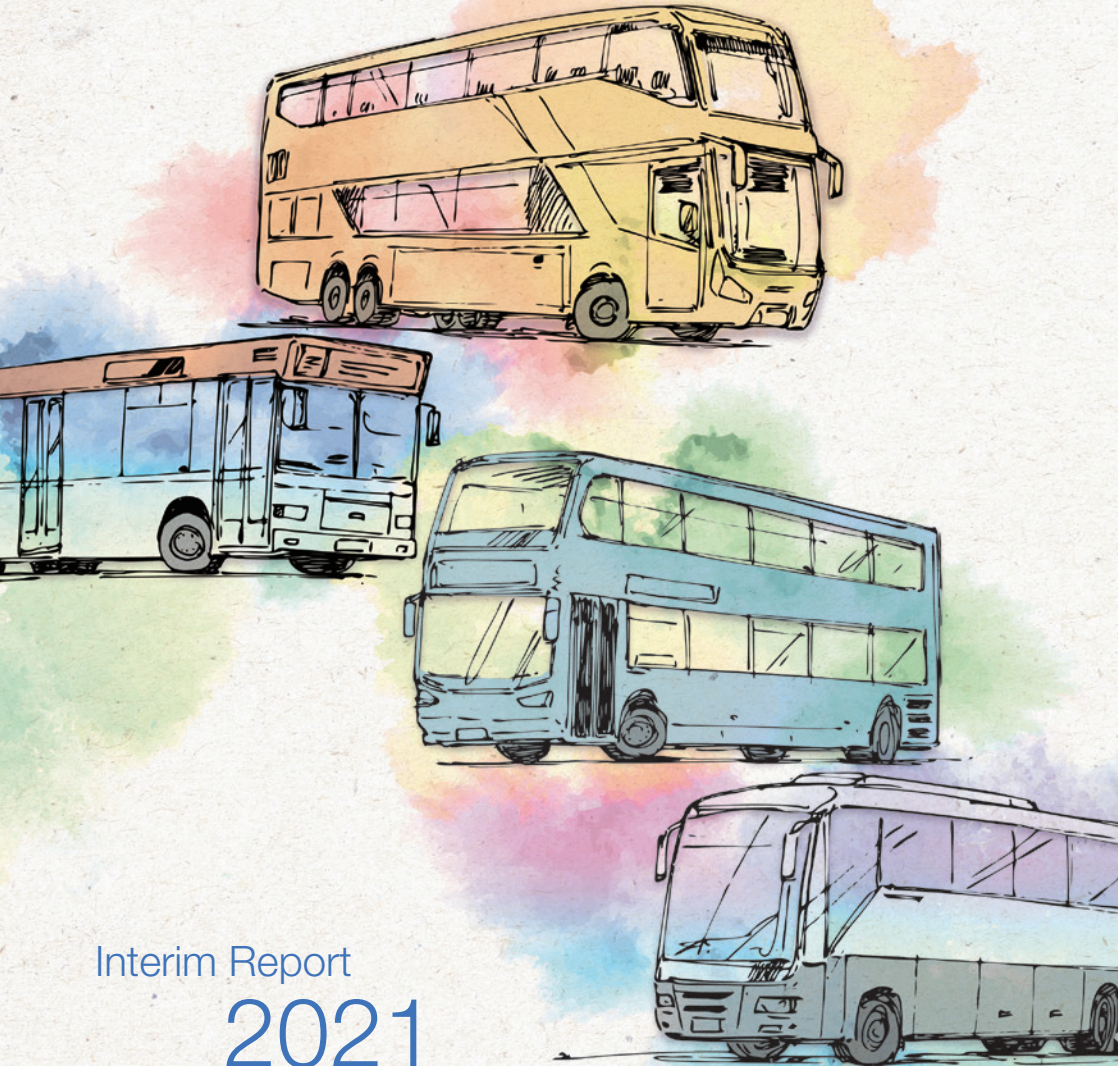


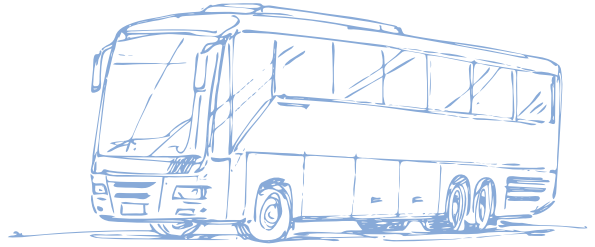
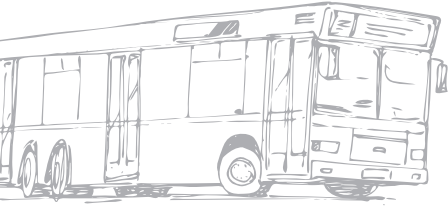
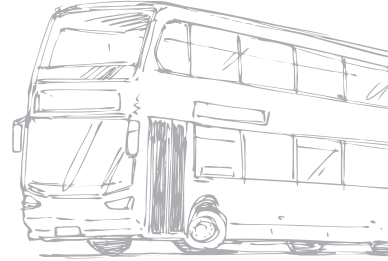
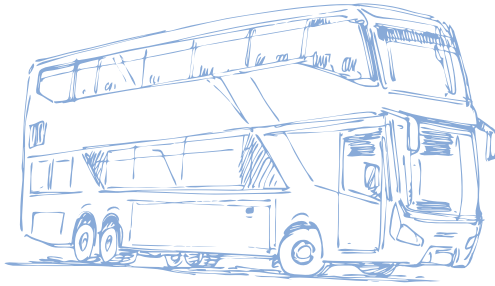


Gemilang International Limited
彭順國際有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6163



Interim Report
2021



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EXECUTIVE DIRECTORS

Mr. Pang Chong Yong
(Chairman and Chief Executive Officer)
Mr. Pang Jun Jie
Mr. Yik Wai Peng
(Chief Financial Officer)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lee Kit Ying
Ms. Kwok Yuen Shan Rosetta
Mr. Huan Yean San
Mr. Andrew Ling Yew Chung

AUDIT COMMITTEE

Mr. Huan Yean San *(Chairman)*
Ms. Kwok Yuen Shan Rosetta
Mr. Andrew Ling Yew Chung

NOMINATION COMMITTEE

Mr. Pang Chong Yong *(Chairman)*
Ms. Kwok Yuen Shan Rosetta
Mr. Andrew Ling Yew Chung

REMUNERATION COMMITTEE

Ms. Kwok Yuen Shan Rosetta *(Chairman)*
Mr. Pang Chong Yong
Mr. Andrew Ling Yew Chung

COMPANY SECRETARY

Mr. Yuen Wai Kin

AUTHORISED REPRESENTATIVE UNDER PART 16 OF THE COMPANIES ORDINANCE

Mr. Yuen Wai Kin

AUTHORISED REPRESENTATIVES UNDER THE LISTING RULES

Mr. Yuen Wai Kin
Mr. Yik Wai Peng

AUDITORS

Crowe (HK) CPA Limited
9/F, Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Michael Li & Co. Solicitors
19th Floor, Prosperity Tower,
No. 39 Queen's Road Central
Central, Hong Kong

