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 2017

FINANCIAL HIGHLIGHTS

— Revenue of the Group for the year amounted to approximately US$50.35 million, representing a slight increase of approximately 3.4% from approximately US$48.69 million for the year ended 31 October 2016. The slight increase in revenue was primarily due to the significant increase in the delivery of double decked buses to Australia, which was offset by the decrease in delivery of buses to Malaysia, Hong Kong and New Zealand during the year compared to the year ended 31 October 2016.

— Profit for the year was approximately US$1.19 million, which represents a decrease of approximately 43.9% from that of the previous financial year of approximately US$2.12 million. The decrease in profit for the year was mainly attributable to the combination of the following factors: (1) a significant increase in selling and distribution expenses during the year ended 31 October 2017 which was mainly attributable to the increase in sales commission expenses of US$2.79 million incurred in connection with sales of buses in the Australian market as compared to that for the year ended 31 October 2016; (2) a decrease in listing expense of US$1.60 million in relation to the global offering recorded during the year ended 31 October 2017 as compared to the fact that majority of the listing expense was recorded in the year ended 31 October 2016; (3) an increase in administrative expenses (without taking into account the listing expenses) of approximately US$0.59 million including staff related cost and bonus of approximately US$0.25 million, and expenses after listing (e.g. directors' fee, company secretarial fee, legal service fee and compliance advisory fee); and (4) the share-based payment expenses of US$0.38 million related to the share options granted during the year ended 31 October 2017 and the fact that no share option was granted and the absence of share-based payment expenses during the year ended 31 October 2016.

— Basic and diluted earnings per share for the year were US$0.48 cents as compared with US$1.13 cents for the year ended 31 October 2016.

ANNUAL RESULTS

The board of directors (the "**Board**") 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 2017 (the "**year**") with comparative figures for the year ended 31 October 2016. 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 2017

		2017	2016
	Note	***US$'000***	*US$'000*
Revenue	*4*	**50,354**	48,690
Cost of sales		**(37,422)**	(36,062)
Gross profit		**12,932**	12,628
Other revenue	*5*	**93**	52
Other net income	*5*	**475**	496
Selling and distribution expenses		**(6,503)**	(3,593)
General and administrative expenses		**(4,674)**	(5,300)
Profit from operations		**2,323**	4,283
Finance costs	*6*	**(706)**	(789)
Share of profit of an associate		**490**	155
Profit before taxation	*7*	**2,107**	3,649
Income tax	*8*	**(922)**	(1,533)

	Note	**2017**	2016
		US$'000	*US$'000*
Profit for the year attributable to the equity owners of the Company		**1,185**	2,116
Other comprehensive income for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of overseas subsidiaries		**316**	31
Total comprehensive income for the year attributable to equity owners of the Company		**1,501**	2,147
Earnings per share (US cents per share)	*10*		
— Basic		**0.48**	1.13
— Diluted		**0.48**	1.13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 OCTOBER 2017

	Note	2017 US$'000	2016 US$'000
Non-current assets			
Property, plant and equipment		**7,984**	7,625
Intangible asset		**281**	283
Interest in an associate	*11*	**645**	155
		8,910	8,063
Current assets			
Inventories		**13,949**	12,629
Trade and other receivables	*12*	**16,811**	15,145
Tax recoverable		**221**	—
Pledged bank deposits		**2,039**	1,993
Cash and bank balances		**2,781**	1,700
		35,801	31,467
Current liabilities			
Trade and other payables	*13*	**15,502**	19,455
Bank borrowings		**7,259**	11,081
Bank overdrafts		**2,619**	879
Obligations under finance leases		**71**	73
Provision for taxation		**95**	56
		25,546	31,544
Net current assets/(liabilities)		**10,255**	(77)
Total assets less current liabilities		**19,165**	7,986

	Note	2017 US$'000	2016 US$'000
Non-current liabilities			
Obligations under finance leases		**145**	218
Deferred tax liabilities		**319**	177
		464	395
Net assets		**18,701**	7,591
Capital and reserves	*14*		
Share capital		**322**	242
Reserves		**18,379**	7,349
Total equity attributable to owners of the Company		**18,701**	7,591

1. GENERAL INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability. As at 31 October 2017, the directors consider that the Company is ultimately controlled by Mr. Phang Sun Wah and Mr. Pang Chong Yong.

