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Bortex Global Limited

濠亮環球有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8118)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 JANUARY 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Bortex Global Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

* For identification purposes only

THIRD QUARTERLY RESULTS

FINANCIAL HIGHLIGHTS

- Based on the unaudited condensed consolidated financial results of the Group for the nine months ended 31 January 2018, the Group's revenue for the nine months ended 31 January 2018 was approximately HK\$117.4 million, representing an increase of approximately 24.4% as compared to approximately HK\$94.4 million for the corresponding period in 2017.
- During the nine months ended 31 January 2018, the Group's gross profit was approximately HK\$33.8 million, representing an increase of approximately 16.2% as compared to approximately HK\$29.1 million for the corresponding period in 2017.
- During the nine months ended 31 January 2018, the Group's profit for the Period was approximately HK\$7.5 million. For the nine months ended 31 January 2018 and 2017, the one-off listing expenses were approximately HK\$9.8 million and HK\$4.3 million respectively. Excluding the one-off listing expenses, the Group's adjusted net profit for the nine months ended 31 January 2018 and 2017 amounted to approximately HK\$17.3 million and HK\$12.2 million respectively. After the exclusion of the one-off listing expenses, the increase in the adjusted net profit was approximately 41.8%.
- The Board has resolved not to declare an interim dividend for the nine months ended 31 January 2018. (2017: Nil)

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated financial results of our Company and its subsidiaries (collectively, the “**Group**”) for the nine months ended 31 January 2018 (the “**Period**”), together with the comparative figures for the corresponding period in 2017, as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	<i>Notes</i>	For the three months ended		For the nine months ended	
		31 January	2017	31 January	2017
		2018	2017	2018	2017
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	6	39,937	24,092	117,367	94,381
Cost of sales		(28,954)	(16,838)	(83,557)	(65,326)
Gross profit		10,983	7,254	33,810	29,055
Other income and gain		164	42	345	112
Selling and distribution expenses		(850)	(708)	(2,648)	(3,479)
Administrative expenses		(12,851)	(3,197)	(19,826)	(12,999)
Finance costs		(527)	(819)	(1,442)	(1,928)
(Loss)/profit before taxation	7	(3,081)	2,572	10,239	10,761
Taxation	9	–	(520)	(2,715)	(2,801)
(Loss)/profit for the period		(3,081)	2,052	7,524	7,960
Other comprehensive income for the period, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Change in fair value of available- for-sale financial assets		23	2	239	137
Exchange differences on translation of foreign operations		2,279	(194)	2,749	(692)
Other comprehensive income/(loss) for the period, net of tax		2,302	(192)	2,988	(555)
Total comprehensive (loss)/income for the period		(779)	1,860	10,512	7,405

	<i>Notes</i>	For the three months ended		For the nine months ended	
		31 January		31 January	
		2018	2017	2018	2017
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss)/profit for the period attributable to equity owners of the Company		<u>(3,081)</u>	<u>2,052</u>	<u>7,524</u>	<u>7,960</u>
Total comprehensive (loss)/income for the period attributable to equity owners of the Company		<u>(779)</u>	<u>1,860</u>	<u>10,512</u>	<u>7,405</u>
(Loss)/earnings per share attributable to equity owners of the Company					
Basic and diluted (HK cents)	10	<u>(0.87)</u>	<u>0.68</u>	<u>2.12</u>	<u>2.65</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 January 2018

	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Available- for-sale financial asset reserve HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 May 2016 (audited)	-	-	(350)	620	1	30,032	30,303
Profit for the period	-	-	-	-	-	7,960	7,960
Change in fair value of available- for-sale financial assets	-	-	-	137	-	-	137
Exchange differences on translation of foreign operations	-	-	(692)	-	-	-	(692)
Total comprehensive (loss)/income for the period	-	-	(692)	137	-	7,960	7,405
At 31 January 2017 (unaudited)	-	-	(1,042)	757	1	37,992	37,708
At 1 May 2017 (audited)	-	-	(1,010)	476	1	46,093	45,560
Profit for the period	-	-	-	-	-	7,524	7,524
Change in fair value of available- for-sale financial assets	-	-	-	239	-	-	239
Exchange differences on translation of foreign operation	-	-	2,749	-	-	-	2,749
Total comprehensive income for the period	-	-	2,749	239	-	7,524	10,512
Issue of shares under the capitalisation	3,000	(3,000)	-	-	-	-	-
Issue of shares under the public offer	2,000	58,000	-	-	-	-	60,000
Transaction costs attributable to issues of shares	-	(13,099)	-	-	-	-	(13,099)
At 31 January 2018 (unaudited)	5,000	41,901	1,739	715	1	53,617	102,973

