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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)

PROFIT WARNING

This announcement is made by Gemilang International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on the information currently available to the management of the Company and a preliminary review and assessment of the Group’s latest unaudited consolidated management accounts (the “**Management Accounts**”) for the year ended 31 October 2023 (the “**Year**”), the Group is expected to record an unaudited consolidated loss attributable to the equity owners of the Company of approximately US\$3.00 million for the Year, which was increased by more than 100% as compared to the loss attributable to the equity owners of the Company of approximately US\$1.38 million for the year ended 31 October 2022 (the “**Preceding Year**”).

Based on the information currently available to the Company, the expected loss attributable to the equity owners of the Company for the Year is primarily attributable to:—

- (i) a decline in revenue of approximately US\$13.20 million for the Year as compared to that for the Preceding Year, which was mainly caused by: (i) the significant decrease in the completed orders of whole buses to Uzbekistan, the United States of America and Australia, which caused the decrease in revenue from sales of bus bodies and kits; and (ii) the decrease in revenue from sales of parts and provision of relevant services. Accordingly, the gross profit of the Group was decreased by approximately US\$2.63 million for the Year as compared to that for the Preceding Year;

- (ii) an increase in net allowance for impairment losses on trade and other receivables of approximately US\$0.83 million recognised for the Year as compared to that for the Preceding Year. Such increase was mainly due to the increasing uncertainty in the repayment of other receivables; and
- (iii) the effect of the decrease in revenue and gross profit and increase in impairment losses on trade and other receivables was partially offset by the gain on fair value change on financial assets at fair value through profit or loss (“**FVPL**”) of approximately US\$1.20 million, as compared to the loss on fair value change on financial assets at FVPL of approximately US\$0.10 million recognised in the Preceding Year. The gain on fair value change on financial assets at FVPL is mainly attributable to the gain on fair value change on embedded derivatives of convertible bonds, of which the Group had engaged an independent professional valuer to conduct a valuation of such convertible bonds to assess the fair value change as at the end of the Year.

As the Company is still in the course of finalising its consolidated financial results for the Year, the information contained in this announcement is only based on the preliminary assessment of the latest unaudited Management Accounts by the Company’s management and the information currently available to the Group, which have not been reviewed, confirmed or audited by the auditors of the Company or reviewed by the audit committee of the Company as at the date of this announcement, and is subject to possible adjustments arising from further review.

Shareholders and potential investors of the Company are advised to read carefully the announcement of the Company in relation to the audited annual results of the Group for the Year which is expected to be published by the end of January 2024, in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 17 January 2024

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.