,580**	654
	7,513	5,836

The Group's credit terms for its major customers are usually 15 to 60 days.

Before accepting any new customers, the Group assesses the potential customer's credit quality by investigating their historical credit record and defines credit limits by customers on individual basis. Recoverability and credit limit of the existing customers are reviewed by the Group regularly. The Group's entire trade receivable balances net of allowance for bad and doubtful debts are neither past due nor impaired. The directors of the Company considered that trade receivables which are neither past due nor impaired are of good credit quality and there are continuous subsequent settlements from these customers. The Group does not hold any collateral over trade receivables.

Movement in the allowance for bad and doubtful debts

	2015 HK$'000	2014 HK$'000
Balance at beginning of the year	**1,269**	1,269
Amounts written off as uncollectible	**(1,269)**	—
Balance at end of the year	**—**	1,269

At 30 September 2014, allowance for bad and doubtful debts included individually impaired trade receivables with an aggregate balance of HK$1,269,000 which had been in severe financial difficulties. The directors of the Company make impairment losses with reference to the present value of the estimated future cash flows that are expected to be recovered from these customers and consider adequate impairment losses has been made at the end of the reporting period. The Group does not hold any collateral over these balances.

21. Trade and Other Receivables (Continued)

Transfer of financial assets

The following were the Group's bills receivables as at 30 September 2015 and 2014 that were transferred to banks by discounting bills receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as secured bank borrowings (see note 25). These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

	2015 **HK$'000**	2014 HK$'000
Carrying amount of transferred assets	**1,580**	654
Carrying amount of associated liabilities	**(1,178)**	(456)

22. Amount Due from Ultimate Holding Company

The amount was unsecured, interest-free and repayment on demand.

23. Investments Held-For-Trading

The amount represents equity securities listed in Hong Kong.

At 30 September 2015, the fair value measurement of the investments held-for-trading of the Group is grouped in Level 1. There is no transfer between different levels during current year.

At 30 September 2015, the Group's investments in held-for-trading with a carrying value of approximately HK$1,427,000 were pledged to secure certain borrowing facilities granted to the Group.

24. Pledged Bank Deposits/Bank Balances and Cash

Pledged bank deposit

At 30 September 2014, the pledged bank deposits represent the Group's deposits pledged to the banks to secure banking facilities granted to a subsidiary of the Group and bear fixed interest with rates ranging from 0.38% to 0.87% per annum.

Bank balances and cash

Bank balances held by the Group comprised of bank deposits which carry interest at an range of 0.01% to 0.1% (2014: 0.01% to 0.1%) per annum.

25. Bank Borrowings

The following table provides an analysis of the bank borrowings:

	2015 **HK$'000**	2014 HK$'000
Secured bank overdraft	**—**	902
Secured import loan	**1,820**	3,040
Collateralised bank borrowings on bills discounted with recourse	**1,178**	456
	2,998	4,398
Carrying amount of the bank borrowing that contains a repayable on demand clause		
— repayable within one year	**2,998**	4,398

The secured bank borrowings are secured by the assets pledged as disclosed in note 29.

As at 30 September 2015, the Group has floating-rate bank borrowings which carry interest at the Best Lending Rate as set by the bank (2014: 1.5% per annum over the standard bills rate as quoted by the bank). The secured bank overdraft as at 30 September 2014 bear interests at 2.5% per annum over Hong Kong Prime Rate.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	2015	2014
Effective interest rate (per annum):		
Floating-rate bank borrowings	**5.25%**	7.75%–8.50%

26. Deferred Taxation

The following are the major deferred tax liability recognised and movements thereon during the prior year:

	HK$'000
At 1 October 2013	120
Disposal of subsidiaries (note 30)	(120)
At 30 September 2014 and 30 September 2015	—

26. Deferred Taxation (Continued)

At the end of the reporting period, the Group had unused tax losses of HK$13,164,000 (2014: HK$9,679,000) available for offsetting against future profits which are subjected to the confirmation from Hong Kong Inland Revenue Department and the PRC tax Bureau. No deferred tax asset has been recognised due to unpredictability of future profit streams. As at 30 September 2015 and 30 September 2014, included in unrecognised tax losses are losses of HK$2,194,000 and HK$2,022,000 which will expire in 2020 and 2019 respectively, the remaining balances of unrecognised tax losses may be carried forward indefinitely.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiary from 1 January 2008 onwards. As at 30 September 2015 and 30 September 2014, as the PRC subsidiary incurred tax losses, no deferred taxation has been provided accordingly.