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.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 October 2017 comprises the Group and the Group's interest in an associate.

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 values of assets and liabilities that are 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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Hong Kong Institute of Certified Public Accountants ("**HKICPA**") has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

Up to the date of issue of this announcement, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 October 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
HKFRS 17	Insurance Contracts[6]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 15	Clarifications to HKFRS 15[2]
Amendments to HKAS 28	Investments in Associates and Joint Ventures[3]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2014–2016 Cycle[5]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKAS 40	Transfers of Investment Property[2]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[2]
HK(IFRIC)-Int 23	Uncertainty Over Income Tax Treatments[3]

[1] Effective for annual periods beginning on or after 1 January 2017
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2019
[4] Effective for annual periods beginning on or after a date to be determined
[5] Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate
[6] Effective for annual periods beginning on or after 1 January 2021

The adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for the following.

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group has decided not to adopt HKFRS 9 until it becomes mandatory on 1 January 2018.

The Group does not expect the new rules to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

HKFRS 15 Revenue from Contracts with Customers

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, the Standard 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, that is, 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.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future will not have a material impact on the amounts reported to the consolidated financial statements of the Group in the future based on the existing business model of the Group as at 31 October 2017.

HKFRS 16 Leases

Currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, that is, at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (that is, where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for property, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. The future aggregate minimum lease payments under non-cancellable operating lease of the Group as at 31 October 2017 amounted to approximately US$319,000. Based on current leasing patterns, the Group do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that the certain portion of the lease commitment will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

4. 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 relevant 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/(loss), finance costs and share of profit of an associate. 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 operating and reportable segments for the years:

For the year ended 31 October 2017

	Sales of bus bodies and kits *US$'000*	Sales of parts and provision of relevant services *US$'000*	Total *US$'000*
Revenue			
Revenue from external customers	**47,781**	**2,573**	**50,354**
Reportable segment revenue	**47,781**	**2,573**	**50,354**
Reportable segment profit	**3,701**	**270**	**3,971**
Unallocated head office and corporate expenses:			
— Listing expenses			**(563)**
— Other expenses			**(1,459)**
Other revenue			**93**
Other net income			**281**
Finance costs			**(706)**
Share of profit of an associate			**490**
Profit before income tax			**2,107**
Other segment information			
Depreciation	**453**	**—**	**453**
Net (reversal of) allowances for doubtful debts	**(194)**	**—**	**(194)**

For the year ended 31 October 2016

	Sales of bus bodies and kits *US$'000*	Sales of parts and provision of relevant services *US$'000*	Total *US$'000*
Revenue			
Revenue from external customers	46,565	2,125	48,690
Reportable segment revenue	46,565	2,125	48,690
Reportable segment profit	6,546	383	6,929
Unallocated head office and corporate expenses:			
— Listing expenses			(2,162)
— Other expenses			(1,032)
Other revenue			52
Other net income			496
Finance costs			(789)
Share of profit of an associate			155
Profit before income tax			3,649
Other segment information			
Depreciation	399	—	399
Net allowances for doubtful debts	191	—	191

Geographical information

The following tables set 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	
	2017	2016
	US$'000	*US$'000*
Malaysia (place of domicile)	**7,731**	11,929
Singapore	**19,509**	18,158
Australia	**15,247**	2,620
Hong Kong	**4,481**	7,761
Uzbekistan	**2,231**	993
New Zealand	**—**	4,505
Others	**1,155**	2,724
	50,354	48,690

5. OTHER REVENUE AND OTHER NET INCOME

	2017	2016
	US$'000	*US$'000*
Other revenue		
Bank interest income	**83**	45
Total interest income on financial assets not at fair value through profit or loss	**83**	45
Rental income	**4**	2
Others	**6**	5
	93	52
Other net income		
Net foreign exchange gain	**262**	493
Net reversal of allowance for doubtful debts	**194**	—
Gain on disposal of property, plant and equipment	**19**	3
	475	496

6. FINANCE COSTS

	2017	2016
	US$'000	*US$'000*
Interest on bank borrowings	**693**	780
Finance charge on obligations under finance leases	**13**	9
Total interest expenses on financial liabilities not at fair value through profit or loss	**706**	789

