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## **Gemilang International Limited**

**彭順國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6163)**

### **GRANT OF SHARE OPTIONS**

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of Gemilang International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that the Board has resolved to grant share options (the “**Share Option(s)**”) to eligible participants (the “**Grantees**” and each a “**Grantee**”) on 18 August 2023 to subscribe for an aggregate of 19,700,000 ordinary shares (“**Share(s)**”) of HK\$0.01 each in the share capital of the Company pursuant to its share option scheme adopted on 21 October 2016 (the “**Share Option Scheme**”), subject to the acceptance of the Share Options by the Grantees.

Details of the Share Options granted are set out as below:

Date of grant	:	18 August 2023 (the “ <b>Grant Date</b> ”)
Number of Share Options granted	:	19,700,000 Share Options (each Share Option entitling the holder thereof to subscribe for one (1) Share)
Exercise price of Share Options granted	:	HK\$0.440 per Share (which is the highest of (i) the closing price of HK\$0.420 per Share as stated in the Stock Exchange’s daily quotation sheet on the Grant Date; (ii) the average closing price of HK\$0.440 per Share as stated in the Stock Exchange’s daily quotation sheets for the five (5) business days immediately preceding the Grant Date; and (iii) the nominal value of a Share on the Grant Date)

Exercise period of Share Options : Subject to the terms of the Share Option Scheme, the Share Options shall be exercisable in whole or in part within three (3) years commencing from the Grant Date.

Vesting period of Share Options : The Share Options shall be vested on the Grant Date.

The Share Option Scheme does not provide for any minimum vesting period. The Board and the remuneration committee of the Company (the “**Remuneration Committee**”) are of the view that no vesting period is appropriate, considering that the grant of the Share Options serves as a recognition of the Grantees’ past contribution to the Group or outstanding performance in the preceding financial year and an incentive to the Grantees to continuously contribute to the operation, development and long-term growth of the Group.

Financial assistance : No financial assistance shall be provided by the Group to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

Performance target : There is no performance target attached to the Share Options.

The purpose of the Share Option Scheme is to enable the Company to grant Share Options to the eligible participants under the Share Option Scheme as incentives or rewards for their contribution to the Group.

Having considered that (i) the Share Options to be granted will give the Grantees an opportunity to have a personal stake in the Company, which will help motivate the Grantees in improving their performance and efficiency; (ii) the number of Share Options to be granted is based on, among other things, the work performance, past contribution to the Group and potential of the Grantees; and (iii) the value of the Share Options is subject to the market price of the Shares, which, in turn, depends on the business performance of the Group, to which the Grantees would directly contribute, and the Grantees will benefit more from the Share Options if the market price of the Shares increases, the Remuneration Committee considered that notwithstanding the absence of the performance targets, the grant of the Share Options aligns with the purpose of the Share Option Scheme.

Clawback mechanism : The Share Options granted to the Directors and employees of the Group are not subject to any clawback mechanism for the Company to recover but shall lapse (to the extent not already exercised) automatically on the date on which the Grantee ceases to be an employee of the Group or a Director.

The Share Options granted to the service providers of the Group are not subject to any clawback mechanism for the Company to recover but shall lapse (to the extent not already exercised) automatically on the date on which the Grantee ceases to provide services to the Group.

The Board and the Remuneration Committee are of the view that a specific clawback mechanism is not necessary, having considered that the lapse of Share Options upon cessation or termination of employment (in the case of the Directors and employees of the Group) or service (in the case of service providers of the Group) shall motivate the Grantees to optimise their performance and efficiency, which is in line with the purpose of the Share Option Scheme and shall adequately safeguard the Company's interests.

