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## **Gemilang International Limited**

**彭順國際有限公司**

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

**(Stock Code: 6163)**

### **PROFIT WARNING AND LITIGATION**

#### **PROFIT WARNING**

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on a preliminary assessment by the Company’s management of the unaudited consolidated management accounts of the Group and other information currently available, the Group is expected to record a net loss for the six months ending 30 April 2018 (the “**Interim Period**”) as compared to a net profit for the corresponding period in 2017.

Based on the information currently available to the Company, the Board believes that the expected net loss for the Interim Period is primarily attributable to: (i) an increase in selling and distribution expenses which was mainly attributable to the increase in sales commission expenses incurred in connection with sales of buses in the Australian market; and (ii) a substantial decrease in the revenue of the Group.

As the Interim Period has not yet ended, the information contained in this announcement is only based on a preliminary assessment by the Company’s management of the unaudited consolidated management accounts of the Group and other information currently available, which have not been reviewed or audited by the auditors of the Company, and is subject to possible adjustments arising from further review. The unaudited interim results of the Group for the Interim Period will be announced before the end of June 2018.

## LITIGATION

In April 2018, Gemilang Coachwork Sdn. Bhd. (“**Gemilang Coachwork**”), a wholly owned subsidiary of the Company, issued a writ against a Malaysian customer and its holding company, (collectively, the “**Defendants**”) in the High Court of Malaya at Johor Bahru, requiring, among other things, the Defendants to repay the sum of approximately MYR10,884,624 for the goods supplied and delivered by Gemilang Coachwork.

In February 2016 and August 2016, Gemilang Coachwork entered into two supplier letters of acceptance with the said customer, pursuant to which Gemilang Coachwork would supply and deliver an aggregate of one hundred and fifty (150) units of eco-range aluminium superstructure body kits and supply and assemble one (1) unit of bus prototype. As at the date on which Gemilang Coachwork issued the writ, despite effort paid to recover the debt, the outstanding amount of approximately MYR10,884,624 had not been paid to Gemilang Coachwork’s account.

As the case has not yet been heard by the court, the Company is currently unable to estimate the impact of the litigation on the profit or loss of the Company for the Interim Period and for the year ending 31 October 2018. The Company will provide further information as and when appropriate in accordance with the Listing Rules.

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

By order of the Board  
**Gemilang International Limited**  
**Phang Sun Wah**  
*Chairman*

18 April 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.*