7. PROFIT BEFORE TAXATION

	2017	2016
	US$'000	*US$'000*
Salaries, wages and other benefits	**2,376**	2,116
Equity-settled share-based payment expenses	**379**	—
Contributions to defined contribution retirement plans	**197**	241
	2,952	2,357

	2017	2016
	US$'000	*US$'000*
Net (reversal of)/allowance for impairment losses on receivables	**(194)**	191
Auditors' remuneration (excluding listing related services)	**154**	177
Cost of inventories	**37,422**	36,062
Depreciation*	**453**	399
Listing expenses	**563**	2,162
Net foreign exchange (gain)	**(262)**	(493)
(Gain) on disposal of property, plant and equipment	**(19)**	(3)
Operating lease charges: minimum lease payments in respect of		
— properties	**295**	380
— equipment	**6**	5

* *Cost of inventories includes approximately US$1,069,000 (2016: US$1,095,000) relating to staff costs and depreciation charges, which amount is also included in the respective total amounts disclosed separately above.*

8. INCOME TAX EXPENSE

	2017	2016
	US$'000	*US$'000*
Current tax		
Charge for the year	**761**	1,156
Underprovision in respect of prior years	**20**	64
Deferred tax		
Origination and reversal of temporary differences	**141**	313
Income tax expense for the year	**922**	1,533

(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 ended 31 October 2017 (2016: 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 2017 and 2016.

(iii) GML Coach Technology Pte. Limited ("**GML Coach**"), a wholly-owned subsidiary of the Group is subject to Singapore statutory income tax rate of 17% (2016: 17%).

(iv) Gemilang Coachwork Sdn. Bhd. ("**Gemilang Coachwork**"), a wholly-owned subsidiary of the Group was subject to Malaysia statutory income tax rate of 24% (2016: 24%).

9. DIVIDENDS

(i) Dividends during the year ended 31 October 2016 of approximately US$1,222,000 represented dividends declared by the respective companies now comprising the Group to the then owners of the respective companies prior to the reorganisation. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful.

(ii) The directors recommended the payment of a final dividend of HK cents 3 per share (equivalent to US cents 0.3866 per share) amounting to approximately US$967,000 in aggregate in respect of the year ended 31 October 2017 (2016: US$Nil), which is subject to approval of the shareholders at the forthcoming annual general meeting of the Company.

(iii) The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

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 shareholders of the Company of approximately US$1,185,000 (2016: US$2,116,000) and the weighted average number of approximately 248,303,000 ordinary shares (2016: 187,500,000 ordinary shares) in issue during the year. The weighted average number of ordinary shares in issue during the year ended 31 October 2017 is determined by (1) the issued ordinary shares at 1 November 2016 of 187,500,000 shares, (2) effect of shares issued by global offering of 60,788,000 shares, and (3) effect of issue of shares under the Company's share option scheme of 15,000 shares. The weighted average number of ordinary shares in issue during the year ended 31 October 2016 is determined on the assumption that the reorganization and the loan capitalization issue (as defined in the prospectus of the Company dated 31 October 2016) had been effective on 1 November 2014.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of approximately US$1,185,000 (2016: US$2,116,000) and the weighted average number of ordinary shares calculated as follows:

Weighted average number of ordinary shares (diluted)

	2017	2016
	'000	*'000*
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**248,303**	187,500
Effect of dilutive potential ordinary shares:		
Share options	**129**	—
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**248,432**	187,500

11. INTEREST IN AN ASSOCIATE

	2017	2016
	US$'000	*US$'000*
Investment costs	**—**	—
Share of post-acquisition profits and other comprehensive income, net of dividends received	**480**	(10)
Goodwill	**165**	165
	645	155

12. TRADE AND OTHER RECEIVABLES

	2017	2016
	US$'000	*US$'000*
Trade receivables	**15,295**	12,874
Less: allowance for doubtful debts	**(398)**	(661)
	14,897	12,213
Other receivables	**1,196**	1,188
Advances to suppliers	**341**	503
Deposits	**69**	33
Prepayments	**308**	1,208
	1,914	2,932
	16,811	15,145