NOTE TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in Cayman Islands as an exempted company with limited liability on 30 January 2014 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office is located at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Unit H, 7th Floor, King Palace Plaza, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company's issued shares have been listed on GEM of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") since 16 November 2017.

The Company is an investment company. The Group is principally engaged in trading and manufacturing of LED lighting products.

2. REORGANISATION

The companies comprising the Group underwent the reorganisation in preparation for listing of the Shares (the "**Share**") on GEM pursuant to which the Company became the ultimate holding company of the Group. The reorganisation involved the following steps:

Incorporation of the Company

On 30 January 2014, the Company was incorporated with an authorized share capital of HK\$380,000 divided into 38,000,000 Shares whereby one Share was allotted and issued fully paid to the subscriber on incorporation and was transferred to Mr. Shiu Kwok Leung ("**Mr. Shiu**") for cash at par.

Transfer of 1 Share from Mr. Shiu to Real Charm

On 24 October 2017, Mr. Shiu transferred one Share to Real Charm for cash at par. Real Charm, which was incorporated in the BVI on 29 October 2013, is wholly and beneficially owned by Mr. Shiu.

Acquisition of Harvest Mount Global Enterprises Limited ("Harvest Mount**") by the Company**

On 24 October 2017:

- (a) The authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 9,962,000,000 Shares.
- (b) Mr. Shiu and Multi Tech Creation Limited ("**Multi Tech**") as vendors and warrantors and the Company as purchaser entered into the Sale and Purchase Agreement pursuant to which the Company acquired the entire issued share capital of Harvest Mount from Mr. Shiu and Multi Tech and in consideration and in exchange for which, the Company allotted and issued 7,799 and 2,200 Shares, credited as fully paid, to Real Charm (at the direction of Mr. Shiu) and Multi Tech, respectively.

3. BASIS OF PREPARATION

The unaudited condensed consolidated financial statement for the nine months ended 31 January 2018 of profit or loss with other comprehensive income have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

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

The unaudited condensed consolidated financial statements have not been audited by our Company’s independent auditor but have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and were approved for issue by the Board on 8 March 2018.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the quarterly financial information for the nine months ended 31 January 2018 are the same as those followed in the preparation of the combined financial statements of the Group for the year ended 30 April 2017.

5. SEGMENT REPORT

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group’s chief operating decision maker in order to allocate resources and assess performance of the segment. During the nine months ended 31 January 2018, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each product line or geographical area and the executive directors reviewed the financial result of the Group as a whole report under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in designing, manufacturing and trading of LED lighting products. The executive directors allocate resources and assess performance on an aggregate basis. Accordingly, no operating segment is presented.

Geographical information

The Group’s revenue from external customers is divided into the following geographical areas:

	For the three months ended		For the nine months ended	
	31 January		31 January	
	2018	2017	2018	2017
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Canada	278	–	30,971	33,891
Taiwan	–	5,080	4,064	21,837
The US	434	542	16,773	6,893
The PRC, excluding Hong Kong	7,578	15,549	28,950	25,961
Hong Kong	30,487	533	30,895	616
Others (note)	1,160	2,388	5,714	5,183
	<u>39,937</u>	<u>24,092</u>	<u>117,367</u>	<u>94,381</u>

Note: Others include the United Kingdom, Japan, Italy, Denmark and France.

6. REVENUE

Revenue, which is also the Group's turnover, represent the revenue generated by trading and manufacturing of LED decorative lighting products and LED luminaire lighting products, net of return, discounts and sales related taxes, during the nine months ended 31 January 2018, and 2017.

