Gemilang International Limited
彭順國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6163)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 OCTOBER 2021

FINANCIAL HIGHLIGHTS

– Revenue increased slightly to approximately US$33.53 million for the Year from approximately US$31.15 million for the year ended 31 October 2020. The increase was mainly attributable to the increase in revenue of sales of parts and provision of relevant services.

– The significant increase in profit attributable to the equity owners of the Company to approximately US$0.82 million for the Year from approximately US$0.42 million for the year ended 31 October 2020 is primarily attributable to the net reversal for impairment losses on trade receivables of approximately US$0.64 million due to the improvement in collection of trade receivables during the Year (net allowance for impairment losses on trade receivables for the year ended 31 October 2020: approximately US$0.63 million), which were partially offset by the decrease in gross profit by approximately US$0.27 million mainly due to the increase in the price of aluminum and shipment costs.

– Basic and diluted earnings per share for the Year were US cent 0.33 as compared with US cent 0.17 for the year ended 31 October 2020.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Gemilang International Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 October 2021 (the "**Year**") with comparative figures for the year ended 31 October 2020. All amounts set out in this announcement are expressed in United States dollars ("**US$**") unless otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	**2021** *US$'000*	2020 *US$'000*
Revenue	*5*	**33,527**	31,152
Cost of sales		**(28,112)**	(25,464)
Gross profit		**5,415**	5,688
Other revenue	*6*	**152**	218
Other net income	*6*	**129**	390
Selling and distribution expenses		**(394)**	(428)
Net reversal/(allowance) for impairment losses on trade receivables		**636**	(629)
General and administrative expenses		**(4,116)**	(4,119)
Profit from operations		**1,822**	1,120
Finance costs	*7(a)*	**(491)**	(432)
Profit before taxation	*7*	**1,331**	688
Income tax	*8*	**(507)**	(271)
Profit for the year attributable to the equity owners of the Company		**824**	417

	Notes	**2021**	2020
		US$'000	*US$'000*
Other comprehensive income/(loss) for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**72**	(87)
Total comprehensive income for the year attributable to equity owners of the Company		**896**	330
Earnings per share (US cent)	*10*		
– Basic		**0.33**	0.17
– Diluted		**0.33**	0.17

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 OCTOBER 2021

	Notes	2021 US$'000	2020 US$'000
Non-current assets			
Property, plant and equipment		**7,170**	7,591
Intangible assets		**327**	326
Interest in a joint venture		**–**	–
Deposit paid for acquisition of freehold land		**408**	–
Deferred tax assets		**158**	220
		8,063	8,137
Current assets			
Inventories		**15,291**	19,276
Trade and other receivables	*11*	**9,620**	11,505
Tax recoverable		**91**	33
Pledged bank deposits		**1,984**	3,235
Cash and bank balances		**1,426**	1,929
		28,412	35,978
Current liabilities			
Trade and other payables	*13*	**6,068**	6,431
Contract liabilities	*12*	**2,872**	5,791
Bank borrowings		**5,148**	9,059
Bank overdrafts		**3,067**	2,561
Lease liabilities		**18**	305
Provision for taxation		**40**	–
		17,213	24,147
Net current assets		**11,199**	11,831
Total assets less current liabilities		**19,262**	19,968

	Notes	**2021**	2020
		US$'000	*US$'000*
Non-current liability			
Lease liabilities		**66**	48
		66	48
Net assets		**19,196**	19,920
Capital and reserves			
Share capital	*14*	**324**	324
Reserves		**18,872**	19,596
Total equity attributable to owners of the Company		**19,196**	19,920

1. GENERAL INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Hong Kong is located at Unit 206A, 2/F, Sun Cheong Industrial Building, 2 Cheung Yee Street, Lai Chi Kok, Kowloon, Hong Kong. The principal place of business in Malaysia is located at Ptd 42326, Jalan Seelong, Mukim Senai 81400 Senai, Johor, West Malaysia.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 11 November 2016. As at 31 October 2021, the Directors consider that the Company is ultimately controlled by Mr. Phang Sun Wah and Mr. Pang Chong Yong.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 October 2021 comprises the Company and its subsidiaries (together referred to as the "**Group**") and the Group's interest in a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company is Hong Kong dollars ("**HK$**") whereas the consolidated financial statements are presented in United States dollars ("**US$**"), rounded to the nearest thousand, unless otherwise stated, which the management of the Group considered is more appropriate for users of the consolidated financial statements.

The preparation of financial statements in conformity with Hong Kong Financial Reporting Standards ("**HKFRSs**") requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities not readily apparent from other sources. 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.

3. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") NOT YET EFFECTIVE

Up to the date of issue of these financial statements, The Hong Kong Institute of Certified Public Accountants ("**HKICPA**") has issued a number of amendments and a new standard which are not yet effective for the year ended 31 October 2021 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Accounting Guideline 5 (revised)	Revised Accounting Guideline 5 Merger Accounting[2]
HK Interpretation 5 (Amendment)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
HKFRS 17	Insurance Contracts and the Related Amendments[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 16	COVID-19-Related Rent Concessions Beyond 30 June 2021[5]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction[1]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds Before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[2]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2021
5 Effective for annual periods beginning on or after 1 April 2021

The Directors anticipate that the application of the above new and revised HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. APPLICATION OF NEW AND REVISED HKFRSs

During the Year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19 Related Rent Concessions
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The application of the Amendments to References to the Conceptual Framework in HKFRS Standard and the amendments to HKFRSs in the Year had no material impact on the Group's financial positions and performance for the current and prior financial years and/or on the disclosures set out in these consolidated financial statements.