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

As of the end of the reporting period, the ageing analysis of trade receivables based on invoice date is as follow:

	2017	2016
	US$'000	*US$'000*
Within 30 days	**1,439**	3,205
31 to 90 days	**9,157**	6,767
Over 90 days	**4,301**	2,241
	14,897	12,213

13. TRADE AND OTHER PAYABLES

	2017	2016
	US$'000	*US$'000*
Trade payables	**9,306**	12,154
Other payables and accruals	**5,737**	4,186
Advance deposits from customers	**459**	3,115
	15,502	19,455

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

	2017	2016
	US$'000	*US$'000*
Within 30 days	**3,011**	4,432
31 to 90 days	**3,290**	4,260
Over 90 days	**3,005**	3,462
	9,306	12,154

All of the trade and other payables are expected to be settled or recognised as income 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 date of incorporation on 21 June 2016 *(note i)*	38,000,000	49
Increased during the year *(note ii)*	1,962,000,000	2,532
At 31 October 2016 and 2017	2,000,000,000	2,581

Issued and fully paid:

	No. of shares	**Amount** *US$'000*
At date of incorporation on 21 June 2016 *(note i)*	1	—
Issuance of new shares upon reorganisation *(note iii)*	4	—
Loan capitalisation *(note iv)*	187,499,995	242
At 31 October 2016	187,500,000	242
Issuance of new shares upon global offering *(note v)*	62,500,000	80
Issuance of new shares upon exercising of share option	144,000	—
At 31 October 2017	250,144,000	322

Notes:

(i) The Company was incorporated in the Cayman Islands on 21 June 2016 as an exempted company with an authorised share capital of HK$380,000, divided into 38,000,000 shares of HK$0.01 each. Upon incorporation, 1 share was allotted and issued.

(ii) Pursuant to the written resolution passed by the shareholder of the Company, Gemilang International Investments Limited on 21 October 2016, the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000 by the creation of an additional 1,962,000,000 shares of HK$0.01 each.

(iii) *On 20 October 2016, through the reorganisation, the Company issued a total of 4 shares as consideration for the acquisition of the entire issued share capital of Gemilang Coachwork and GML Coach.*

(iv) *On 21 October 2016, the Company entered into a loan capitalisation agreement with its shareholder, pursuant to which the Company allotted and issued 187,499,995 shares, credited as fully paid to the shareholder by way of capitalisation of the loan in the amount of HK$15,000,000 (equivalent to approximately US$1,933,000) due from the Company to the shareholder.*

(v) *On 11 November 2016, 62,500,000 ordinary shares of HK$0.01 each of the Company were issued at a price of HK$1.28 per share by global offering. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange. The proceeds of HK$625,000 (equivalent to approximately US$80,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of HK$79,375,000 (equivalent to approximately US$10,229,000), before issuing expenses, were credited to share premium account.*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group designs and manufactures bus bodies and assemble 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 including Australia, Hong Kong, China and New Zealand. Our buses, comprising city buses and coaches in both aluminium and steel, 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* and CKDs*) for their local assembly and onward sales; and (ii) buses (CBUs*).

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, approximately 93.0% of our revenue was derived from the sales of aluminium buses and bus bodies. The demand in aluminium bus and bus body will continue to experience a higher growth due to increasing demand to use materials that meets environmental standards. Aluminium will likely be the preferred material for buses, in particular electric buses, due to its lighter weight and the resulting better energy efficiency.

The Group delivered total 230 units of buses (CBUs*), 97 units of CKDs* and 126 units of SKDs* to our customers during the year.

**Notes:*

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

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

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

OPERATING RESULTS AND FINANCIAL REVIEW

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

Sales of bus bodies segment

	Revenue from external customers For the year ended 31 October	
	2017	2016
	US$'000	*US$'000*
Malaysia (place of domicile)	**7,500**	11,322
Singapore	**18,073**	17,154
Hong Kong	**4,134**	7,689
Australia	**14,975**	2,444
People's Republic of China	**713**	802
Uzbekistan	**2,231**	993
New Zealand	**—**	4,505
Others	**155**	1,656
	47,781	46,565

The sales of bus bodies and kits segment is our major source of income for our Group, with the sales of whole buses as the major product of our group contributing over 70% of revenue for both years. The revenue generated from this segment amounted to approximately US$47.78 million during the year, representing an increase of approximately US$1.21 million or 2.6% as compared with approximately US$46.57 million for the year ended 31 October 2016. The increase in revenue in this segment was attributable to the significant increase in delivery of wholes bus to the Australia market, which offsets by decrease in delivery of whole buses to Hong Kong, Malaysia and New Zealand during the year as compared to the year ended 31 October 2016.

