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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 APRIL 2021**

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

ANNUAL RESULTS

The board of Directors (the “**Board**”) announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 April 2021, together with the audited comparative figures for the year ended 30 April 2020, as follows:

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

For the year ended 30 April 2021

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Revenue	4	200,907	174,790
Cost of sales		<u>(145,705)</u>	<u>(124,585)</u>
Gross profit		55,202	50,205
Other income, gain/(losses), net	5	(1,133)	1,653
Allowance for expected credit losses, net		468	(95)
Selling and distribution expenses		(3,683)	(3,235)
Administrative expenses		(17,297)	(22,477)
Finance costs	6	<u>(1,911)</u>	<u>(1,460)</u>
Profit before taxation	7	31,646	24,591
Taxation	8	<u>(7,520)</u>	<u>(6,087)</u>
Profit for the year		<u>24,126</u>	<u>18,504</u>
Other comprehensive income/(loss) for the year, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		<u>5,099</u>	<u>(4,979)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>5,099</u>	<u>(4,979)</u>
Total comprehensive income for the year		<u>29,225</u>	<u>13,525</u>
Profit for the year attributable to equity owners of the Company		<u>24,126</u>	<u>18,504</u>
Total comprehensive income for the year attributable to equity owners of the Company		<u>29,225</u>	<u>13,525</u>
Earnings per share attributable to equity owners of the Company			
Basic and diluted (HK cents)	10	<u>4.83</u>	<u>3.70</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2021

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Assets			
Non-current assets			
Property, plant and equipment		16,267	14,639
Goodwill		8,890	8,131
Right-of-use assets		13,819	15,610
Financial assets at fair value through profit or loss		2,551	4,124
Deferred tax assets		169	259
		<u>41,696</u>	<u>42,763</u>
Current assets			
Inventories		67,650	51,044
Trade receivables	<i>11</i>	49,402	49,678
Deposits, prepayments and other receivables		11,223	16,821
Fixed deposits		10,210	9,187
Cash and bank balances		48,697	20,554
		<u>187,182</u>	<u>147,284</u>
Liabilities			
Current liabilities			
Trade payables	<i>12</i>	6,069	6,543
Accruals and other payables		4,792	7,419
Contract liabilities		1,950	768
Bank borrowings		12,960	13,241
Lease liabilities		3,441	2,921
Tax payables		11,520	9,121
		<u>40,732</u>	<u>40,013</u>
Net current assets		<u>146,450</u>	<u>107,271</u>
Total assets less current liabilities		<u>188,146</u>	<u>150,034</u>
Non-current liabilities			
Lease liabilities		11,242	13,155
Bank borrowings		10,800	–
		<u>22,042</u>	<u>13,155</u>
Net assets		<u>166,104</u>	<u>136,879</u>
Equity			
Share capital		5,000	5,000
Reserves		161,104	131,879
Total equity		<u>166,104</u>	<u>136,879</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2021

1. GENERAL INFORMATION

The Company was incorporated in the 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. Its ultimate and immediate parent is Real Charm Corp (incorporated in British Virgin Islands) and its ultimate controlling party is Mr. Shiu Kwok Leung. 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 and its principal place of business in Hong Kong is at Flat A, 11th Floor, King Palace Plaza, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

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

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

The consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand except otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("**HKFRSs**")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the current year for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*.

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 June 2020.

⁵ Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT REPORTING

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. 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Canada	33,934	22,801
The US	22,818	15,634
The PRC, excluding Hong Kong	70,654	73,126
Hong Kong	52,017	49,589
Others (<i>Note</i>)	21,484	13,640
	<u>200,907</u>	<u>174,790</u>

Note: Others include the India, Japan, Philippines, Malaysia, South Africa and Italy.

The following is an analysis of the Group's non-current assets, excluding deferred tax assets, by their geographical location:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	12,241	13,636
Asia, excluding Hong Kong	29,286	28,868
	<u>41,527</u>	<u>42,504</u>

Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Customer A	33,934	22,801
Customer B	—*	18,845
	<u> </u>	<u> </u>

* Customer B contributed less than 10% of the total revenue of the Group for the year ended 30 April 2021.