5. SEGMENT INFORMATION AND REVENUE

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board, being the chief operating decision maker (the "**CODM**"), for the purpose of allocating resources to segments and assessing their performance.

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

– Sales of bus bodies and kits – sales and fabrication of body work for buses and trading of body kits

– Sales of parts and provision of relevant services – dealing in spare parts for buses and provision of after-sales and maintenance services for buses

Segment profit represents the profit earned by each segment without allocation of head office and corporate expenses, other revenue, other net income and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

No segment assets and liabilities are presented as they were not regularly provided to the CODM for the purpose of resources allocation and performance assessment.

Information regarding the above segments is reported below.

The following is an analysis of the Group's revenue and results by reportable operating segments for the years:

For the year ended 31 October 2021

	Sales of bus bodies and kits *US$'000*	Sales of parts and provision of relevant services *US$'000*	Total *US$'000*
Revenue from external customers recognised at a point in time	**28,299**	**5,228**	**33,527**
Reportable segment revenue	**28,299**	**5,228**	**33,527**
Reportable segment profit	**2,074**	**849**	**2,923**
Unallocated head office and corporate expenses:			
– Other expenses			**(1,382)**
Other revenue			**152**
Other net income			**129**
Finance costs			**(491)**
Profit before income tax			**1,331**
Other segment information			
Depreciation	**726**	**–**	**726**
Net (reversal) for impairment losses on trade receivables	**(537)**	**(99)**	**(636)**
(Reversal) for writedown of inventories	**(142)**	**(23)**	**(165)**

For the year ended 31 October 2020

	Sales of bus bodies and kits *US$'000*	Sales of parts and provision of relevant services *US$'000*	Total *US$'000*
Revenue from external customers recognised at a point in time	28,598	2,554	31,152
Reportable segment revenue	28,598	2,554	31,152
Reportable segment profit	1,937	350	2,287
Unallocated head office and corporate expenses:			
– Other expenses			(1,775)
Other revenue			218
Other net income			390
Finance costs			(432)
Profit before income tax			688
Other segment information			
Depreciation	850	–	850
Net allowances for impairment losses on trade receivables	558	71	629
Provision for writedown of inventories	276	–	276

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of the customers is based on the location at which the goods are delivered and services are provided.

	Revenues from external customers	
	2021	2020
	US$'000	*US$'000*
Malaysia (place of domicile)	**9,186**	2,910
Singapore	**12,547**	20,603
Australia	**5,866**	2,048
Hong Kong	**1,744**	994
United States of America	**2,252**	–
Uzbekistan	**–**	395
United Arab Emirates	**133**	3,190
Others	**1,799**	1,012
	33,527	31,152

6. OTHER REVENUE AND OTHER NET INCOME

	2021	2020
	US$'000	*US$'000*
Other revenue		
Bank interest income	**43**	103
Total interest income on financial assets measured at amortised cost	**43**	103
Others	**109**	115
	152	218
Other net income		
Net foreign exchange gain	**129**	390
	129	390

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2021	2020
	US$'000	*US$'000*
Interest on bank borrowings	**479**	403
Interest on lease liabilities	**12**	29
Total interest expenses on financial liabilities not at fair value through profit or loss	**491**	432

(b) Staff costs (including directors' emoluments)

	2021	2020
	US$'000	*US$'000*
Salaries, wages and other benefits	**2,797**	2,924
Contributions to defined contribution retirement plans	**288**	300
	3,085	3,224

(c) Other items

	2021	2020
	US$'000	*US$'000*
Net (reversal)/allowance for impairment losses on trade receivables	**(636)**	629
Auditors' remuneration	**140**	140
Cost of inventories*	**28,112**	25,464
Depreciation		
– Owned property, plant and equipment	**478**	474
– Right-of-use assets	**248**	376
(Gain) on disposal of property, plant and equipment	**(16)**	–
Net foreign exchange (gain)	**(129)**	(398)
Expenses relating to short-term lease	**124**	206

* *Cost of inventories includes approximately US$1,258,000 (2020: approximately US$1,392,000) relating to staff costs and depreciation charges, which amount is also included in the respective total amounts disclosed separately above or in the Note 7(b) for each of these types of expenses, and reversal of slow-moving inventory of approximately US$165,000 (2020: provision of approximately US$276,000).*

8. INCOME TAX EXPENSE

	2021	2020
	US$'000	*US$'000*
Current tax		
Charge for the year	**340**	470
Under/(over) provision in respect of prior years	**104**	(21)
Deferred tax		
Origination and reversal of temporary differences	**63**	(178)
Income tax expense for the year	**507**	271

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(ii) Hong Kong profits tax rate is 16.5% for the Year (2020: 16.5%). The Group is not subject to Hong Kong profits tax as it has no assessable income arising in and derived from Hong Kong for the years ended 31 October 2021 and 2020.