The decrease in revenue from the Malaysian market was approximately US$3.82 million or 33.7%, from approximately US$11.32 million for the year ended 31 October 2016 to approximately US$7.50 million for the year. It was mainly attributable to a decrease in market demand in connection with the city buses and coaches in the Malaysian market during the year as compared to the year ended 31 October 2016.

The decrease in revenue from Hong Kong market was approximately US$3.56 million or 46.3%, from approximately US$7.69 million for the year ended 31 October 2016 to approximately US$4.13 million for the year. The drop was mainly attributable to the general decrease in demand for new registered buses for both franchised and non-franchised in Hong Kong market during the year as compared to the year ended 31 October 2016.

Sales of parts and provision of relevant services segment

	Revenue from external customers For the year ended 31 October	
	2017	2016
	US$'000	*US$'000*
Malaysia (place of domicile)	**231**	607
Singapore	**1,436**	1,004
Hong Kong	**347**	72
Australia	**272**	176
People's Republic of China	**120**	—
India	**89**	266
Others	**78**	—
	2,573	2,125

This segment 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$2.57 million during the year representing an increase of approximately US$0.44 million or 20.7% as compared with approximately US$2.13 million for the year ended 31 October 2016.

The increase in sales of parts and related services in our Singapore market is consistent with our continuous supply of buses to Singapore, being our top market in our customers' portfolio.

The increase in revenue from this segment during the year was mainly contributing from the markets where we sold our whole buses to, in particular, Singapore, Australia and Hong Kong, since the demand of sales of parts and related services was correlated with the number of buses sold to these places cumulatively. These places required a higher demand of spare parts replacement and after-sales service as more buses purchased from our group accumulatively are running on the road.

Revenue

Our revenue was principally generated from the assembly and sale of aluminium and steel buses and the manufacture of bus bodies. We generated revenue of approximately US$48.69 million and US$50.35 million for the financial years ended 31 October 2016 and 2017 respectively. The slight increase in revenue was primarily due to the significant increase in delivery of double decked buses to Australia, which was offset by decrease in delivery of buses to Malaysia, Hong Kong and New Zealand during the year compared to the year ended 31 October 2016.

By product category

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

	For the year ended 31 October			
	2017		2016	
	US$'000	*%*	*US$'000*	*%*
Bus (CBU*)				
— City Bus	**37,238**	**74.0**	29,677	61.0
— Coach	**1,483**	**2.9**	4,832	9.9
Bus Body				
CKD				
— City Bus	**2,750**	**5.5**	1,438	3.0
— Coach	**—**	**—**	563	1.0
SKD				
— City Bus	**6,310**	**12.5**	10,055	20.7
— Coach	**—**	**—**	—	—
Maintenance and aftersales service	**2,573**	**5.1**	2,125	4.4
Total	**50,354**	**100.0**	48,690	100.0

By product material category

The following table sets out our revenue from products of different materials during the year:

	For the year ended 31 October			
	2017		2016	
	US$'000	*%*	*US$'000*	*%*
Aluminium	**46,809**	**93.0**	41,485	85.2
Steel	**972**	**1.9**	5,080	10.4
Subtotal	**47,781**	**94.9**	46,565	95.6
Maintenance and aftersales service	**2,573**	**5.1**	2,125	4.4
Total	**50,354**	**100.0**	48,690	100.0

Gross profit

Our gross profit was approximately US$12.63 million and US$12.93 million for years ended 31 October 2016 and 2017, respectively. Our gross profit margin was approximately 25.9% and 25.7% for financial years ended 31 October 2016 and 2017, respectively.