4. REVENUE

Revenue represents those generated from trading and manufacturing of LED decorative lighting products and LED luminaire lighting products, net of return, discounts and sales related taxes, during the reporting period.

All revenue are for period of less than one year, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed. All revenue were recognised at point in time.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
LED decorative lighting	146,782	113,459
LED luminaire lighting	54,125	61,331
	<u>200,907</u>	<u>174,790</u>

5. OTHER INCOME, GAIN/(LOSSES), NET

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Fair value (loss)/gain on financial assets at fair value through profit or loss (“FVTPL”)	(1,573)	1,386
Sales of scrap material	10	10
Interest income	142	241
Government grant (<i>Note</i>)	228	–
Covid-19-related rent concession	60	15
Others	–	1
	<u>(1,133)</u>	<u>1,653</u>

Note: During current year, the Group recognised government grant of HK\$228,000 in respect of Covid-19-related subsidies, of which HK\$216,000 relates to Employment Support Scheme provided by the Hong Kong government.

6. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest expenses on:		
— bank borrowings wholly repayable within five years	839	216
— lease liabilities	1,072	1,128
	<u>1,911</u>	<u>1,344</u>
Bank charges	–	116
	<u>1,911</u>	<u>1,460</u>

7. PROFIT BEFORE TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit before taxation has been arrived after charging/(crediting):		
Auditors' remuneration		
— Audit service	900	1,000
— Non-audit service	–	400
Cost of inventories	122,793	105,882
Depreciation of property, plant and equipment	2,948	2,440
Depreciation of right-of-use-assets	3,590	3,337
Employee benefit expenses (including directors' emoluments)	24,290	21,019
Expenses relating to short-term leases	–	509
Allowance for expected credit losses (“ECL”), net	(468)	95
Foreign exchange (gain)/losses, net	(2,278)	462
Listing expense related to the transfer listing to Main Board	3,077	3,994
Gain on disposal of property, plant and equipment	–	(7)
Research and development expenses	59	62
	<u>59</u>	<u>62</u>

8. TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax:		
— the PRC	5,344	3,741
— Hong Kong	2,086	2,362
	<u>7,430</u>	<u>6,103</u>
Deferred tax	90	(16)
	<u>7,520</u>	<u>6,087</u>

Hong Kong Profits Tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

PRC enterprise income tax (“EIT”)

PRC EIT is calculated at the applicable tax rates in accordance with the relevant laws and regulation in the PRC.

Under the PRC Enterprise Income Tax Law (the “**EIT Law**”) and the Implementation Regulations of the EIT Law, the tax rate of a PRC subsidiary is 25% during the reporting period.

9. DIVIDENDS

The Board of Directors do not recommend the payment of any dividend for the year ended 30 April 2021 (2020: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

The calculation of basis earnings per share attributable to the owners of the Company is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings:		
Earning for the purpose of calculation basic earnings per share		
— Profit for the year attributable to the owners of the Company	<u>24,126</u>	<u>18,504</u>
	2021 '000	2020 '000
Number of shares:		
Number of ordinary shares for the purpose of calculation basic earnings per share	<u>500,000</u>	<u>500,000</u>

Diluted earnings per share for the years ended 30 April 2021 and 2020 were the same as the basic earnings per share as there were no potential ordinary shares in issue for both years.

11. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	50,120	50,890
Less: Allowance for ECL, net	<u>(718)</u>	<u>(1,212)</u>
	<u>49,402</u>	<u>49,678</u>

The Group's trade receivables are attributable to a number of independent customers with credit. The Group normally allows a credit period of 0 to 120 days to its customers.

Note:

Ageing analysis of trade receivables, based on invoice date, as at the end of each reporting periods are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 60 days	27,994	31,691
61–90 days	76	2,881
91–180 days	22,047	16,296
181–365 days	<u>3</u>	<u>22</u>
	<u>50,120</u>	<u>50,890</u>

12. TRADE PAYABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	6,069	6,543

Credit periods of trade payables normally granted by its suppliers were ranging from 0 to 180 days throughout the reporting period.