PRINCIPAL BANKERS

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Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

Malayan Banking Berhad
Level 14, Menara Maybank
100 Jalan Tun Perak, 50050 Kuala Lumpur
Malaysia

OCBC Bank (Malaysia) Berhad
47, 49 Jalan Molek 1/29
Taman Molek
81100 Johor Bahru, Johor
Malaysia



PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square
Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
PO Box 2681, Grand Cayman
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HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

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Mukim Senai
81400 Senai, Johor
West Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 206A, 2/F, Sun Cheong Industrial Building,
2 Cheung Yee Street, Lai Chi Kok,
Kowloon, Hong Kong

SHARE LISTING

The Stock Exchange of Hong Kong Limited
(the "Stock Exchange")
Stock code: 6163.HK
Board lot: 2,000 shares

CORPORATE WEBSITE ADDRESS AND INVESTOR RELATIONS CONTACT

Website: <http://www.gml.com.my>
Email: irgroup@gml.com.my
Fax: (852) 3996 7341

CUSTOMER SERVICES

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Fax: (852) 3996 7341
Email: info@gml.com.my



The board (the “**Board**”) of directors (the “**Directors**”) of Gemilang International Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 April 2021 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2020.

BUSINESS REVIEW

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, including Australia and Hong Kong. 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* and CKDs*) for their local assembly and onward sales; and (ii) in the form of whole 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 Reporting Period, all 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 for the use of materials that meets environmental standards. Aluminium will likely be the preferred material for buses, in particular electric buses, due to its lighter weight and better energy efficiency.

The Group delivered a total of 99 buses (CBUs*) and 85 units of CKDs* to our customers during the Reporting Period.

*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



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 and kits segment

	Revenue from external customers For the six months ended 30 April	
	2021	2020
	US\$'000	US\$'000
Malaysia (place of domicile)	4,192	122
Singapore	6,523	10,989
Hong Kong	84	924
Australia	3,867	–
United Arab Emirates	–	3,154
Others	1,282	217
	15,948	15,406

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 contributing over 85.8% of revenue for the Reporting Period. The revenue generated from this segment amounted to approximately US\$15.95 million during the Reporting Period, representing an increase of approximately 3.5% compared to the corresponding period in 2020 of approximately US\$15.41 million. The increase in revenue in this segment was attributable to the increase in delivery of whole buses to Australia and bus bodies to Malaysia, which off-set the decrease in delivery of whole buses to Singapore and United Arab Emirates. During the Reporting Period, the Group had delivered 47 units of whole buses to customer in Australia and 29 units of CKDs to customer in Malaysia, while the delivery of whole buses to customers in Singapore decreased to 46 units as compared to 85 units to the corresponding period in 2020.



Sales of parts and provision of relevant services segment

	Revenue from external customers For the six months ended 30 April	
	2021	2020
	US\$'000	US\$'000
Malaysia (place of domicile)	540	33
Singapore	1,751	818
Hong Kong	56	42
Australia	42	220
United Arab Emirates	–	14
Others	244	25
	2,633	1,152

The sales of parts and provision of relevant services segment is our secondary source of income, in which its revenue was mainly generated from providing after-sales services and sales of parts to our customers. The revenue generated from this segment amounted to approximately US\$2.63 million during the Reporting Period representing an increase of approximately 128.6% as compared with approximately US\$1.15 million for the corresponding period in 2020.

The increase in sales of parts and related services in our Singapore market is consistent with our supply of buses to Singapore. The sales from this segment was mainly contributed from the markets where we sold our whole buses to, in particular Singapore, as the demand for sales of parts and related services was correlated with the number of buses sold to these places cumulatively. These markets will continue to have higher demand for spare parts replacement and after-sales services as more buses purchased from our Group are running on the road.

OUTLOOK

The Group has been able to maintain our market position in Asia, with the continuous support from our customers in the region. The Group believes in maintaining the top-quality products is crucial to be the leading bus manufacturing solution provider.

The novel coronavirus (“**COVID-19**”) pandemic continues to adversely affect the recovery of world economy, especially the recent new wave of epidemic outbreak in Southeast Asia countries, which directly affected our Group’s operations. Under the complex and challenging environment, the Group continues to operate our major subsidiary in Malaysia while cautiously implementing the Standard Operating Procedures (“**SOP**”) introduced by the Malaysia government.



During the Reporting Period, apart from carrying on the postponed projects awarded in 2019 and 2020, the Group continues to explore new business opportunities, especially at the electric vehicle (EV) market. With our experience in EV buses build, our Group is looking forward to participating in certain EV projects and tenders, including the Iskandar Malaysia Bus Rapid Transit project, for entering the new era of the market and contributing to the society. We believe the EV market and technology will continue to develop with the rising awareness of social and environmental protection. Our Group will continue to innovate and provide high quality products to our customers, seek good opportunity to expand our production capacity and knowhow and prepare for the foreseeable recovery from COVID-19 pandemic.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group recorded a revenue of approximately US\$18.58 million, representing an increase of approximately 12.2% as compared with approximately US\$16.56 million for the corresponding period in 2020. Such increase was mainly attributable to the increase in demand of maintenance and after-sales services as compared to the corresponding period in 2020.

By product category

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

	For the six months ended 30 April			
	2021		2020	
	US\$'000	%	US\$'000	%
Bus				
CBU				
– City Bus	10,923	58.8	13,382	80.8
– Coach	240	1.3	1,807	10.9
Bus Body				
CKD				
– City Bus	4,785	25.7	217	1.3
Maintenance and after-sales services	2,633	14.2	1,152	7.0
TOTAL	18,581	100	16,558	100



By geographical location

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 For the six months ended 30 April	
	2021	2020
	US\$'000	US\$'000
Malaysia (place of domicile)	4,732	155
Singapore	8,274	11,807
Hong Kong	140	966
Australia	3,909	220
United Arab Emirates	–	3,168
Others	1,526	242
	18,581	16,558



Gross profit and gross profit margin

Our gross profit was approximately US\$3.08 million and US\$3.60 million for the six months ended 30 April 2021 and 2020, respectively. Our gross profit margin was approximately 16.6% and 21.7% for the six months ended 30 April 2021 and 2020, respectively. The decrease of gross profit margin during the six months ended 30 April 2021 was mainly due to provision of slow-moving inventory of approximately US\$0.33 million and increase in material costs in the Reporting Period.

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 decreased by approximately US\$0.08 million or 28.6% from approximately US\$0.28 million for six months period ended 30 April 2020 to approximately US\$0.20 million in the Reporting Period. Such decrease was driven mainly by the reduction in business travelling expenses caused by the restraints to prevent the spread of COVID-19 during the Reporting Period.

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 increased by approximately US\$0.38 million or 19.4% from approximately US\$1.96 million for the six months ended 30 April 2020 to approximately US\$2.34 million during the Reporting Period. Such increase was attributed by the increase in staff costs due to increase in payment of short term employee benefits and increase in legal and professional expenses incurred during the Reporting Period.