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 increased by approximately US$2.91 million or 81.1% from approximately US$3.59 million for the financial year ended 31 October 2016 to US$6.50 million in the year. Such increase was driven by the increase in commission payable of approximately US$2.79 million to Gemilang Australia Pty Limited, an associate of the Group, which acts as the marketing agent for the markets in Australia and New Zealand, as a result of increase in sales of buses to Australia and New Zealand from approximately US$6.95 million for the financial year ended 31 October 2016 to approximately US$14.98 million in 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 to our management and our staff who were not directly involved in the production.

Our general and administrative expenses decreased by approximately US$0.63 million or 11.9% from approximately US$5.30 million for the financial year ended 31 October 2016 to US$4.67 million in the year. Such decrease was mainly attributable to the combination of the following factors:

(1) a decrease in listing expense of US$1.60 million in relation to the global offering recorded during the year ended 31 October 2017 as compared to the fact that majority of the listing expense was recorded in the year ended 31 October 2016;

(2) an increase in administrative expenses (without taking into account the listing expenses) of approximately US$0.59 million including staff related cost and bonus of approximately US$0.25 million, and expenses after listing (e.g. directors' fee, company secretarial fee, legal service fee and compliance advisory fee); and

(3) the share-based payment expenses of US$0.38 million related to the share options granted during the year ended 31 October 2017 and the fact that no share option was granted and the absence of share-based payment expenses during the year ended 31 October 2016.

Income tax expenses

There was a significant decrease in income tax expense of US$0.61 million or 39.9% during the year from approximately US$1.53 million to US$0.92 million. The effective tax rate was 42.0% and 43.8% for the year ended 31 October 2016 and 2017 respectively. The slight increase in effective tax rate during the year was mainly as a result of the increase in non-deductible administrative expenses during the year and the effect was partially offset by a reinvestment allowance incentive in Malaysia of amount US$0.07 million. Reinvestment allowance is an incentive under the Malaysian Income Tax Act which is given to manufacturing companies which are residents in Malaysia in connection with an expansion, modernizing or diversification (of existing manufacturing business within the same industry) programme. This incentive grants the taxpayer an amount equivalent to 60% of the qualifying capital expenditure incurred on plant and equipment as well as industrial buildings to be set off against the statutory business income for that assessment year.

Significant investments held

During the year, there was no significant investments 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 and affiliated companies

During the year, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Pledge of assets

As at 31 October 2017, pledged bank deposits of approximately US$2.04 million (2016: US$1.99 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 following assets were pledged to secure certain banking facilities granted to the Group:

	2017	2016
	US$'000	*US$'000*
Freehold land	**1,817**	1,832
Buildings	**4,478**	2,902
Building in progress	**—**	1,520
	6,295	6,254

Contingent liabilities

As at 31 October 2017, the Group had the following contingent liabilities:

(i) Performance bonds

	2017	2016
	US$'000	*US$'000*
Performance bonds for contracts in favour of customers	**5,140**	5,970

The above performance bonds were given by banks in favour of some of 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.

(ii) Financial guarantees

As at 31 October 2017, the Group had contingent liabilities regarding the financial guarantees issued.

	2017	2016
	US$'000	*US$'000*
Guarantees given to banks in connection with facilities granted to:		
— Related companies		
GML Property Sdn. Bhd.	—	1,859
GML Technologies Sdn. Bhd.	—	1,362
	—	3,221

	2017	2016
	US$'000	*US$'000*
Utilised to the extent of the following amounts by:		
— Related companies		
GML Property Sdn. Bhd.	—	1,859
GML Technologies Sdn. Bhd.	—	1,362
	—	3,221

The maximum liability of the Group under the guarantees issued represents the amount drawn down by the related parties. No deferred income in respect of these guarantees issued has been recognised as the directors of the Company consider that the fair value of the guarantees is not significant. Accordingly, theses guarantees were not provided for in these financial statements as at 31 October 2016.

The guarantees given to banks in connection with the facilities granted above had been released during the year.

Capital commitments

As at 31 October 2017, the Group did not have any significant capital commitments.

PROSPECTS

The Group would continue to explore projects in both core and developing markets. In short term period of time frame, for the core markets, it is anticipated that the Group would expect to deliver single decked and double decked city buses to one of our core markets in Singapore. Moreover, it is also expected that we would be delivering double decked aluminium buses to a customer in the Malaysian market.