27. Share Capital

	Number of shares '000	HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 October 2013, 30 September 2014 and 30 September 2015	10,000,000	100,000
Issued and fully paid:		
At 1 October 2013, 30 September 2014 and 30 September 2015	692,000	6,920

28. Share Options Scheme

The share option scheme of the Company was adopted pursuant to a resolution in writing of all shareholders passed on 3 November 2010 (the "Share Option Scheme"). The purposes of the Share Option Scheme are to provide incentives or rewards to full time or part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company's subsidiaries for their contribution to the success of the Group's operations. The Share Option Scheme became effective on 3 November 2010 ("Effective Date"), unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The total number of shares of the Company available for issue under the Share Option Scheme must not in aggregate, exceed 69,200,000 shares, representing 10% of the issued share capital of the Company (692,000,000 shares) at the Effective Date.

28. Share Options Scheme (Continued)

The maximum number of shares issuable upon exercise of the options which may be granted under the Share Option Scheme (including exercised, cancelled or outstanding options) to each participant (other than a substantial shareholder, chief executive or director as explained below) in any 12-month period shall not exceed 10% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the GEM Listing Rules), are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, (as defined under the GEM Listing Rules) in excess of 0.1% of the shares of the Company in issue with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK$5,000,000, in the 12-month period up to and including the date of grant, are subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted in writing by a participant within 28 days from the date of offer upon payment of a nominal consideration of HK$1 by the grantee. The exercise period of the share options granted is determined by the directors, which period may commence from the date of acceptance of the offer for the grant of share options but shall end, in any event, not later than 10 years from the date of the conditional adoption of the Share Option Scheme by the shareholders subject to the provisions for early termination under the Share Option Scheme.

The exercise price is determined by the directors of the Company, and shall not be less than the highest of (i) the closing price of the shares on the date of grant, (ii) the average closing price of the share for the five business days immediately preceding the date of grant, and (iii) the nominal value of the Company's shares.

On 13 July 2015, the Company granted 14,800,000 share options to its directors and 500,000 share options to an employee who are entitled to subscribe for a total of 15,300,000 new shares at an exercise price of HK$0.222 per share with nominal value of HK$0.01 each in the capital of the Company upon the exercise of the share options in full. Options granted must be taken up within 28 days of the date of grant, upon payments of HK$1 by each of the grantees. The options may be exercised at any time after the date of grant of the share options to the fifth anniversary of the date of grant.

In accordance with terms of the Share Option Scheme, options granted on 13 July 2015 vested at the date of grant.

28. Share Options Scheme (Continued)

The following table discloses movement of and weighted average exercise prices of the Company's share options:

	2015		2014	
	Weighted average exercise price HK$ per share	**Number of options**	Weighted average exercise price HK$ per share	Number of options
Outstanding at the beginning of the year	**0.089**	**27,600,000**	0.089	27,600,000
Granted during the year	**0.222**	**15,300,000**	—	—
Outstanding at the end of the year	**0.136**	**42,900,000**	0.089	27,600,000
Exercisable at the end of the year	**0.136**	**42,900,000**	0.089	27,600,000

The following assumptions were used to calculated the fair values of share options at the date of grant:

	13 July 2015
Grant date share price	HK$0.222
Exercise price	HK$0.222
Expected volatility	76.62%
Expected life	5 years
Expected dividend yield	0%
Rick-free rate (based on Hong Kong Exchange Fund Notes)	1.24%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The binomial option pricing model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the best assessment of the directors of the Company on the valuer's estimation. Changes in variables and assumptions may result in changes in the fair value of the share options.

29. Pledge of Assets

At the end of the reporting period, the Group has pledged following assets to secure the bank borrowings granted to the Group. The carrying amounts of the assets pledged are as follows:

	2015	2014
	HK$'000	HK$'000
Leasehold land and buildings	**885**	905
Investments held-for-trading	**1,427**	—
Pledged bank deposits	**—**	7,000
	2,312	7,905

30. Disposal of Subsidiaries

The Group discontinued its garment manufacturing operation in the prior year as disclosed in note 15. The net liabilities of the Yoko Group at the date of the disposal (i.e. 15 April 2014) were as follows:

	HK$'000
Net liabilities disposed of	
Property, plant and equipment	1,328
Deposit and prepayment	50
Cash and cash equivalents	447
Other receivables	1,766
Other payables	(4,123)
Tax payable	(9,453)
Deferred tax liabilities	(120)
	(10,105)
Disposal costs	752
Gain on disposal of subsidiaries (note 15)	13,383
Total consideration	4,030
Satisfied by:	
Cash	4,030
Total consideration	4,030
Less: Cash and cash equivalent balances disposed of	(447)
Disposal costs	(752)
Net cash inflow arising on the disposal	2,831

31. Lease Commitments

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of premises which fall due as follows:

	2015 HK$'000	2014 HK$'000
Within one year	**174**	365
In the second to fifth year inclusive	**174**	—
	348	365

For the lease of properties, they are negotiated for terms of 1 to 2 years.