(iii) The People's Republic of China ("**PRC**") Enterprise Income Tax ("**EIT**") is at the rate of 25% for the Year (2020: 25%). The PRC subsidiaries are not subject to PRC EIT as they did not commence business during the years ended 31 October 2021 and 2020.

(iv) GML Coach Technology Pte. Limited, a wholly-owned subsidiary of the Company, is subject to Singapore statutory income tax rate of 17% for the Year (2020: 17%).

(v) Gemilang Coachwork Sdn. Bhd. ("**Gemilang Coachwork**"), a wholly-owned subsidiary of the Company, is subject to Malaysia statutory income tax rate of 24% for the Year (2020: 24%).

9. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year

	2021	2020
	US$'000	*US$'000*
Special dividend proposed after the end of the reporting period of HK$Nil per ordinary share (2020: HK$0.04 per ordinary share)	**–**	1,296
Final dividend proposed after the end of the reporting period of HK$0.015 per ordinary share (2020: HK$0.01 per ordinary share)	**486**	324
	486	1,620

The final dividend proposed after the end of the reporting period had not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year

	2021	2020
	US$'000	*US$'000*
Special dividend in respect of the previous financial year, approved and paid during the year, of HK$0.04 per ordinary share (2020: HK$Nil)	**1,296**	–
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$0.01 per ordinary share (2020: HK$Nil)	**324**	–
	1,620	–

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity owners of the Company of approximately US$824,000 (2020: approximately US$417,000) and the weighted average number of approximately 251,364,000 ordinary shares (2020: 251,364,000 ordinary shares) in issue during the Year. There is no issuance or cancellation of share during the years ended 31 October 2021 and 2020.

(b) Diluted earnings per share

For the year ended 31 October 2021, diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all the Company's outstanding share options.

	2021	2020
	US$'000	*US$'000*
Profit attributable to owners of the Company	**824**	417

	2021	2020
	'000	*'000*
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**251,364**	251,364
Effect of dilutive potential ordinary shares: Share options	**–**	–
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**251,364**	251,364
Diluted earnings per share (US cent)	**0.33**	0.17

For the years ended 31 October 2021 and 2020, the calculation of diluted earning per share did not assume the exercise of the outstanding share options and no adjustment had been made to the basic earnings per share as the exercise price per share option was higher than the average market share price of the Company during the years.

11. TRADE AND OTHER RECEIVABLES

	Notes	2021 US$'000	2020 US$'000
Trade receivables		**11,032**	14,751
Less: allowance for impairment losses		**(3,689)**	(4,308)
		7,343	10,443
Deposits, prepayments and other receivable		**2,685**	1,062
	(i)	**10,028**	11,505
Less: non-current portion			
Deposit paid for acquisition of freehold land	*(ii)*	**(408)**	–
		9,620	11,505

Notes:

(i) *The amount of trade and other receivable, as at 31 October 2021, are expected to be recovered or recognised as assets or expenses within one year.*

(ii) *On 28 July 2021, Gemilang Coachwork, being an indirect wholly-owned subsidiary of the Company, and Tactben Sdn. Bhd. (the "**Vendor**") entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which the Vendor has conditionally agreed to sell, and Gemilang Coachwork has conditionally agreed to purchase, the freehold industrial land situated in Malaysia for a total purchase price of RM16,915,864 (equivalent to approximately US$4,008,000). For details, please refer to the announcement of the Company dated 28 July 2021.*

Ageing analysis of trade receivables

As at the end of each reporting period, the ageing analysis of trade receivables based on the invoice date and net of loss allowance, is as follows:

	2021	2020
	US$'000	*US$'000*
Within 30 days	**3,453**	5,728
31 to 90 days	**1,960**	1,860
Over 90 days	**1,930**	2,855
	7,343	10,443

Trade receivables are generally due within 30 days from the date of billing.

12. CONTRACT LIABILITIES

	2021	2020
	US$'000	*US$'000*
Deposits received in advance of performance	**2,872**	5,791

13. TRADE AND OTHER PAYABLES

	2021	2020
	US$'000	*US$'000*
Trade payables	**5,049**	5,216
Other payables and accruals	**1,019**	1,215
	6,068	6,431

Ageing analysis of trade payables

As at the end of the reporting period, the ageing analysis of trade payables based on invoice date is as follows:

	2021	2020
	US$'000	*US$'000*
Within 30 days	**2,527**	4,831
31 to 90 days	**1,291**	241
Over 90 days	**1,231**	144
	5,049	5,216

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

14. SHARE CAPITAL

Ordinary shares of HK$0.01 each

Authorised:

	No. of shares	**Amount**
		US$'000
At 1 November 2019, 31 October 2020, 1 November 2020 and 31 October 2021	2,000,000,000	2,581

Issued and fully paid:

	No. of shares	**Amount**
		US$'000
At 31 October 2020 and 31 October 2021	251,364,000	324

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group designs and manufactures bus bodies and assembles buses. We divide our target markets into two segments, namely core markets which comprise Singapore and Malaysia, and developing markets which comprise all other markets to where we export our products to, including Australia, Hong Kong and the United States of America (the "**USA**"). Our buses, comprising city buses and coaches in aluminium, mainly serve public and private bus transportation operators in our target markets.