9,900,000 Share Options shall be granted to the Directors and the employees of the Group and the remaining 9,800,000 Share Options shall be granted to the service providers of the Group as detailed as follows:

Name of Grantee	Capacity	Number of Share Options granted
<b>Directors</b>		
Mr. Pang Chong Yong ("Mr. CY Pang")	Chairman, Executive Director, Chief Executive Officer and substantial shareholder of the Company	2,500,000
Mr. Pang Jun Jie ("Mr. JJ Pang")	Executive Director, son of Mr. CY Pang	1,500,000
Mr. Yik Wai Peng	Executive Director, Chief Financial Officer	1,500,000
Ms. Lee Kit Ying	Independent non-executive Director	250,000
Mr. Huan Yean San	Independent non-executive Director	250,000
Mr. Andrew Ling Yew Chung	Independent non-executive Director	250,000
		<hr style="width: 100%; border: 0.5px solid black;"/>
		6,250,000
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<b>Employees</b>		
Mr. Pang Jun Kang	Employee of the Group, son of Mr. CY Pang, brother of Mr. JJ Pang	150,000
Ms. Pang Yok Moy	Employee of the Group, sister of Mr. CY Pang	100,000
Other employees of the Group		3,400,000
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		3,650,000
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<b>Service providers</b>		
Mr. Pang Siew Sam	Service provider who provides bus body parts and component installation services to the Group, brother of Mr. CY Pang	800,000
Mr. Pang Siew Way	Service provider who provides bus body parts and component installation services to the Group, brother of Mr. CY Pang	800,000
Other 14 service providers of the Group		8,200,000
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		9,800,000
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		19,700,000
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Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, nor an associate (as defined in the Listing Rules) of any of them; (ii) a participant with share options granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company. As at the date of this announcement, the above grant would not result in the Share Options granted and to be granted to each Grantee in the 12-month period up to and including the Grant Date in aggregate to exceed 1% of the Shares in issue.

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of the Share Options to each of the aforesaid Directors has been approved by the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee) and the Director has abstained from voting on the resolution approving the grant of the Share Options in which such Director is the Grantee.

Pursuant to Rule 17.04(3) of the Listing Rules, if the grant of Share Options to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates would result in the Shares in issue and to be issued in respect of all Share Options granted (excluding any Share Options lapsed in accordance with the terms of the Share Option Scheme) to such person during the 12-month period up to and including the date of grant representing in aggregate over 0.1% of the relevant class of Shares in issue, such proposed grant of Share Options must be approved by the shareholders of the Company in a general meeting in the manner described in Rule 17.04(4) of the Listing Rules.

As the total number of Shares issued and to be issued upon the exercise of the Share Options proposed to be granted to Mr. CY Pang, being the chairman of the Board, an executive Director, chief executive officer and substantial shareholder of the Company, would, in a 12-month period up to and including the Grant Date, represent over 0.1% of the Shares in issue, the proposed grant of the Share Options to Mr. CY Pang will therefore be subject to the approval by the shareholders of the Company at an extraordinary general meeting (the “EGM”) to be convened by the Company, where Mr. CY Pang, his associates and all core connected persons (as defined under the Listing Rules) of the Company shall abstain from voting in favour of the relevant resolution at the EGM pursuant to the Listing Rules.

The Company granted Share Options to 16 service providers of the Group, being manufacturing contractors of bus body parts (including provision of service of fabrication, installation, assembly and painting of various bus body parts and components, which are the core activities of the Group’s manufacturing process), after considering (i) the length of service (each of the service providers has provided over 10 years of service to the Group), past performance, profound experience in the service field of the relevant Grantees; and (ii) the benefits from the services provided by the

relevant Grantees for the effectiveness of the Group's operation and the long-term development of its business. Taking into account that the aforementioned service providers provide services to the Group on a continuing and recurring basis in the ordinary and usual course of business of the Group, the Directors (including the independent non-executive Directors) believe that the grant of Share Options to service providers of the Group can align their interests with the interests of the Group, motivate them to commit to the Group's continued competitiveness, operations and long-term growth, and strengthen their long-term service commitment to the Company, and therefore is consistent with the objectives of the Share Option Scheme.

After the above grant of the Share Options, 3,936,000 Shares will be available for future grant under the Share Option Scheme.

A circular containing, among other things, further information in relation to the proposed grant of the Share Options to Mr. CY Pang, together with the notice of the EGM, will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 18 August 2023

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