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Gemilang International Limited

彭順國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6163)

PROFIT WARNING

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the management of the Company and a preliminary review and assessment of the Group’s latest unaudited consolidated management accounts (the “**Management Accounts**”) for the six months ended 30 April 2021 (the “**Reporting Period**”), an unaudited consolidated loss attributable to equity owners of the Company of approximately US\$0.1 million is expected for the Reporting Period compared with a modest unaudited consolidated profit attributable to equity owners of the Company of approximately US\$0.3 million for the corresponding period in 2020.

The expected decline for the Reporting Period is primarily due to (i) the increase in provision for slow-moving inventories of approximately US\$0.3 million; and (ii) the increase in general and administrative expenses of approximately US\$0.4 million mainly due to an increase in short term employee benefits and legal and professional expenses of the Group, which were partially offset by (a) the decrease in net allowance for impairment losses on trade receivables by approximately US\$0.1 million; and (b) the decrease in tax expenses mainly due to recognition of deferred tax assets arising from the provisions for impairment losses on trade receivables and inventories.

During the Reporting Period, the economic slow-down and epidemic control measures associated with the Covid-19 pandemic inevitably affected the operations of the Group. The management of the Group shall continue to cautiously monitor the financial position of the Group for ensuring operating cashflow sufficiency and react promptly on the latest development of the Covid-19 pandemic and the risks and uncertainties faced by the Group.

As the Company is still in the course of finalising its interim results for the Reporting Period, the information contained in this announcement is only based on a preliminary review and assessment of the Management Accounts and other information currently available, which have not been reviewed, confirmed or audited by the auditors of the Company or reviewed by the audit committee of the Company as at the date of this announcement, and is subject to possible adjustments arising from further review. The unaudited interim results of the Group for the Reporting Period are presently scheduled to be announced before the end of June 2021, in accordance with the Listing Rules.

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

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

11 June 2021

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