Our products mainly include single deck, double deck and articulated city buses, as well as single deck, double deck and high deck coaches.

We sell our products to public and private bus transportation operators, chassis principals and their purchasing agents, bus assemblers and manufacturers in two categories: (i) in the form of bus bodies (SKDs(1) and CKDs(2)) for their local assembly and onward sales; and (ii) buses (CBUs(3)).

Apart from manufacturing bus bodies and assembling buses, we also provide after-sales services in maintenance of bus bodies and sales of related spare parts.

During the Year, 100% of our revenue derived from the sales of aluminium buses and bus bodies in the sales of bus bodies and kits segment. The demand in aluminium buses and bus bodies will continue to be the major business drive as using aluminium as materials meets environmental standards. Aluminium is likely the preferred material for buses, in particular electric buses, due to its lighter weight which results in better energy efficiency.

The Group delivered a total of 202 units of buses (CBUs(1)) and 129 units of CKDs(2) to our customers during the Year.

Notes:

(1) CBU: completely built up, means a fully completed bus ready for immediate operation

(2) CKD: completely knocked down, means completely knocked down parts and components for the side, front, rear and extended chassis frames, and roof

(3) SKD: semi knocked down parts, where only constructed side, front, rear and extended chassis frames, and roof are provided and the frames and roof are not joined to each other

The following tables set out information about the geographical location of the Group's revenue from external customers, for our two segments, namely, sales of bus bodies and kits and sales of parts and provision of relevant services, respectively.

Sales of bus bodies and kits segment

	Revenue from external customers For the year ended 31 October	
	2021	2020
	US$'000	*US$'000*
Malaysia (place of domicile)	**8,064**	2,675
Singapore	**9,381**	18,883
Hong Kong	**1,539**	920
Australia	**5,801**	1,849
Uzbekistan	**–**	395
United Arab Emirates	**–**	3,142
USA	**2,247**	–
Others	**1,267**	734
	28,299	28,598

The sales of bus bodies and kits segment is the major source of income for our Group, with the sales of whole buses as the major product of our Group contributing over 80% of revenue for the years ended 31 October 2021 and 2020. The revenue generated from this segment amounted to approximately US$28.30 million during the Year, representing a slight decrease of approximately US$0.30 million or 1.05% as compared with approximately US$28.60 million for the year ended 31 October 2020. The decrease in revenue in this segment was attributable to the significant decrease in delivery of whole buses to the Singapore market and the United Arab Emirates market, which was partly offset by the increase in delivery of bus bodies to Malaysia, Australia, Hong Kong and the USA during the Year as compared to the year ended 31 October 2020.

During the Year, the Group delivered a total of 69 units of whole buses to our customers in Singapore, out of which 51 units of double deck city buses were delivered during the Year as compared to 111 units of double deck city buses for the year ended 31 October 2020, resulting in the decrease in revenue from the Singapore market of approximately US$9.50 million or 50.32% from approximately US$18.88 million for the year ended 31 October 2020 to approximately US$9.38 million for the Year.

During the Year, the Group did not have sale orders from the United Arab Emirates for double deck city buses, as compared to 13 units delivered during the year ended 31 October 2020. The decrease in order from the United Arab Emirates led to a decrease in revenue from the United Arab Emirates market of approximately US$3.14 million as compared with the year ended 31 October 2020.

The increase in revenue from the Australia market was approximately US$3.95 million or 213.5%, from approximately US$1.85 million for the year ended 31 October 2020 to approximately US$5.80 million for the Year. The increase was mainly attributable to the increase in the number of buses delivered to Australia from 16 units for the year ended 31 October 2020 to 77 units for the Year.

During the Year, the Group delivered 30 units of single deck buses to the USA and recorded the revenue of approximately US$2.25 million. The Group did not deliver any buses to the USA during the year ended 31 October 2020.

The increase in revenue from the Malaysia market was approximately US$5.38 million or 200.7%, from approximately US$2.68 million for the year ended 31 October 2020 to approximately US$8.06 million for the Year. The increase was mainly attributable to the increase in the number of CKDs delivered to Malaysia customers from 20 units for the year ended 31 October 2020 to 61 units for the Year.

Sales of parts and provision of relevant services segment

	Revenue from external customers for the year ended 31 October	
	2021	2020
	US$'000	*US$'000*
Malaysia (place of domicile)	**1,122**	235
Singapore	**3,166**	1,720
Hong Kong	**205**	74
Australia	**65**	199
United Arab Emirates	**133**	48
USA	**5**	–
Others	**532**	278
	5,228	2,554

The segment of sales of parts and provision of relevant services is our secondary source of income, in which its revenue mainly generated from providing after-sales service and sales of parts to our customers. The revenue generated from sales of parts and provision of relevant services segment amounted to approximately US$5.23 million during the Year, representing an increase of approximately US$2.67 million or 104.7% as compared with approximately US$2.55 million for the year ended 31 October 2020.