	For the three months ended 31 January		For the nine months ended 31 January	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
LED decorative lighting	38,710	5,395	99,698	52,993
LED luminaire lighting	1,227	18,697	17,669	41,388
	<u>39,937</u>	<u>24,092</u>	<u>117,367</u>	<u>94,381</u>

7. (LOSS)/PROFIT BEFORE TAXATION

	For the three months ended 31 January		For the nine months ended 31 January	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss)/profit for the period has been arrived at after charging:				
Auditors' remuneration	—	—	200	—
Cost of inventories recognised as an expense	28,954	16,838	83,557	65,326
Depreciation of property, plant and equipment	922	583	1,790	1,805
Employee benefit expenses (including directors' emoluments)	2,882	2,633	10,772	9,162
Minimum lease payments under operating leases	806	459	2,486	2,383
Listing expenses	8,740	29	9,758	4,265
Foreign exchange (gains)/losses	(734)	837	(1,220)	1,309
Research and development expenses	<u>6</u>	<u>45</u>	<u>39</u>	<u>84</u>

8. DIVIDENDS

No dividends were paid, declared or proposed during the reporting period (nine months ended 31 January 2017: HK\$4,000,000).

The Directors of the Company have determined that no dividend will be paid in respect of the reporting period (nine months ended 31 January 2017: nil).

9. TAXATION

	For the three months ended 31 January 2018 HK\$'000 (unaudited)		For the nine months ended 31 January 2018 HK\$'000 (unaudited)	
	2017 HK\$'000 (unaudited)		2017 HK\$'000 (unaudited)	
Current tax:				
The PRC	–	179	1,077	430
Hong Kong	–	351	1,640	2,392
	–	530	2,717	2,822
Deferred tax	–	(10)	(2)	(21)
Total taxation	–	520	2,715	2,801

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) for each of the assessable profit for the period ended.

The PRC

The PRC Enterprise Income Tax (“**PRC EIT**”) is calculated at the applicable tax rates in accordance with the relevant laws and regulations in the PRC.

Under the PRC Enterprise Income Tax Law (the “**EIT Law**”) and Implementation Regulations of the EIT Law, the tax rate of a PRC subsidiary is 25% from 1 January 2008 onwards.

10. (LOSS)/EARNINGS PER SHARE

	For the three months ended 31 January 2018 HK\$'000 (unaudited)		For the nine months ended 31 January 2018 HK\$'000 (unaudited)	
	2017 HK\$'000 (unaudited)		2017 HK\$'000 (unaudited)	
(Loss)/Earnings				
(Loss)/Earnings for the purposes of basic and diluted earnings per share, profit for the period attributable to equity owners of the Company	(3,081)	2,052	7,524	7,960
Number of shares	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	355,273	300,000	355,273	300,000

11. CAPITAL COMMITMENTS

As at 31 January 2018, the Group has no commitment (as at 30 April 2017: nil) in respect of the acquisition of property, plant and equipment contracted for but not provided in the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Bortex Global Limited is an expanding manufacturer and exporter of LED lighting products with a production plant located in Dongguan, Guangdong Province, the People's Republic of China (the “**PRC**”). It is principally engaged in the manufacturing and selling of quality LED lighting products to customers in North America, Europe and the Asia Pacific region.

During the period, the Group continued to execute effectively its strategies on both decorative and luminaire lighting series. Through the collaborations with importers and professional lighting decorators, the Group managed to broaden its product portfolio and strengthen income momentum. With solid foundation, the Group is prepared for a rapid business development and will further enhance its market position.

Looking ahead, the Directors are of the view that as the standard of living continues to improve, the demand for smart lighting will increase. Companies responding to this trend by offering differentiated high quality products with sales channels advantages will become tomorrow's market leaders. The Directors are confident that smart lighting solutions have tremendous growth potential that can translate into higher profits for the Group.