Income tax expenses

During the Reporting Period, the income tax expense of approximately US\$0.07 million was recognised as compared with approximately US\$0.25 million for the six months period ended 30 April 2020. The decrease was mainly attributable by the increase in temporary tax difference arising from expected credit loss provision and inventories provision recognised during the Reporting Period.



LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash flow

For the six months ended 30 April 2021, the Group's working capital was financed by bank loans.

Net current assets

The Group's net current assets amounted to approximately US\$10.31 million as at 30 April 2021, as compared to approximately US\$11.83 million as at 31 October 2020. As at 30 April 2021, the Group's current ratio was approximately 1.43, as compared to approximately 1.49 as at 31 October 2020.

Cash and cash equivalents, bank deposits and bank loans

As at 30 April 2021, cash and cash equivalents of the Group was approximately US\$0.35 million, as compared to approximately US\$1.93 million as at 31 October 2020. As at 30 April 2021, the Group had pledged bank deposits of approximately US\$3.33 million, as compared to approximately US\$3.24 million as at 31 October 2020. The bank borrowings and bank overdrafts of the Group decreased by approximately 4.8% to approximately US\$11.06 million as at 30 April 2021 from approximately US\$11.62 million as at 31 October 2020.

Gearing ratio

As at 30 April 2021, the gearing ratio (calculated by dividing leases liabilities, bank borrowings and bank overdrafts less cash and bank balance by total equity as at the end of the period/year) of the Group increased to approximately 59.7% from approximately 50.4% as at 31 October 2020, primarily attributable to the decrease in reserves of the Group.

Capital expenditures

For the six months ended 30 April 2021, the Group had capital expenditure of approximately US\$0.23 million, as compared to approximately US\$0.05 million for the six months ended 30 April 2020. The capital expenditure incurred during the Reporting Period mainly represented cash paid and lease liabilities recognised for acquisition of property, plant and equipment and rights-of-use assets of motor vehicles and other properties leased for own use.

Significant investments

As at 30 April 2021, the Group did not have any significant investments.



Commitments

As at 30 April 2021, the Group had capital commitments in relation to capital contribution of approximately US\$232,000 (equivalent to RMB1,500,000) (31 October 2020: approximately US\$224,000) to the joint venture company, 上海北鋁汽車科技有公司 (“上海北鋁”). The amount of registered capital of 上海北鋁 shall be RMB3,000,000 which the Group and the venture partner, 上海北斗新能源有限公司, shall contribute the capital equally pursuant to the terms of the joint venture agreement. As at 30 April 2021, no capital has been contributed by the Group.

Material investments or capital assets

As at 30 April 2021, the Group did not hold any material investment. There was no specific plan for material investments or capital assets as at 30 April 2021.

Material acquisitions or disposals

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

Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies, mainly in United States 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.

Charges on assets

As at 30 April 2021, pledged bank deposits of approximately US\$3.33 million (31 October 2020: approximately US\$3.24 million) as disclosed in the condensed 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:

	As at 30 April 2021 US\$'000	As at 31 October 2020 US\$'000
Freehold land	1,803	1,853
Buildings	4,221	4,256
	6,024	6,109



Contingent liabilities

As at 30 April 2021, the Group had the following contingent liabilities:

Performance bonds

	As at 30 April 2021 US\$'000	As at 31 October 2020 US\$'000
Performance bonds for contracts in favour of customers	4,730	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.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 April 2021 (2020: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2021, the total number of full-time employees of the Group was approximately 326 (31 October 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 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 jurisdictions.



LITIGATION

In April 2018, Gemilang Coachwork Sdn. Bhd. (“**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 had supplied and delivered an aggregate of one hundred and fifty (150) units of eco-range aluminium superstructure body kits and had supplied and assembled one (1) unit of bus prototype to the said customer. 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) remained due and outstanding.

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 the 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 winding up order and the debt will be repaid according to the debt security. As at the date of this report, 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 Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).



USE OF PROCEEDS FROM GLOBAL OFFERING

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.

Use of net proceeds	Planned amount as stated in the Prospectus ⁽¹⁾ US\$ million	Actual amount utilised up to 30 April 2021 US\$ million	Actual balance as at 30 April 2021 US\$ million
Construction of the new facility in Senai, Malaysia	4.70	(3.70)	1.00
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	(7.51)	1.26

- (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 THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 Director's securities transactions. Specific enquires have been made to all Directors and the Directors have confirmed that they have complied with the required standard set out in the Model Code regarding securities transactions by Directors throughout the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

It is the belief of the Board that good corporate governance plays a vital part in maintaining the success of the Company. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value accountability. The Company has complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules save and except for code provision A.2.1 of the CG Code throughout the Reporting Period.

Pursuant to the code provision A.2.1 of the CG Code, 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 (“**CEO**”) of the Company, as the chairman deviates from the relevant code provision.

The Board believes that resting the roles of both the chairman and the CEO 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 as and when appropriate and report to the Shareholders accordingly.



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 April 2021, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the ordinary shares of the Company (the "Shares")

Name of Directors	Capacity/ Nature of interests	Total number of Shares and underlying Shares held ⁽¹⁾	Approximate percentage of issued share capital
Mr. Pang Chong Yong	Interest in a controlled corporation ⁽²⁾	82,078,125 (L)	32.65%
	Interest held jointly with Mr. Phang Sun Wah ⁽³⁾	38,754,125 (L)	15.42%
	Beneficial Interest ⁽⁵⁾	250,000 (L)	0.10%
Mr. Yik Wai Peng	Beneficial Interest	224,000 (L)	0.08%
	Interest of spouse ⁽⁴⁾	140,000 (L)	0.06%
Mr. Andrew Ling Yew Chung	Beneficial Interest	60,000 (L)	0.02%

(1) The letter "L" denotes a person's "long position" in such Shares.

(2) Mr. Pang Chong Yong beneficially owns 100% of the issued share capital of Golden Castle Investments Limited. By virtue of the SFO, Mr. Pang Chong Yong is deemed to be interested in 82,078,125 Shares held by Golden Castle Investments Limited representing approximately 32.65% of the entire issued share capital of the Company.

(3) Pursuant to the confirmatory deed in relation to parties acting in concert dated 20 July 2016 and signed by Mr. Phang Sun Wah and Mr. Pang Chong Yong, Mr. Phang Sun Wah and Mr. Pang Chong Yong are parties acting in concert (having the meaning ascribed to it under the Code on Takeovers and Mergers (the "Takeovers Code")). As such, Mr. Phang Sun Wah and Mr. Pang Chong Yong will together control 48.17% of the entire issued share capital of our Company.

(4) By virtue of the SFO, Mr. Yik Wai Peng is deemed to be interested in 140,000 shares, being the interest beneficially held by his wife, Ms. Tan Siow Yang.

(5) Included interests of share options granted under the share option scheme of the Company which was adopted by the Company on 21 October 2016.