The significant increase in sales of parts and provision of relevant services was mainly attributable to the increase in sales of air conditioning parts.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

Our revenue was principally generated from the assembly and sale of aluminium buses and the manufacture of bus bodies. We generated revenue of approximately US$33.53 million and US$31.15 million for the years ended 31 October 2021 and 2020, respectively. The increase in revenue was primarily due to the increase in sales of parts and provision of related services in Singapore and Malaysia, which was partly offset by the slight decrease in revenue from sales of bus bodies and kits during the Year as compared to the year ended 31 October 2020.

By product category

We derive our revenue mainly from the assembly and sales of aluminium buses (CBUs) and manufacture bus bodies in the form of SKDs or CKDs. The following table sets out our revenue from different product segments:

	For the year ended 31 October			
	2021		2020	
	US$'000	*%*	*US$'000*	*%*
Bus (CBU)				
– City Bus	**18,268**	**54.5**	23,353	75.0
– Coach	**1,559**	**4.6**	1,800	5.8
Bus Body (CKD)				
– City Bus	**8,472**	**25.3**	3,445	11.0
Maintenance and after-sales service	**5,228**	**15.6**	2,554	8.2
Total	**33,527**	**100.0**	31,152	100.0

Gross profit

Our gross profit was approximately US$5.42 million and US$5.69 million for the years ended 31 October 2021 and 2020, respectively. Our gross profit margin was approximately 16.2% and 18.3% for the years ended 31 October 2021 and 2020, respectively. The slight decrease of gross profit margin was mainly due to an increase in aluminium price and shipment costs.

Selling and distribution expenses

Our selling and distribution expenses primarily include advertising and promotion expenses, logistic expenses, commission expenses as well as travelling expenses for sales personnel.

Our selling and distribution expenses slightly decreased by approximately US$0.03 million or 7.9% from approximately US$0.43 million for the financial year ended 31 October 2020 to US$0.39 million for the Year.

General and administrative expenses

Our general and administrative expenses mainly comprised staff costs as well as legal and professional fees. Staff costs mainly represent the salary and staff benefits paid to our management and our staff who were not directly involved in the production.

Our general and administrative expenses slightly decreased by approximately US$3,000 or 0.07% from approximately US$4,119,000 for the financial year ended 31 October 2020 to US$4,116,000 for the Year.

Income tax expenses

There was an increase in income tax expenses of approximately US$0.24 million or 87.1% from approximately US$0.27 million during the year ended 31 October 2020 to approximately US$0.51 million during the Year. The increase in income tax expenses during the Year was mainly due to the increase of deferred tax expenses arising from the reversal of net allowance for impairment losses on trade receivables.

Significant investments held

During the Year, there was no significant investment held by the Group.

Future plans for material investments and capital assets

The Group did not have other plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries, associates, joint ventures and assets

During the Year, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

On 28 July 2021, Gemilang Coachwork, being an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the freehold industrial land situated in Malaysia with an area of approximately 3.3437 hectares for a total purchase price of RM16,915,864 (equivalent to approximately US$4,008,000#) (subject to adjustment). A deposit of RM1,691,586.40 (equivalent to approximately US$401,000#) was paid upon execution of the Sale and Purchase Agreement during the Year. As at the date of this announcement, the approval of the Johor State authority pursuant to section 433B of the National Land Code, 1965 has not been obtained and completion of the acquisition has not taken place. For further details, please refer to the announcement of the Company dated 28 July 2021.

Exchange rate applied at the date of the Sale and Purchase Agreement: RM1.00 = US$0.23695

Pledge of assets

As at 31 October 2021, pledged bank deposits of approximately US$1.98 million (2020: approximately US$3.24 million) as disclosed in the consolidated statement of financial position have been pledged to banks as security for banking facilities granted to the Group. The net book value of the following assets were pledged to secure certain banking facilities granted to the Group:

	2021	2020
	US$'000	*US$'000*
Freehold land	**1,858**	1,853
Buildings	**4,303**	4,256
	6,161	6,109

Contingent liabilities

As at 31 October 2021, the Group had the following contingent liabilities:

	2021	2020
	US$'000	*US$'000*
Performance bonds for contracts in favour of customers	**2,535**	5,830

The above performance bonds were given by banks in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sums stipulated under such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released upon the completion of the contract work for the relevant customers.

Capital commitments

Significant capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	2021	2020
	US$'000	*US$'000*
Contracted but not provided for:		
– Investment in a joint venture (RMB1,500,000) *(note (i))*	**234**	224
– Acquisition of freehold land *(note (ii))*	**3,600**	–
	3,834	224

(i) During the year ended 31 October 2019, 順鋁(上海)汽車科技有限公司 ("**順鋁(上海)**"), an indirectly wholly-owned subsidiary of the Company, entered into a joint venture agreement (the "**JV agreement**") with 上海北斗新能源有限公司 ("**Beidou**") pursuant to which both companies agreed to establish a joint venture company, 上海北鋁汽車科技有限公司 (the "**JV Company**"). Pursuant to the JV agreement, the amount of registered capital of the JV Company shall be RMB3,000,000 while 順鋁(上海) and Beidou shall each account for a capital contribution of RMB1,500,000. As at 31 October 2021, the Group has not contributed any capital into the JV Company.