To seize these opportunities, the Group will expand its mobile phone applications linked LED decorative lighting products (the “**Smart Light**”) portfolio by introducing three new product versions developed to specifically address clients' needs. These new additions to the portfolio are designed to bring convenience to users of different ages and this product series is expected to achieve significant growth and make a sizeable contribution to the Group's revenue in the coming years. The Group will also continue to improve automation and thereby enhance production efficiency of LED decorative lighting products through the new automated production line which has begun operation in the first quarter of 2018. The Group will continue to undertake efforts to upgrade its production facilities, expand production capacity, and strive for better quality control, thereby enhancing production stability and product reliability. In terms of internal management and human resources, the Group will strengthen its sales force and sales channels, as well as its engineering and product development department, in order to boost its overall business performance.

Moving forward, the Group is actively reaching out to potential clients in Mexico of Latin America and Europe, both of which had generated positive responses. The Group has also identified new business opportunities emerging in the PRC, USA and European markets and is gearing up to expand its business in strong strides in the future.

FINANCIAL REVIEW

Revenue

During the nine months ended 31 January 2018, our Group generated a revenue of approximately HK\$117.4 million (nine months ended 31 January 2017: approximately HK\$94.4 million), representing an increase of approximately 24.4% as compared with the corresponding period in 2017. This increase in revenue is mainly attributable to the significant boost in sales of LED decorative lighting series in the festive season during the three months ended 31 January 2018, which is offset by the decrease in the sales of LED luminaires lighting series as a result of the reduced production of LED luminaire lighting products during the transition period for the operating staff to set up and get familiarised with the new automated LED luminaire lighting production line.

Cost of sales

The Group's cost of sales increased by approximately HK\$18.3 million or 28.0% from approximately HK\$65.3 million for the nine months ended 31 January 2017 to approximately HK\$83.6 million for the nine months ended 31 January 2018. The increase in cost of sales was generally in line with the increase in the Group's total revenue.

Gross profit and gross profit margin

The Group's gross profit for the nine months ended 31 January 2018 was approximately HK\$33.8 million (nine months ended 31 January 2017: approximately HK\$29.1 million), representing an increase of approximately 16.2% as compared with the corresponding period in 2017. The Group's overall gross profit margin slightly decreased from approximately 30.8% for the nine months ended 31 January 2017 to approximately 28.8% for the nine months ended 31 January 2018. The decrease in gross profit margin was mainly due to the increase in sales of LED decorative lighting products with lower profit margin.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately HK\$0.9 million or 25.7% from approximately HK\$3.5 million for the nine months ended 31 January 2017 to approximately HK\$2.6 million for the nine months ended 31 January 2018. The decrease was mainly attributable to the decrease in advertising and marketing expenses.

Administrative expenses

The Group's administrative expenses increased by approximately HK\$6.8 million or 52.3% from approximately HK\$13.0 million for the nine months ended 31 January 2017 to approximately HK\$19.8 million for the nine months ended 31 January 2018. The increase was mainly attributable to the significant increase in listing expenses of approximately HK\$5.5 million.

Profit for the Period

The Group's profit for the Period was approximately HK\$7.5 million, representing a decrease by approximately HK\$0.4 million or 5.1% as compared with the corresponding period in 2017. Excluding one-off listing expenses, operating profit for the Period was approximately HK\$17.3 million (nine months ended 31 January 2017: excluding one-off expenses was approximately HK\$12.2 million), representing an increase of 41.8% as compared with the corresponding period in 2017.

This performance demonstrates the Group's effective execution of its business strategies for both its LED decorative and luminaire lighting series since its listing on 16 November 2017 (the "**Listing Date**"). During the period of review, from 1 October 2017 to 31 January 2018, the Group had successfully secured significant collaborations with importers and professional lighting decorators, which in turn strengthened momentum for the growth of revenue. In the North American market, the Group expects to achieve steady growth resulting from the collaborations with several importers from the décor industry. In early 2018, the Group also successfully secured a significant client, who is a well-established professional lighting decorator for commercial and residential properties in the PRC. The ongoing drive to improve public lighting in cities by the PRC government has also proven to be highly beneficial to the Group.