Save as disclosed above, as at 30 April 2021, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 April 2021, to the best knowledge of the Directors, the interests or short positions of the persons, other than the Directors or chief executives of the Company, in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the ordinary Shares

Name of Shareholders	Capacity/ Nature of interests	Total number of Shares and underlying Shares held ⁽¹⁾⁽⁹⁾	Approximate percentage of issued share capital
Sun Wah Investments Limited	Beneficial owner ⁽⁵⁾	37,626,125 (L)	14.97%
Golden Castle Investments Limited ("Golden Castle")	Beneficial owner ⁽²⁾	82,078,125 (L)	32.65%
Gold-Face Finance Limited ("Gold-Face")	Person having a security interest in Shares ⁽³⁾	82,078,125 (L)	32.65%
Upbest Group Limited	Interest of controlled corporation ⁽³⁾	82,078,125 (L)	32.65%
Mr. Phang Sun Wah	Interest in a controlled corporation ⁽⁵⁾	37,626,125 (L)	14.97%
	Interest held jointly with Mr. Pang Chong Yong ⁽⁴⁾	82,328,125 (L)	32.75%
	Beneficial Interest	988,000 (L)	0.39%
	Interest of spouse ⁽⁶⁾	140,000 (L)	0.06%
Ms. Chew Shi Moi	Interest of spouse ⁽⁴⁾⁽⁷⁾	120,942,250 (L)	48.11%
	Beneficial owner	140,000 (L)	0.06%
Ms. Low Poh Teng	Interest of spouse ⁽⁴⁾⁽⁸⁾	121,082,250 (L)	48.17%

(1) The letter "L" denotes a person's "long position" in such Shares.

(2) 82,078,125 Shares held by Golden Castle have been charged in favour of Gold-Face as security for a loan granted in favour of Mr. Pang Chong Yong, the Chairman, chief executive officer, executive Director and controlling shareholder of the Company.



- (3) Gold-Face is wholly-owned by Upbest Credit and Mortgage Limited (“**Upbest Credit and Mortgage**”), which in turn is wholly-owned by Upbest Strategic Company Limited (“**Upbest Strategic**”) and Good Foundation Company Limited (“**Good Foundation**”) in equal parts. Upbest Strategic and Good Foundation are both wholly-owned by Upbest Financial Holdings Limited (“**Upbest Financial**”), which in turn is wholly-owned by Upbest Group Limited (“**Upbest Group**”). Upbest Credit and Mortgage, Upbest Strategic, Good Foundation, Upbest Financial and Upbest Group are all deemed to be interested in the security interest in the 82,078,125 Shares charged in favour of Gold-Face by virtue of the SFO.
- (4) Pursuant to the confirmatory deed in relation to parties acting in concert dated 20 July 2016 and signed by Mr. Phang Sun Wah and Mr. Pang Chong Yong, Mr. Phang Sun Wah and Mr. Pang Chong Yong are parties acting in concert (having the meaning ascribed to it under the Takeovers Code). As such, Mr. Phang Sun Wah and Mr. Pang Chong Yong will together control approximately 48.17% of the entire issued share capital of the Company.
- (5) Mr. Phang Sun Wah beneficially owns 100% of the issued share capital of Sun Wah Investments Limited. By virtue of the SFO, Mr. Phang Sun Wah is deemed to be interested in 37,626,125 Shares held by Sun Wah Investments Limited, representing approximately 14.97% of the entire issued share capital of the Company.
- (6) By virtue of the SFO, Mr. Phang Sun Wah is deemed to be interested in 140,000 Shares, being the interest beneficially held by his wife.
- (7) Ms. Chew Shi Moi is the spouse of Mr. Phang Sun Wah. Therefore, Ms. Chew Shi Moi is deemed to be interested in the Shares in which Mr. Phang Sun Wah is interested.
- (8) Ms. Low Poh Teng is the spouse of Mr. Pang Chong Yong. Therefore, Ms. Low Poh Teng is deemed to be interested in the Shares in which Mr. Pang Chong Yong is interested.
- (9) Included interests of share options granted under the share option scheme of the Company which was adopted by the Company on 21 October 2016.

Save as disclosed herein, as at 30 April 2021, the Directors were not aware of any person (other than the Directors and chief executive of the Company) who had an interest and short position in Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

During the six months ended 30 April 2021 and up to the date of this interim report, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in any business which were in competition or were likely to compete, either directly or indirectly with the Group's business which needs to be disclosed pursuant to Rule 8.10 of the Listing Rules.

SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme (the “**Share Option Scheme**”) prepared in accordance with Chapter 17 of the Listing Rules on 21 October 2016 for the primary purpose of providing incentives or rewards to eligible participants as defined in the Share Option Scheme to recognise and acknowledge their contribution to the Group and motivate them to higher levels of performance.



(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Company to grant options to the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of our Company or any subsidiary (including any director of our Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by our Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board (the “**Eligible Participants**”), has contributed or may contribute to our Group as incentive or reward for their contribution to our Group to subscribe for the Shares thereby linking their interest with that of our Group.

(b) Grant and acceptance of options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years after the adoption date of the Share Option Scheme to make an offer to any Eligible Participants as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine. An offer shall be made to an Eligible Participant in writing in such form as our Directors may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the same.

As at the date of this report, the Share Option Scheme has remaining life of approximately 5.5 years.

An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within 21 days from the date of offer or within such time as may be determined by the Board.

Any offer may be accepted by an Eligible Participant in respect of less than the total number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

(c) Subscription price of Shares

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of our Directors but in any event will not be less than the highest of (a) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.



(d) **Maximum number of Shares**

- (i) Subject to (ii) below, the maximum number of Shares in respect of which options may be granted at any time under the Share Option Scheme together with options which may be granted under any other share option schemes for the time being of our Company shall not in aggregate exceed such number of Shares as equals 10 per cent of the issued share capital of our Company at 11 November 2016 (the “**Scheme Mandate Limit**”) unless Shareholders’ approval has been obtained pursuant to the sub-paragraph immediately below. On the basis of a total of 250,000,000 Shares in issue as at 11 November 2016, the relevant limit will be 25,000,000 Shares which represent 10% of the issued Shares at 11 November 2016.

As at the date of this report, the total number of securities available for issue under the Share Option Scheme is 23,636,000 Shares which represent approximately 9.4% of the issued Shares as at the date of this report.

Our Company may seek approval by its Shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of Shares available for issue upon exercise of all options which may be granted under the Share Option Scheme and any other schemes of our Group must not exceed 10 per cent of the issued share capital of our Company at the date of approval of refreshing of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Group (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Our Company shall send a circular to the Shareholders containing the information required under the Listing Rules.

Our Company may authorise the Directors to grant options to specified Eligible Participants beyond the Scheme Mandate Limit if the grant of such options is specifically approved by the Shareholders in general meeting. In such case, the Company must send a circular to the Shareholders in connection with the general meeting at which their approval will be sought containing a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the option to be granted, the purpose of granting options to the specified Participants with an explanation as to how the terms of the options serve such purpose, the information and the disclaimer required under the Listing Rules and such further information as may be required by the Stock Exchange from time to time.

- (ii) The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Group must not exceed 30 per cent of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Group if this will result in the limit being exceeded.



- (iii) Unless approved by the Shareholders in the manner set out below, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent of the Shares in issue. Where any further grant of options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting. Our Company must send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant), and such information as may be required under the Listing Rules from time to time. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.
- (iv) The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto, our Directors shall make available sufficient of the then authorised but unissued share capital of our Company to allot the Shares on the exercise of any option.