(ii) On 28 July 2021, Gemilang Coachwork, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and Gemilang Coachwork has conditionally agreed to purchase, the freehold industrial land situated in Malaysia for a total purchase price of RM16,915,864 (equivalent to approximately US$4,008,000#). A deposit of RM1,691,586.40 (equivalent to approximately US$401,000#) was paid upon execution of the Sale and Purchase Agreement during the Year.

Exchange rate applied at the date of the Sale and Purchase Agreement: RM1.00 = US$0.23695

PROSPECTS

Our objective is to become one of the leading bus manufacturing solution providers in Asia. We believe the Asia market has a lot of growth potential as countries continue to urbanise with a growing population and bus is a convenient and cost efficient form of public transportation that can be implemented in many areas. We believe we are well positioned and equipped with the technological capability to capture this opportunity.

The following highlights our key development strategies:

We plan to capture the rising demand of body solutions for electric buses in the Asia Pacific Region

The general demand for electric vehicles ("**EV**") including buses is in an increasing trend and the Group continues to use its best endeavour to explore further of venturing or gaining more exposure in the Asia Pacific region with Malaysia and Singapore as its core markets. The Greater China's bus market and industry remains the largest in the world and the Group will also be focusing more on promoting lightweight aluminium bus body solutions for electric buses as well as strengthening relationships with chassis principals in the region.

We plan to expand our manufacturing capacity and continue to improve our production process in Malaysia

We will continue to upgrade and improve our production process by enhancing the automation of our existing manufacture facility and installing new automated machineries. Besides, we also plan to expand our manufacturing capacity to meet the rising demand of body solutions for electric-powered commercial vehicles, including but not limited to buses and coaches. This would further improve our capabilities and production efficiency, hence increase our productivity.

We will further enhance our strategic partnership with chassis principals

We have always been maintaining close collaborations with our chassis principals. Our long-standing relationship with them is a key factor behind the success of our business.

We will continue to co-design and jointly bid for projects with our chassis principals. In order to further enhance our strategic partnership with our chassis principals, we intend to implement the following measures:

- develop new markets with our chassis principals;
- develop new bus models with our chassis principals;
- share our bus production technology and know-how in improving production efficiency; and
- leverage our market position to help our chassis principals to enter new markets.

We aim to expand our market footprint in the United States and Australia

The USA and Australia governments have announced plans to subsidise and accelerate the transition to EV, and there was a significant increase in revenue contribution from these two regions during the Year respectively. In order to further broaden our exposure, we are working closely with business partners from the regions in obtaining more orders. We also believe that we are in better position to promote our products by collaborating with our business partners, especially in Australia while we are present in those major cities which we have been delivering our buses to since 1999. We continue to work closely with our business partners through regular discussions to produce buses that meet Federal Motor Vehicle Safety Standard for the USA market and the Australian Design Rules for Australia market. In terms of after-sales support, we seek to provide round the clock after-sales services to the bus transportation operators by working closely with our business partners. Furthermore, we are working on increasing the size of our after-sales service and marketing team which will enable us to be more responsive to after-sales requests from our customers and to establish better relationships with our customers through gathering feedbacks on our products.

We will further diversify our product portfolio

Our current product portfolio covers city bus and coach, including both electric and diesel powered. It is our plan to expand our product range to cater for a broader market. As more countries are transitioning to EV, we will be exploring the markets and continue to design and manufacture suitable bodies that can be assembled on different EV chassis based on the demand from different regions. Through our development efforts, we intend to develop bodies with lighter materials to further reduce the weight of the vehicle, so as to improve battery efficiency and performance. In addition, our body-kit solutions are versatile and friendly to those countries that are promoting localisation with local manufacturing activities. Our relentless efforts to invest in developing new products for new markets outside Asia which are regulated by different sets of regulatory standards had successfully helped us open doors to new market such as the USA. We will continue to innovate and expand our portfolio to reach out to more new markets.

EVENT AFTER THE REPORTING PERIOD

On 14 December 2021, the Company entered into a subscription agreement (the "**Subscription Agreement**") with Ms. Kan Suk Ping (the "**Subscriber**"), an independent third party to the Group, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, convertible bonds in the principal amount of HK$25,000,000 (the "**Convertible Bonds**").

The initial conversion price is HK$1.00 (subject to adjustments) per conversion share under the terms and conditions of the Subscription Agreement. The Convertible Bonds shall bear an interest from (and including) the date of issue at the rate of 4.25% per annum on the outstanding principal amount of the Convertible Bonds. Details of the terms and conditions of the Subscription Agreement are set out in the Company's announcement dated 14 December 2021.

Subject to completion of the subscription, the gross proceeds and net proceeds (after deducting all the relevant costs and expenses) from the issue of the Convertible Bonds will be approximately HK$25,000,000 and approximately HK$24,837,000, respectively. The Company intends to use such net proceeds for development of the existing business of the Group and for working capital purposes of the Group.

As at the date of this announcement, completion of the subscription has not taken place.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK$0.015 per share for the year ended 31 October 2021 (for the year ended 31 October 2020: proposed final dividend of HK$0.01 per share and a special dividend of HK$0.04 per share) to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company as of Monday, 4 April 2022. Such final dividend will not be subject to any withholding tax in Hong Kong. Subject to approval of the Shareholders at the forthcoming annual general meeting, the final dividend is expected to be paid on or about Friday, 29 April 2022.

ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Tuesday, 29 March 2022. The notice of annual general meeting will be published and despatched to the shareholders in the manner prescribed by the Listing Rules in due course.

CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company which will be held on Tuesday, 29 March 2022, the register of members of the Company will be closed from Thursday, 24 March 2022 to Tuesday, 29 March 2022, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 23 March 2022.

Subject to the approval of Shareholders at the forthcoming annual general meeting, the final dividend will be distributed on or about Friday, 29 April 2022 to the Shareholders whose names appear on the register of members of the Company after the close of business of the Company on Monday, 4 April 2022 and the register of members of the Company will be closed on Monday, 4 April 2022, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates shall be lodged not later than 4:30 p.m. on Friday, 1 April 2022 with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

FOREIGN CURRENCY RISK

The Group undertakes certain transactions denominated in foreign currencies, mainly in US dollars, Australian dollars and Singapore dollars, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely in order to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arises.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 October 2021, the aggregate sum of the Group's bank balances and cash net of bank overdrafts, and short-term pledged bank deposits amounted to approximately US$0.34 million, representing a decrease of approximately US$2.26 million compared with as at 31 October 2020 of approximately US$2.60 million. The net current assets and total equity of the Group were approximately US$11.20 million (2020: approximately US$11.83 million) and approximately US$19.20 million (2020: approximately US$19.92 million). As at 31 October 2021, the Group's bank borrowings and bank overdrafts amounted to approximately US$8.22 million (2020: approximately US$11.62 million).

As at 31 October 2021, the Group's gearing ratio, which is computed based on dividing the total outstanding indebtedness by the total equity, was approximately 36% (2020: approximately 50%).

The Group monitors capital using, *inter alias*, a gearing ratio which is net debt divided by total equity. Net debt includes bank overdrafts, interest-bearing bank borrowings and lease liabilities, less cash and bank balances. The gearing ratios as at 31 October 2021 and 2020 are as follows:

	2021	2020
	US$'000	*US$'000*
Lease liabilities	**84**	353
Bank borrowings	**5,148**	9,059
Bank overdrafts	**3,067**	2,561
	8,299	11,973
Less: Cash and bank balances	**1,426**	1,929
Net debt	**6,873**	10,044
Total equity	**19,196**	19,920
Net debt-to-equity ratio	**36%**	50%

CAPITAL STRUCTURE

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the Shareholders, return capital to shareholders, or sell assets to reduce debt. No changes in the objective, policies or processes for managing capital were made in the Year.

The Board reviews the capital structure on a regular basis. As part of the review, the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendation of the management, the Group will balance its overall capital structure through the payment or non-payment of dividends as well as issue of new debt or the redemption of the debt.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 October 2021, the total number of full-time employees of the Group was 313 (2020: 332). The Group recruits, employs, remunerates and promotes its employees based on their qualifications, experience, skills, performance and contributions. Remuneration is offered with reference to market rates. Salary and/or promotion review is conducted upon performance appraisal by management on a regular basis. Discretionary year-end bonus and share options, if applicable, are granted to eligible employees, in accordance with the Group's performance and individual's contribution. Ample in-house orientation and on-the-job training are arranged for the employees all year round. Employees are always encouraged to attend job-related seminars, courses and programs organised by professional or educational institutions, in Malaysia, Hong Kong or other jurisdictions.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with the Code Provisions (the "**Code Provisions**") as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the Year, except for Code Provision A.2.1.

During the Year, the positions of the Chairman and Chief Executive Officer were held by Mr. Pang Chong Yong. His respective responsibilities are clearly defined and set out in writing.

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Accordingly, the appointment of Mr. Pang Chong Yong, being the Chief Executive Officer and the Chairman, deviates from the relevant Code Provision.

The Board believes that resting the roles of both the Chairman and the Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board also considers that this arrangement will not impair the balance of power and authority as a majority of the Board members are represented by the independent non-executive Directors, who offer different independent perspectives. In addition, the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. Therefore, the Board is of the view that the balance of power and safeguards in place are adequate. The Board would review and monitor the situation on a regular basis, and it would ensure that the present structure would not impair the balance of power in the Group.

The Company will continue to review the current corporate governance structure from time to time and shall make necessary changes when appropriate and report to Shareholders accordingly.

The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance with the CG Code and align with the latest developments.

Further details of the Company's corporate governance practices will be set out in the corporate governance report to contained in the Company's 2021 annual report.

LITIGATION

In April 2018, Gemilang Coachwork, a wholly-owned subsidiary of the Company, issued a writ against a Malaysian customer ("**Defendant 1**") and its holding company ("**Defendant 2**"), (collectively, the "**Defendants**") in the High Court of Malaya at Johor Bahru, requiring, among other things, the Defendants to repay the sum of approximately MYR10,884,624 for the goods supplied and delivered by Gemilang Coachwork. In February 2016 and August 2016, Gemilang Coachwork entered into two supplier letters of acceptance with the said customer, pursuant to which Gemilang Coachwork would supply and deliver an aggregate of one hundred and fifty (150) units of eco-range aluminium superstructure body kits and supply and assemble one (1) unit of bus prototype. As at the date on which Gemilang Coachwork issued the writ, despite efforts paid to recover the debt, the outstanding amount of approximately MYR10,884,624 (equivalent to approximately US$2.72 million) had not been paid to Gemilang Coachwork's account.