For the developing markets, upon completion in construction of the Hong Kong–Zhuhai–Macao Bridge ("**HZMB**"), which aims to meet the demand of passenger and freight land transport among Hong Kong, the Mainland and Macao, to establish a new land transport link between the east and west banks of the Pearl River, and to enhance the economic and sustainable development of the three places, we intend to put our best endeavour to sell more single and double decked buses for HZMB in year 2018 having considered the potential demand from HZMB.

For the Australia and New Zealand market, we would continue our momentum in market penetration and exploration of different business opportunities and aim to secure our positioning in this market by design and develop a larger variety of bus prototypes to cope with the demand in the Australia and New Zealand market.

Our objective is to become one of the leading bus manufacturing solution providers in Asia. We believe the Asian 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 that we are well positioned and equipped with the technological capability to capture this opportunity.

The following highlights our key development strategies:

We plan to expand our presence in China, Hong Kong and other Asian countries

China's bus market and industry is the largest in the world. The general demand for electric buses is also expected to increase. We have, to date, established business relationships with customers in Hong Kong and several other cities in China. We have the intention to set up an office in China in the future to better serve our existing customers and further develop these markets. We may set up a manufacturing facility and commence operation in China when we consider there is sufficient demand and potential.

We plan to streamline and improve our production process in Malaysia

We will continue to upgrade and improve our production process by enhancing the automation of our currently manufacturing facility by installing new automated machineries. This would further improve our production efficiency and hence increase our production output.

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 consolidate our leading position in Malaysia and Singapore

In order to strengthen our position in Malaysia and Singapore, we intend to increase the size of our after-sales service and marketing team in existing or potential cities which will enable us to provide prompt response to after-sales requests from our customers and to establish better relationship with our customers through gathering feedbacks on our products. Furthermore, we will promote our aluminium buses to the bus transportation operators in Malaysia and Singapore as we expect more migration from steel buses to aluminium buses.

In Malaysia, we have been supporting our chassis principals in the tendering of projects. We plan to be more aggressive in promoting our aluminium bodied buses in other cities which currently use city buses as a major mode of public transportation. Through our track record in Kuala Lumpur, we believe that we are in a better position to promote our products to other cities in Malaysia which are in the process of procuring new city buses. In addition, we intend to upgrade existing machineries and acquire additional machines to enhance our production process and keep up with our business expansion by increasing our overall production efficiency and capacity.

In Singapore, we aim to cooperate closely with Land Transport Authority through management discussions during the conceptual stage in order to produce buses that meet their requirements. Our continuous collaborations with our chassis principals in respect of product development will also place us in a better position to secure contracts in project tenders. We also sought to provide round the clock after-sales services to the bus transportation operators in both markets.

We will further diversify our product portfolio

Our current product portfolio covers city bus and coach. It is our plan to expand our product range to cater for a broader market. We will be exploring the markets for small and medium buses in developing markets. We will continue to design and manufacture suitable bus bodies that can be assembled on different chassis based on the demand from different regions.

Through our development efforts, we intend to develop new bus bodies with lighter materials to reduce the weight of the vehicle, so as to improve fuel efficiency and performance.

In the longer term, we will also invest in developing new products for new markets outside Asia which are regulated by different sets of regulatory standards. We will adopt stringent tests and specific compliance measures in order to enter the intended new markets.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 October 2017 and up to the date of this report.

DIVIDEND

The Board recommends the payment of final dividend of HK$0.03 per share in cash for the year ended 31 October 2017 (2016: HK$nil per share). Such final dividend will not be subject to any withholding tax in Hong Kong. Subject to approval of shareholders at the forthcoming annual general meeting, the final dividend is expected to be paid on or about Wednesday, 4 April 2018.

GLOBAL OFFERING

On 11 November 2016, the Company successfully completed its listing, marking yet another significant milestone of the Group. This step forward not only enables us to strengthen our operations in Malaysia, but also provide us with the financial strength to expand into Hong Kong and the mainland China.