(e) Exercise of options

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant.

Subject to terms of the Share Option Scheme, an option shall be exercisable in whole or in part in the circumstances by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for Shares in respect of which the notice is given. After receipt of the notice and the remittance and, where appropriate, receipt of the auditors' certificate, the Company shall within 30 days of the date upon which an option is effectively exercised (being the date of such receipt by the secretary of the Company) allot the relevant Shares to the grantee (or his personal representative(s)) credited as fully paid and instruct the relevant share registrar to issue to the grantee (or his personal representative(s)) a share certificate in respect of the Shares so allotted.

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, our Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as our Directors may determine in their absolute discretion.



On 26 January 2017, the Company granted a total of 5,000,000 share options (the “**Share Options**”) under the Share Option Scheme to subscribe for a total of 5,000,000 ordinary shares of the Company. The details of such grant of the Share Options are set out as follows:

Exercise price of Share Options granted: HK\$1.764 per share; as stated in the daily quotations sheet issued by the Stock Exchange, the closing price on the date of grant and the date immediately before the date of grant were HK\$1.74.

Validity period of the Share Options: Subject to the terms of the Share Option Scheme, the Share Options shall be exercisable in whole or in part within 5 years commencing on the date of grant.

Among the 5,000,000 Share Options granted, 1,160,000 share options were granted to the directors, chief executive or substantial shareholder of the Company, or any of their respective associate(s) (as defined in the Listing Rules) and has been approved by the independent non-executive directors of the Company pursuant to Rule 17.04(1) of the Listing Rules. The balancing 3,840,000 Share Options were granted to the employees of the Group located in Hong Kong and Malaysia.

The fair values of the Share Options granted under the Share Option Scheme were determined and measured using the Binomial Option Pricing Model on 26 January 2017. The significant inputs into the models were the exercise price shown above, expected volatility of 37.66%, expected dividend yields of 0%, expected option life of 5 years and risk free interest rates of 2.15% (with reference to the yield rates prevailing on Hong Kong Exchange Fund Notes with duration similar to the expected option life). As any changes in the subjective input assumptions can materially affect the fair value estimates, the valuation models for the Share Options granted do not necessarily provide a reliable single measure of the fair value of the Share Options. The related accounting policy for the fair value of the Share Options granted is disclosed in this Interim Report.

The variables and assumptions used in computing the fair value of the share options are based on the director’s best estimate. The value of an option varies with different variables of certain subjective assumptions.

A total of 5,000,000 share options were granted on 26 January 2017 under the Share Option Scheme and 2,106,000 share options remained outstanding as at 30 April 2021.

The table showing movements in the Company’s share options held by each of the director, chief executive or substantial shareholder of the Company, or any of their respective associate(s) (as defined in the Listing Rules) and the employees of the Company in aggregate granted under the Share Option Scheme of the Company during the six months ended 30 April 2021 is disclosed at note 14 to the condensed consolidated financial statement in this Interim Report.



CHANGE OF DIRECTORS AND SENIOR MANAGEMENT

With effect from 8 December 2020:

1. Ms. Phang Huey Shyan has resigned as an executive Director, the Chief Corporate Officer and an authorised representative as required under Rule 3.05 of Listing Rules (the “**Authorised Representative**”) of the Company; and
2. Mr. Pang Chong Yong has been appointed as the Authorised Representative of the Company.

With effect from 12 December 2020:

1. Ms. Chan Yuen Mui has resigned as the Company Secretary, an Authorised Representative of the Company and the authorised representative to accept service of process or notice on behalf of the Company in Hong Kong (the “**Process Agent**”) under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and
2. Mr. Yuen Wai Kin has been appointed as the Company Secretary, an Authorised Representative and the Process Agent of the Company.

With effect from 11 January 2021:

1. Mr. Phang Sun Wah has resigned as an executive Director, ceased to act as the Chairman of the Board and the chairman of the Nomination Committee; and
2. Mr. Pang Chong Yong, being an executive Director and the Chief Executive Officer, has been appointed as the Chairman of the Board and the chairman of the Nomination Committee in replacement of Mr. Phang Sun Wah.

With effect from 1 April 2021:

1. Mr. Yik Wai Peng has been appointed as an executive Director, the Chief Financial Officer and an Authorised Representative of the Company;
2. Mr. Pang Chong Yong has resigned as an Authorised Representative of the Company;
3. Mr. Pang Jun Jie has been appointed as an executive Director;
4. Ms. Wong Hiu Ping has resigned as an independent non-executive Director, and ceased to be a member of the Audit Committee, the Remuneration Committee and the Nomination Committee; and
5. Mr. Andrew Ling Yew Chung has been appointed as an independent non-executive Director, and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee in replacement of Ms. Wong Hiu Ping.



CHANGE IN INFORMATION OF DIRECTORS

Ms. Lee Kit Ying, being our independent non-executive Director, ceased to act as an independent non-executive director of China BlueChemical Ltd. (Stock code: 3983), whose issued shares are listed on the Main Board of the Stock Exchange, with effect from 27 May 2021.

Mr. Andrew Ling Yew Chung, being our independent non-executive Director, has been redesignated as an executive director of Advanced Packaging Technology (M) Bhd (Stock code: 9148), whose shares are listed on the Main Market of the Bursa Malaysia Securities Berhad, with effect from 1 June 2021.

Ms. Kwok Yuen Shan Rosetta, being our independent non-executive Director, acts as a member of the sub-committee on Proactive Management Based Regulation of the Law Society of Hong Kong since the beginning of 2021.

Save as disclosed above, as at the date of this interim report, there has been no change to the information of the Directors and chief executives which is required to be disclosed pursuant to the Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process and select external auditors and assess their independence and qualifications. The Audit Committee consists of three independent non-executive Directors with Mr. Huan Yean San as the chairman. Other members are Mr. Andrew Ling Yew Chung and Ms. Kwok Yuen Shan Rosetta.

The Audit Committee has reviewed the unaudited consolidated interim results and the interim report of the Company for the six months ended 30 April 2021 and agreed to the accounting principles and practices adopted by the Company.

PUBLICATION OF THE INTERIM REPORT

This interim report containing the Company’s information including the unaudited financial results for the six months ended 30 April 2021 is published on the Company’s website (www.gml.com.my) and the website of the Stock Exchange (www.hkex.com.hk).