In August 2018, the case was heard in the High Court of Malaya at Johor Bahru and Gemilang Coachwork successfully obtained a summary judgment against the Defendants. Subsequently, a winding up petition dated 30 October 2018 was filed in the High Court of Malaya and has been served on the Defendants on 15 November 2018. The winding up petition served on Defendant 1 was subsequently dismissed on 2 January 2019 as Defendant 1 was already wound up in July 2018 by a third party. Defendant 2 had filed an originating summons for judicial management in the High Court of Malaya at Shah

Alam. The hearing of the said originating summons was held on 24 January 2019 and the order for judicial management was subsequently granted. Defendant 2 has applied for second extension on the judicial management in the High Court of Malaya at Shah Alam in May 2019 for 2 months and the extension was approved. After that, Defendant 2 has applied for extension of judicial management order in the High Court of Malaya at Shah Alam on 13 August 2019 but the application was not allowed by the High Court on 10 December 2019. Eventually, the High Court of Malaya ordered Defendant 2 be wound up under the provisions of the Companies Act 2016 on 30 January 2020. The Company was informed by its legal adviser that the outstanding amount will be paid upon when the receiver has exercised the right and duty according to the wind up order and the debt will be repaid according to the debt security. As at the date of this announcement, the distribution results are not completed.

Despite of the fact that several attempts were made to recover the outstanding amount from the Defendants, the Company has not reached a settlement agreement with the Defendants for the settlement of the aforesaid sum. Based on the assessment of the latest available financial information of the Defendants, communications with the Defendants and other information available to the Board (including such information as stated above), as the recoverability of such receivables is expected to be remote, the Company has made provision for such outstanding amount in the year ended 31 October 2018.

The Company will provide further information as and when appropriate in accordance with the Listing Rules.

USE OF PROCEEDS

The net proceeds of the global offering received by the Company were approximately HK$68.06 million (approximately US$8.77 million), after deduction of related listing expenses, of which HK$15 million of the total amount of fees and expenses in connection with the global offering has been paid from the proceeds of the pre-IPO investments.

Uses of net proceeds	**Planned amount as stated in the Prospectus**[(1)] *US$ million*	**Actual amount utilised up to 31 October 2021** *US$ million*	**Actual balance as at 31 October 2021** *US$ million*
Construction of the new facility in Senai, Malaysia	4.70	(3.83)	0.87
Upgrading and acquiring machines	0.89	(0.63)	0.26
Repayment of bank loans	2.39	(2.39)	–
Working capital	0.79	(0.79)	–
Total	8.77	(7.64)	1.13

(1) The planned amount as stated in the Prospectus was further adjusted as disclosed in the announcement of the Company dated 10 November 2016 after the offer price being fixed at HK$1.28.

Such utilisation of the net proceeds was in accordance with the proposed allocations as set out in the section headed "Future Plans and Use of Proceeds" in the Company's prospectus dated 31 October 2016 (the "**Prospectus**"). The unutilised portion of the net proceeds were deposited in our banks in Hong Kong and Malaysia and is intended to be utilised in the manner consistent with the proposed allocation as set forth in the Prospectus. The unutilised amount of net proceeds for (i) construction of the new facility in Senai, Malaysia (approximately to US$0.87 million) and (ii) upgrading and acquiring machines (approximately US$0.26 million) shall be fully utilised by the financial year ending 31 October 2023 and the financial year ending 31 October 2022, respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 October 2021, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules on terms no less exacting than the required standard set out in the Model Code as its code of conduct regarding securities transactions by Directors.

Having made specific enquiry of all Directors, they confirmed that they had complied with the required standard set out in the Model Code regarding securities transactions by Directors throughout the Year.

The Company has also established written guidelines no less exacting than the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of inside information of the Company.

No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company during the Year.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control system. The audit committee comprises the three independent non-executive directors of the Company. The audit committee of the Company has met the external auditors of the Company, Crowe (HK) CPA Limited ("**Crowe**"), and reviewed the accounting principles and practices adopted by the Company and the consolidated financial statements of the Group for the Year.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditors, Crowe, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Crowe in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Crowe on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (***www.hkexnews.hk***) and that of the Company (***www.gml.com.my***). The annual report of the Group for the year ended 31 October 2021 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend our gratitude to the Group's management and staff who dedicated their endless efforts and devoted services, and to our shareholders, suppliers, clients and bankers for their continuous support.

By order of the Board
Gemilang International Limited
Pang Chong Yong
Chairman, Chief Executive Officer and Executive Director

28 January 2022

As at the date of this announcement, the Board comprises (i) Mr. Pang Chong Yong (Chairman), Mr. Pang Jun Jie and Mr. Yik Wai Peng as executive directors of the Company; and (ii) Ms. Lee Kit Ying, Ms. Kwok Yuen Shan Rosetta, Mr. Huan Yean San and Mr. Andrew Ling Yew Chung as independent non-executive directors of the Company.