DIVIDEND

The Board has resolved not to declare an interim dividend for the nine months ended 31 January 2018.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in the Shares, the Underlying Shares or Debentures of the Company

As at 31 January 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

Name of Director	Capacity/nature of interest	Number of shares	Approximate percentage ⁺ of shareholding in the Company
Mr. Shiu Kwok Leung	Interest of controlled corporation	234,000,000 (Note 1)	46.8%
Mr. Yuen Lai Him	Interest of spouse	66,000,000 (Note 2)	13.2%

Notes:

1. These shares are held by Real Charm Corp, which is wholly and beneficially owned by Mr. Shiu Kwok Leung. Accordingly, Mr. Shiu Kwok Leung is deemed to be interested in these shares of the Company pursuant to Part XV of the SFO.
 2. Mr. Yuen Lai Him is deemed to be interested in these shares of the Company through the interest of his spouse, Ms. Giang Maryanne Phung-van.
- + The percentage represents the number of ordinary shares involved divided by the number of issued shares of the Company as at 31 January 2018.

Save as disclosed above, as at 31 January 2018, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in the Shares, the Underlying Shares or Debentures of the Company

As at 31 January 2018, the following parties (other than the Directors or the chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in ordinary shares of the Company

Name of shareholder	Capacity/nature of interest	Number of shares	Approximate percentage ⁺ of shareholding in the Company
Real Charm Corp	Beneficial owner	234,000,000 (Note 1)	46.8%
Ms. Chung Yu Chun	Interest of spouse	234,000,000 (Note 2)	46.8%
Multi Tech Creation Limited	Beneficial owner	66,000,000 (Note 3)	13.2%
Ms. Giang Maryanne Phung-van	Interest of controlled corporation	66,000,000 (Note 3)	13.2%

Notes:

1. The above interest of Real Charm Corp was also disclosed as the interest of Mr. Shiu Kwok Leung in the above section headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, the Underlying Shares or Debentures of the Company".
2. Ms. Chung Yu Chun is deemed to be interested in these shares of the Company through the interest of her spouse, Mr. Shiu Kwok Leung.
3. These shares are held by Multi Tech Creation Limited, which is wholly and beneficially owned by Ms. Giang Maryanne Phung-van, spouse of Mr. Yuen Lai Him. The above interest of Ms. Giang Maryanne Phung-van was also disclosed as the interest of Mr. Yuen Lai Him in the above section headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, the Underlying Shares or Debentures of the Company".

+ The percentage represents the number of ordinary shares involved divided by the number of issued shares of the Company as at 31 January 2018.

Save as disclosed above, as at 31 January 2018, the Company was not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Company and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 31 January 2018.

None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of their respective close associates has engaged in or has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during the nine months ended 31 January 2018.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6.19 of the GEM Listing Rules, the Company has appointed Ample Capital Limited to be the compliance adviser. As notified by Ample Capital Limited, as at 31 January 2018, neither Ample Capital Limited, its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to 31 January 2018.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") set out in Appendix 15 to the GEM Listing Rules. The Board considers that the Company has complied with the CG Code during the period from the Listing Date to 31 January 2018.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in the Company. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and there was no event of non-compliance during the period from the Listing Date to 31 January 2018.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 24 October 2017 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants to (i) motivate them to optimize their performance and efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain ongoing business relationship with eligible participants whose contributions are or will be beneficial to the long term growth of the Group. The principal terms of the Share Option Scheme are summarized in the section headed “Statutory and General Information — D. Share Option Scheme” in Appendix IV to the Company's prospectus dated 31 October 2017.

No share option has been granted by the Company under the Share Option Scheme since its adoption.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 24 October 2017. The Audit Committee consists of three members, namely Mr. Wong Ting Kon (Chairman), Ms. Lo Ching Yee and Mr. Cheng Hok Ming Albert, all being independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information and reporting process, risk management and internal control systems, relationship with external auditors and arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 January 2018.

By Order of the Board
Bortex Global Limited
Shiu Kwok Leung
Chairman

Hong Kong, 8 March 2018

As at the date of this announcement, the executive Directors are Mr. Shiu Kwok Leung, Mr. Shao Xu Hua and Mr. Yuen Lai Him; and the independent non-executive Directors are Mr. Wong Ting Kon, Ms. Lo Ching Yee and Mr. Cheng Hok Ming Albert.

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