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

25 June 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income



For the period ended 30 April 2021 (Expressed in United States Dollars)

		For the six months ended 30 April	
	<i>Note</i>	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Revenue	3	18,581	16,558
Cost of sales		(15,500)	(12,962)
Gross profit		3,081	3,596
Other revenue		104	43
Other net income		272	220
Selling and distribution expenses		(205)	(280)
Net allowance for impairment losses on trade receivable		(694)	(833)
General and administrative expenses		(2,344)	(1,962)
Profit from operations		214	784
Finance costs	4a	(321)	(260)
(Loss)/profit before taxation	4	(107)	524
Income tax	6	(7)	(246)
(Loss)/profit for the period attributable to the equity owners of the Company		(114)	278
Other comprehensive income/(loss) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		289	(739)
Total comprehensive income/(loss) for the period attributable to equity owners of the Company		175	(461)
(Loss)/earnings per share			
– Basic (US cents per share)	7	(0.05)	0.11
– Diluted (US cents per share)	7	(0.05)	0.11



Condensed Consolidated Statement of Financial Position

As at 30 April 2021 (Expressed in United States Dollars)

		As at 30 April 2021 (Unaudited) US\$'000	As at 31 October 2020 (Audited) US\$'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	8	7,509	7,591
Intangible assets		330	326
Interest in a joint venture		—	—
Deferred tax assets		427	220
		<u>8,266</u>	<u>8,137</u>
Current assets			
Inventories		17,461	19,276
Trade and other receivables	9	13,205	11,505
Tax recoverable		34	33
Pledged bank deposits	10	3,325	3,235
Cash and bank balances		353	1,929
		<u>34,378</u>	<u>35,978</u>
Current liabilities			
Trade and other payables	11	5,563	6,431
Contract liabilities		7,232	5,791
Bank borrowings	12	8,141	9,059
Bank overdrafts		2,923	2,561
Lease liabilities		214	305
		<u>24,073</u>	<u>24,147</u>
Net current assets		<u>10,305</u>	<u>11,831</u>
Total assets less current liabilities		<u>18,571</u>	<u>19,968</u>
Non-current liability			
Lease liabilities		96	48
		<u>96</u>	<u>48</u>
Net assets		<u>18,475</u>	<u>19,920</u>
Capital and reserves			
Share capital		324	324
Reserves		18,151	19,596
Total equity attributable to owners of the Company		<u>18,475</u>	<u>19,920</u>

Condensed Consolidated Statement of Changes in Equity



For the six months ended 30 April 2021 (Expressed in United States Dollars)

	Attributable to equity owners of the Company						
	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	Exchange reserve US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
At 1 November 2019 (Audited)	324	9,279	679	(337)	223	9,422	19,590
Profit for the period	-	-	-	-	-	278	278
Other comprehensive (loss) for the period							
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	(739)	-	-	(739)
Total comprehensive (loss) for the period	-	-	-	(739)	-	278	(461)
At 30 April 2020 (Unaudited)	324	9,279*	679*	(1,076)*	223*	9,700*	19,129
At 1 November 2020 (Audited)	324	9,279	679	(424)	212	9,850	19,920
Loss for the period	-	-	-	-	-	(114)	(114)
Other comprehensive income for the period							
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	289	-	-	289
Total comprehensive income for the period	-	-	-	289	-	(114)	175
Lapse of share option	-	-	-	-	(52)	52	-
Dividend paid	-	(1,620)	-	-	-	-	(1,620)
At 30 April 2021 (Unaudited)	324	7,659*	679*	(135)*	160*	9,788*	18,475

* These reserve accounts comprise consolidated reserves of approximately US\$18,151,000 (2020: US\$18,805,000) in the condensed consolidated statement of financial position.



Condensed Consolidated Statement of Cash Flows

For the six months ended 30 April 2021 (Expressed in United States Dollars)

	For the six months ended	
	30 April	
	2021	2020
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Net cash generated from operating activities	1,341	1,579
Investing activities		
Interest received	44	41
Proceeds from disposal of property, plant and equipment	15	–
Payment for purchase of plant and equipment	(108)	(46)
Net cash (used in) investing activities	(49)	(5)
Financing activities		
Increase in pledged bank deposits	(44)	(599)
Proceeds from bank borrowings	9,555	10,953
Repayment of bank borrowings	(10,591)	(13,291)
Repayment of lease liabilities	(173)	(160)
Dividend paid	(1,620)	–
Interest expenses	(321)	(260)
Net cash (used in) financing activities	(3,194)	(3,357)
Net (decrease) in cash and cash equivalents	(1,902)	(1,783)
Effects of foreign exchange translation	(36)	(45)
Cash and cash equivalents at beginning of the period	(632)	2,284
Cash and cash equivalents at the end of the period	(2,570)	456
Cash and cash equivalents at the end of the period, represented by		
Cash and bank balances	353	1,871
Bank overdrafts	(2,923)	(1,415)
	(2,570)	456



1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 21 June 2016 and its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 11 November 2016.

The principal activity of the Company is investment holding. The Group is principally engaged in assembling and selling of aluminium and steel buses and manufacturing bus bodies. As at 30 April 2021, the directors consider that the Company is ultimately controlled by Mr. Phang Sun Wah and Mr. Pang Chong Yong (the “**Controlling shareholders**”).

The address of the registered office and principal place of business of the Company is disclosed in the section of corporate information of the interim report.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The condensed consolidated financial statements for the six months ended 30 April 2021 comprises the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in a joint venture.

The condensed consolidated financial statements have been prepared in accordance with HKAS 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial statements have been prepared on a going concern basis as at 30 April 2021, as the directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration the ability to generate funds internally.

The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 October 2020.

Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 April 2021 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 31 October 2020.



2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

Application of amendments

In the current interim period, the Group has applied, for the first time, the following new, amendments and interpretation to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

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 HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

The principal activities of the Group are sales of bus bodies, trading of body kits and spare parts for buses and the provision of relevant services.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products and services is as follows:

	Six months ended 30 April	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Revenue from contracts with customers within the scope of HKFRS15		
Disaggregated by major products or services		
– Sales of bus bodies and kits	15,948	15,406
– Sales of parts and provision of relevant services	2,633	1,152
	18,581	16,558



3. REVENUE AND SEGMENT REPORTING (continued)

(a) Disaggregation of revenue (continued)

Disaggregated by geographical location

	Six months ended 30 April	
	2021	2020
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Malaysia (place of domicile)	4,732	155
Singapore	8,274	11,807
Hong Kong	140	966
Australia	3,909	220
United Arab Emirates	–	3,168
Others	1,526	242
	18,581	16,558

(b) Segment reporting

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 of directors of the Company, being the chief operating decision maker (the “CODM”), for the purpose of allocating resources to segments and assessing their performance.