32. Retirement Benefits Schemes

The Group operates a MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. The Group also participates in a state-managed scheme. The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute certain percentages of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The contributions paid and payable to the schemes by the Group are disclosed in note 13.

33. Related Party Transactions

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2015 HK$'000	2014 HK$'000
Salaries and other short-term employee benefits	**974**	963
Equity-settled share-based payments	**1,805**	—
	2,779	963

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

34. Particulars of Subsidiaries

Particulars of the subsidiaries of the Company at 30 September 2015 and 30 September 2014.

Name	Place of incorporation and business	Nominal value of issued and paid up share capital/ registered capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Prosperity Global Investments Limited	British Virgin Islands	US$20,000	100%	100%	—	Investment holding in Hong Kong
Koko Garment (Huizhou) Limited	Hong Kong	HK$100,000	100%	—	100%	Sales of garment in Hong Kong
Brilliance Investment Holdings Limited	Hong Kong	HK$10,000	100%	—	100%	Investment holding in Hong Kong
Billion Shine Investment Limited	Hong Kong	HK$10,000	100%	—	100%	Dormant
惠州市再高商貿有限公司 ("再高商貿") (Note)	PRC	HK$1,000,000	100%	—	100%	Dormant

Note: 再高商貿 was established on 5 September 2013. It is a wholly foreign-owned enterprise established in the PRC to be operated for 10 years up to 5 September 2022.

35. Statement of Financial Position of the Company

	2015 HK$'000	2014 HK$'000
Non-current assets		
Investment in subsidiaries	**4,332**	120
Amount due from subsidiaries	**20,057**	—
	24,389	120
Current assets		
Other receivables	**66**	66
Amounts due from subsidiaries	**—**	25,648
Cash and bank balances	**3,846**	762
	3,912	26,476
Current liabilities		
Other payables and accrued charges	**561**	151
Amounts due to subsidiaries	**6,715**	4,040
	7,276	4,191
Net current (liabilities) assets	**(3,364)**	22,285
Net assets	**21,025**	22,405
Equity		
Share capital	**6,920**	6,920
Reserves (Note)	**14,105**	15,485
Total equity attributable to owners of the Company	**21,025**	22,405

35. Statement of Financial Position of the Company (Continued)

Note:

Movement of reserves

	Attributable to the owners of the Company				
	Share premium HK$'000	**Share-based compensation reserve** HK$'000	**Contributed surplus** HK$'000 (Note)	**Accumulated losses** HK$'000	**Total** HK$'000
At 1 October 2013	16,489	1,319	18,497	(1,107)	35,198
Loss and total comprehensive expense for the year	—	—	—	(19,713)	(19,713)
At 30 September 2014	16,489	1,319	18,497	(20,820)	15,485
Loss and total comprehensive expense for the year	—	—	—	(3,185)	(3,185)
Recognition of equity-settled share-based payments	—	1,805	—	—	1,805
At 30 September 2015	16,489	3,124	18,497	(24,005)	14,105

Note: Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to a reorganisation in prior years. This reserve is included in merger reserve upon consolidation.

Financial Summary

The financial results of the Group for the financial years 2011 to 2015 and the assets and liabilities of the Group as at 31 December 2011 and 2012, 30 September 2013, 2014 and 2015 are as follows:

	Years ended 31 December		Nine months ended 30 September	Years ended 30 September	
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Results					
Turnover	145,593	105,824	66,691	74,039	**54,351**
Profit/(loss) before taxation	4,003	(8,185)	(11,584)	(9,535)	**(5,418)**
Gain on disposal of subsidiaries	—	—	—	13,383	**—**
Taxation	(736)	474	(2,666)	(6,758)	**138**
Profit/(loss) attributable to owners of the Company	3,267	(7,711)	(14,250)	(2,910)	**(5,280)**

	As at 31 December		As at 30 September		
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Assets and liabilities					
Total assets	69,507	62,630	41,480	28,533	**23,740**
Total liabilities	(22,665)	(22,837)	(15,199)	(5,004)	**(3,697)**
Total equity	46,842	39,793	26,281	23,529	**20,043**

Major Properties Held by the Group

Leasehold land and building

Location	Existing use	Term of lease	Percentage of interest
Flat 16, 1st Floor Wah Yiu Industrial Centre 30–32 Au Pui Wan Street Fotan New Territories Hong Kong	Office	Medium	100%