FOREIGN CURRENCY RISK

The Group undertakes certain transactions denominated in foreign currencies, mainly in U.S. 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 2017, 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$2.20 million, representing a decrease of approximately US$0.61 million compared with 31 October 2016 of US$2.81 million. The net current assets and total equity of the Group were approximately US$10.26 million (2016: approximately US$0.08 million of net current liabilities) and approximately US$18.70 million (2016: approximately US$7.59 million). The Company has received the net proceeds from global offering of approximately HK$68.06 million (approximately US$8.77 million) in November 2016. HK$15 million of the total amount of fees and expenses in connection with the listing has been paid from the proceeds of the Pre-IPO Investments. As at 31 October 2017, the Group's bank borrowings and bank overdrafts amounted to approximately US$9.88 million (2016: approximately US$11.96 million).

As at 31 October 2017, the Group's gearing ratio, which is computed based on dividing the total outstanding indebtedness by the total equity, was approximately 39.1% (2016: 139.0%).

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 obligations under finance leases, less cash and bank balances. The gearing ratio as at 31 October 2017 and 2016 is as follows:

	2017	2016
	US$'000	*US$'000*
Obligations under finance leases	**216**	291
Bank borrowings	**7,259**	11,081
Bank overdrafts	**2,619**	879
	10,094	12,251
Less: Cash and bank balances	**2,781**	1,700
Net debt	**7,313**	10,551
Total equity	**18,701**	7,591
Net debt-to-equity ratio	**39.1%**	139.0%

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 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 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 2017, the total number of full-time employees of the Group was approximately 287. 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 around. Employees are always encouraged to attend job-related seminars, courses and programs organised by professional or educational institutions, in Malaysia, Hong Kong or other jurisdiction.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted 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**") with effect from 11 November 2016 (the "**Listing Date**") to 31 October 2017, saved as disclosed below, the Company has complied with the Code Provisions as set out in the CG Code.

Code provision E.1.4

Code Provision E.1.4 of the CG code requires that the Board should establish a shareholders' communication policy and review it on a regular basis to ensure is effectiveness. The Board currently does not have a shareholders' communication policy but it is expected that the Board will adopt its own shareholders' communication policy during the year ending 31 October 2018.

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.

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 for securities transactions by directors. Having made specific enquiry of all directors, all directors have complied with the required standard set out in the Model Code regarding securities transactions by directors throughout the period from the Listing Date to 31 October 2017.

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 2017 *US$ million*	Actual balance as at 31 October 2017 *US$ million*
Construction of the new facility in Senai, Malaysia	4.70	(3.46)	1.24
Upgrading and acquiring machines	0.89	(0.14)	0.75
Repayment of bank loans	2.39	(2.39)	—
Working capital	0.79	(0.79)	—
Total	8.77	(6.78)	1.99

(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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

From the Listing Date to 31 October 2017, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

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 Horwath (HK) CPA Limited ("**Crowe Horwath**"), and reviewed the accounting principles and practices adopted by the Company and the consolidated financial statements of the Group for the year ended 31 October 2017.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 October 2017 have been agreed by the Group's auditors, Crowe Horwath, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Crowe Horwath 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe Horwath on the preliminary announcement.

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

This announcement is published on the website 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 2017 containing all the information required by the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Thursday, 8 March 2018. The notice of annual general meeting will be published and despatched to the shareholders 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 Thursday, 8 March 2018, the register of members of the Company will be closed from Monday, 5 March 2018 to Thursday, 8 March 2018, 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 share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 2 March 2018.

Subject to the approval of shareholders of the Company at the forthcoming annual general meeting, the final dividend will be distributed on or about Wednesday, 4 April 2018 to shareholders of the Company whose names appear on the register of members of the Company after the close of business of the Company on Wednesday, 14 March 2018 and the register of members of the Company will be closed on Wednesday, 14 March 2018, 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 Tuesday, 13 March 2018 with the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express their thanks and 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
Phang Sun Wah
Chairman

Hong Kong, 25 January 2018

As at the date of this announcement, the Board comprises (i) Mr. Phang Sun Wah (Chairman), Mr. Pang Chong Yong and Ms. Phang Huey Shyan as executive directors of the Company; and (ii) Ms. Lee Kit Ying, Ms. Wong Hiu Ping, Ms. Kwok Yuen Shan Rosetta and Mr. Huan Yean San as independent non-executive directors of the Company.