For management purpose, 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



3. REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

Segment profit/(loss) represents the profit/(loss) 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 operating and reportable segments for both periods:

For the six months period ended 30 April 2021

	Sales of bus bodies and kits (Unaudited) US\$'000	Sales of parts and provision of relevant services (Unaudited) US\$'000	Total (Unaudited) US\$'000
Revenue from external customers recognised at a point in time	15,948	2,633	18,581
Reportable segment revenue	15,948	2,633	18,581
Reportable segment profit/(loss)	(42)	242	200
Unallocated head office and corporate expenses:			
– Other expenses			(362)
Other revenue			104
Other net income			272
Finance costs			(321)
Loss before income tax			(107)



3. REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

For the six months period ended 30 April 2020

	Sales of bus bodies and kits (Unaudited) US\$'000	Sales of parts and provision of relevant services (Unaudited) US\$'000	Total (Unaudited) US\$'000
Revenue from external customers recognised at a point in time	15,406	1,152	16,558
Reportable segment revenue	15,406	1,152	16,558
Reportable segment profit	793	38	831
Unallocated head office and corporate expenses:			
– Other expenses			(310)
Other revenue			43
Other net income			220
Finance costs			(260)
Profit before income tax			524



4. (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 April	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Interest expenses on bank and other borrowings	313	243
Interest expenses on lease liabilities	8	17
Total interest expenses on financial liabilities not at fair value through profit or loss	<u>321</u>	<u>260</u>

(b) Staff costs (including directors' emoluments)

	Six months ended 30 April	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Salaries, wages and other benefits	1,731	1,459
Contributions to defined contribution retirement plans	179	234
	<u>1,910</u>	<u>1,693</u>

(c) Other items

	Six months ended 30 April	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Cost of inventories*	15,500	12,962
Depreciation charges		
– owned property, plant and equipment	252	227
– right-of-use assets	164	194
Net allowance for impairment losses on trade receivable	694	833
Net foreign exchange (gain)	(272)	(220)
Short-term lease expense	60	139
	<u>15,500</u>	<u>12,962</u>

* Cost of inventories included provision of slow-moving inventory of approximately US\$332,000 (2020: nil).



5. DIVIDEND

The final dividend and special dividend in respect of the year ended 31 October 2020 of HK\$0.01 per share and HK\$0.04 per share (31 October 2019: nil), totalling approximately US\$1,620,000 was paid in April 2021. The Directors do not recommend the payment of an interim dividend for the six months ended 30 April 2021 (2020: nil).

6. INCOME TAX

Income tax in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 April	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Current tax		
Charge for the period	211	283
Deferred tax		
Origination and reversal of temporary differences	(204)	(37)
Income tax expense	7	246

- (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) During the six months period ended 30 April 2021, GML Coach Technology Pte. Ltd. is subject to Singapore statutory income tax rate of 17% (2019:17%).
- (iii) During the six months period ended 30 April 2021, Gemilang Coachwork Sdn. Bhd. is subject to Malaysia statutory income tax rate of 24% (2019: 24%).



7. (LOSS)/EARNINGS PER SHARE

	Six months ended 30 April	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
(Loss)/Earnings		
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	(114)	278
Number of shares	Six months ended 30 April	
	2021 (Unaudited)	2020 (Unaudited)
Weighted average number of issued ordinary shares at 1 November for the purpose of basic (loss)/earnings per share	251,364,000	251,364,000
Effect of dilutive potential ordinary shares:		
Share options	—	—
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	251,364,000	251,364,000

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the period of approximately US\$114,000 (2020: profit of approximately US\$278,000) and the weighted average of 251,364,000 ordinary shares (2020: 251,364,000 shares).

Diluted (loss)/earnings per share

For the six months period ended 30 April 2021, diluted loss per share equal basic loss per share as the exercise of the outstanding share options would be anti-dilutive.

For the six months period ended 30 April 2020, the calculation 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 reporting period.



8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE-ASSETS

Property, plant and equipment

During the six months period ended 30 April 2021, the Group acquired certain property, plant and equipment with a cost of approximately US\$89,000 (unaudited) (2020: approximately US\$46,000 (unaudited)). During the six months period ended 30 April 2021, the Group recorded a gain on disposal of property, plant and equipment of approximately US\$15,000 (unaudited) (2020: nil (unaudited)).

Right-of-use assets

During the six months period ended 30 April 2021, the Group entered into a number of new leasing arrangements for properties leased for own use and motor vehicles of approximately US\$54,000 (unaudited) and approximately US\$84,000 (unaudited), respectively (2020: nil (unaudited)).

9. TRADE AND OTHER RECEIVABLES

	At 30 April 2021 (Unaudited) US\$'000	At 31 October 2020 (Audited) US\$'000
Trade receivables	14,456	14,751
Less: allowance for impairment losses	(5,069)	(4,308)
	9,387	10,443
Deposits, prepayments and other receivable	3,818	1,062
	13,205	11,505

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



9. TRADE AND OTHER RECEIVABLES (continued)

Ageing analysis of trade receivables

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

	At 30 April 2021 (Unaudited) US\$'000	At 31 October 2020 (Audited) US\$'000
Within 30 days	4,715	5,728
31 to 90 days	2,648	1,860
Over 90 days	2,024	2,855
	9,387	10,443

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

10. PLEDGED BANK DEPOSITS

	At 30 April 2021 (Unaudited) US\$'000	At 31 October 2020 (Audited) US\$'000
Fixed deposits	3,325	3,235

Pledged bank deposits have been pledged to banks as security for banking facilities granted to the Group.



11. TRADE AND OTHER PAYABLES

	At 30 April 2021 (Unaudited) US\$'000	At 31 October 2020 (Audited) US\$'000
Trade payables	4,898	5,216
Other payables and accruals	665	1,215
	5,563	6,431

Ageing analysis of trade payables

The ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 April 2021 (Unaudited) US\$'000	At 31 October 2020 (Audited) US\$'000
Within 30 days	3,333	4,831
31 to 90 days	728	241
Over 90 days	837	144
	4,898	5,216



12. BANK BORROWINGS

During the current interim period, the Group obtained new bank borrowings amounting to US\$9,555,000 (unaudited) (31 October 2020: US\$19,628,000 (audited)).

Bank borrowings are secured by:

- (i) Legal charges over freehold land and buildings of the Group;
- (ii) Deposits with licensed banks of the Group; and
- (iii) Execution of Deed of Assignment of benefits of contract proceeds and power of attorney by certain customers in respect of contract financed by the bank.

13. SHARE CAPITAL

Ordinary Shares of HK\$0.01 each

Authorised:

	No. of shares	Amount <i>US\$'000</i>
At 1 November 2019, 31 October 2020 and 30 April 2021	2,000,000,000	2,581

Issued and fully paid:

	No. of shares	Amount <i>US\$'000</i>
At 31 October 2020 and 30 April 2021	251,364,000	324



14. SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was adopted by the Company on 21 October 2016 for the primary purpose of providing incentives to eligible participants which will expire on 20 October 2026. Under the Scheme, the board of directors of the Company may grant options to the eligible participants, including employees, advisors, consultants, service providers, agents, customers, partners or joint-venture partners of the Group, to subscribe for shares in the Company.

The maximum number of shares in respect of which options may be granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Company must not in aggregate exceed 10% of the shares of the Company in issue of 250,000,000 shares as at the date of Listing (the “**Scheme Mandate Limit**”). The Company may seek approval of the shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of shares available for issue upon exercise of all options which may be granted under the Scheme and any other schemes of the Company shall not exceed 10% of the shares of the Company in issue at the date of approval of refreshing of the Scheme Mandate Limit. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issued from time to time.

Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1.00. The subscription price is determined by the board of directors of the Company, and shall not be less than the highest of (i) the closing price of the Company’s shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Company’s shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s shares on the date of grant.



14. SHARE OPTION SCHEME (continued)

A total of 5,000,000 share options (each share option will entitle the holder of the share option to subscribe for one new ordinary share of HK\$0.01 each) were granted on 26 January 2017 under the Scheme and 2,106,000 share options remained outstanding as at 30 April 2021. The closing price of the shares of the Company of the date of grant of share options was HK\$1.74. The option's fair value of approximately US\$379,000 was measured at grant date using the Binomial Option Pricing Model. For the year ended 31 October 2017, an amount of US\$379,000 was recognised as employee costs with corresponding increase in share option reserve within equity.

The terms and conditions, number, exercise prices of share options and particulars of outstanding share options granted on 26 January 2017 under the Scheme are as follows:

	Outstanding as at 1 November 2019	Lapsed during the period	Exercised during the period	Outstanding as at 31 October 2020	Lapsed during the period	Exercised during the period	Outstanding as at 30 April 2021	Exercise price per share (HK\$)	Vesting date	Exercised period
Directors										
Mr. Pang Chong Yong	250,000	-	-	250,000	-	-	250,000	1.764	Immediately vested	Within 5 years from grant date
Mr. Pang Sun Wah ¹	250,000	-	-	250,000	(250,000)	-	-	1.764	Immediately vested	Within 5 years from grant date
Ms. Phang Huey Shyan ²	250,000	-	-	250,000	(250,000)	-	-	1.764	Immediately vested	Within 5 years from grant date
Employees										
Mr. Pang Ah Hoi ³	50,000	(50,000)	-	-	-	-	-	1.764	Immediately vested	Within 5 years from grant date
Ms. Pang Yok Moy ⁴	38,000	-	-	38,000	-	-	38,000	1.764	Immediately vested	Within 5 years from grant date
Other employees	2,104,000	(98,000)	-	2,006,000	(188,000)	-	1,818,000	1.764	Immediately vested	Within 5 years from grant date
	<u>2,942,000</u>	<u>(148,000)</u>	<u>-</u>	<u>2,794,000</u>	<u>(688,000)</u>	<u>-</u>	<u>2,106,000</u>			
Weighted average exercise price (HK\$)	<u>1.764</u>	<u>1.764</u>	<u>1.764</u>	<u>1.764</u>	<u>1.764</u>	<u>1.764</u>	<u>1.764</u>			

- Mr. Pang Sun Wah resigned as an executive director of the Company and ceased to act as the Chairman of the board on 11 January 2021.
- Ms. Phang Huey Shyan resigned as an executive director of the Company on 8 December 2020.
- The father of Mr. Pang Chong Yong and employee of the Group.
- The sister of Mr. Pang Chong Yong and employee of the Group.
- Save as disclosed above, none of the option holder of the outstanding share options granted under the Scheme is a director, chief executive or substantial shareholder of the Company, or any of their respective associate(s) (as defined in the Listing Rules).



14. SHARE OPTION SCHEME (continued)

The terms and conditions, number, exercise prices of share options and particulars of outstanding share options granted on 26 January 2017 under the Scheme are as follows: (continued)

No share option has been exercised during the six months period ended 30 April 2021 and 30 April 2020. The weighted average remaining contractual life of the share options outstanding at 30 April 2021 was approximately 0.75 years (31 October 2020: approximately 1.25 years).

Pursuant to the rules of the share option scheme, the options will lapse when the grantee ceases to be an employee of the Group for reasons other than death, ill-health or retirement.

15. CAPITAL COMMITMENTS

As at 30 April 2021, the Group had capital commitments in relation to capital contribution of approximately US\$232,000 (equivalent to RMB1,500,000) (31 October 2020: approximately US\$224,000) to the joint venture company, 上海北鋁汽車科技有限公司 (“上海北鋁”). The amount of registered capital of 上海北鋁 shall be RMB3,000,000 which the Group and the venture partner, 上海北斗新能源有限公司, shall contribute the capital equally pursuant to the terms of the joint venture agreement. As at 30 April 2021, no capital has been contributed by the Group.



16. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

Name of party	Relationship with the Group
SW Excel Tech Engineering Sdn. Bhd.	A company controlled by close family members of a director
P&P Excel Car Air-Conditioning Sdn. Bhd.	A company controlled by close family members of a director
P&P Excel Tech Engineering Sdn. Bhd.	A company controlled by close family members of a director
CP Excel Auto Tech Pte. Ltd.	A company controlled by close family members of a director
Sun Wah Property Management Sdn. Bhd. (Formerly known as GML Technologies Sdn. Bhd.)	A company controlled by Controlling shareholders

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors, is as follows:

	Six months period ended 30 April	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Short-term employee benefits	801	729
Post-employment benefits	79	122
	880	851



16. RELATED PARTY TRANSACTIONS (continued)

(b) Financing arrangements with related parties

As at 30 April 2021, the Group has the following balances with related parties:

	Notes	At 30 April 2021 (Unaudited) US\$'000	At 31 October 2020 (Audited) US\$'000
Amounts due from/(to) related companies			
– CP Excel Auto Tech Pte. Ltd.	(i), (ii)	14	14
– P&P Excel Car Air-Conditioning Sdn. Bhd.	(i), (ii)	5	6
– P&P Excel Tech Engineering Sdn. Bhd.	(i), (ii)	(4)	(26)
– SW Excel Tech Engineering Sdn. Bhd.	(i), (ii)	15	14
– Sun Wah Property Management Sdn. Bhd.	(i), (ii)	(40)	48
		(10)	56

Notes:

- (i) The outstanding with these parties are unsecured, interest-free and repayable on demand.
- (ii) The outstanding balance is included in trade and other receivables (Note 9) and trade and other payables (Note 11).



16. RELATED PARTY TRANSACTIONS (continued)

(c) Other related party transactions

- (i) During the six months periods ended 30 April 2021 and 2020, the Company entered into the following material related party transactions:

Continuing transactions

	Six months period ended 30 April	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Purchases of parts and services		
– P&P Excel Tech Engineering Sdn. Bhd.	100	134
Repair and maintenance service		
– P&P Excel Car Air-Conditioning Sdn. Bhd.	12	–
Lease expenses		
– Sun Wah Property Management Sdn. Bhd. (Note)	145	148

Note:

During the six months period ended 30 April 2021, lease expenses comprised of depreciation charge of right-of-use assets and interest on lease liabilities amounting to approximately US\$138,000 (2020: US\$134,000) and approximately US\$7,000 (2020: US\$14,000), respectively. The right-of-use assets and liabilities as at 30 April 2021 were approximately US\$161,000 (30 April 2020: US\$415,000) and approximately US\$167,000 (30 April 2020: US\$421,000), respectively.



17. CONTINGENT LIABILITIES

Performance bonds

	At 30 April 2021 (Unaudited) US\$'000	At 31 October 2020 (Audited) US\$'000
Performance bonds for contracts in favour of customers	4,730	5,830

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 in 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.

18. UPDATE ON LITIGATION

In April 2018, Gemilang Coachwork Sdn. Bhd. ("**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 had supplied and delivered an aggregate of one hundred and fifty (150) units of eco-range aluminium superstructure body kits and had supplied and assembled one (1) unit of bus prototype to the said customer. 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) remained due and outstanding.



18. UPDATE ON LITIGATION (continued)

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 the 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 winding up order and the debt will be repaid according to the debt security. As at the date of this report, 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.