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 60 days	3,740	3,512
61–90 days	6	801
91–180 days	1,357	770
181–365 days	906	560
Over 365 days	60	900
	6,069	6,543

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 30 April 2021, the global economy continued to be affected by the novel coronavirus (“**COVID-19**”) epidemic (the “**Epidemic**”) spread out. The Epidemic severely affects the worldwide markets. Some of the Group’s customers in these markets cancelled or delayed their orders due to the uncertain economic environment. Notwithstanding the cancellation of the sales order, the Group strives to maintain a friendly relationship with the customers and to keep itself abreast of their business development. As a result, some deferred orders have been confirmed and delivered during the year ended 30 April 2021. The revenue in North America increased during the year under review which is mainly attributable to an increase in the demand and sales of indoor decorative lightings to household users during the Christmas seasons amidst various lockdown measures implemented in the region. As the same time, the Group also approached many new customers in the PRC to fill up the short fall of the revenue decrease in The People’s Republic of China (the “**PRC**”). The Group’s revenue for the year ended 30 April 2021 is approximately HK\$200.9 million, representing an increase of approximately HK\$26.1 million or 14.9% as compared to the year ended 30 April 2020 of approximately HK\$174.8 million.

Due to the Epidemic, the commencement of the Group’s new production line in Phnom Penh, Cambodia was delayed to second half of year 2020. The production line was set up through Qualified Investment Project application to take advantage of the tax benefits for the import of raw materials, semi-products and machinery from China to Cambodia as well as for the export of the lighting products to the US. With the tax benefits for the export to the US, the Group has devoted more marketing effort in procuring potential customers in the US and broaden its customer base.

PROSPECT

Under the haze of the outbreak of the Epidemic, most of the countries have imposed stringent border control policy to avoid further spreading of the Epidemic and travelers are required to quarantine for a specific time period on their arrival. This poses extreme challenges for the Company to develop the business relationship worldwide. The Group will continue to adopt prudent and risk balancing management approach in the coming years. Leveraging on the tax benefits available to the Group from the new production line in Phnom Penh, Cambodia, the management believes that the Group’s competitiveness will be enhanced and the export sales to North America will become more stable under the effects of Sino-US trade conflict. The Group also plans to participate in exhibitions worldwide in the coming years. The Group’s management believes that the Epidemic will be under control as an increasing number of vaccines are being administered in various countries in the World.

FINANCIAL REVIEW

Revenue from LED Decorative Lighting

The Group's LED decorative lighting revenue increased significantly by approximately HK\$33.3 million or 29.3% from approximately HK\$113.5 million for the year ended 30 April 2020 to approximately HK\$146.8 million for the year ended 30 April 2021. The increase in LED decorative lighting revenue was mainly attributable to the increase in sales to the Canada and the US customers.

Revenue from LED Luminaire Lighting

The Group's LED luminaire lighting revenue decreased by approximately HK\$7.2 million or 11.7% from approximately HK\$61.3 million for the year ended 30 April 2020 to approximately HK\$54.1 million for the year ended 30 April 2021. The decrease in LED luminaire lighting revenue mainly resulted from the decrease in sales to construction customers in the PRC.

Cost of Sales

The Group's cost of sales increased by approximately HK\$21.1 million or 16.9% from approximately HK\$124.6 million for the year ended 30 April 2020 to approximately HK\$145.7 million for the year ended 30 April 2021. 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 increased by approximately HK\$5.0 million or 10.0% from approximately HK\$50.2 million for the year ended 30 April 2020 to approximately HK\$55.2 million for the year ended 30 April 2021. The increase in gross profit was generally in line with the increase in the Group's total revenue. The gross profit margin decreased from approximately 28.7% for the year ended 30 April 2020 to approximately 27.5% for the year ended 30 April 2021. The decrease in gross profit margin was mainly due to the increase in sales of LED luminaire lighting products which were sold with lower profit margin.

Other Income, Gain/(Losses), Net

The Group's other income and losses, net was approximately loss HK\$1.1 million for the year ended 30 April 2021. The Group's other income and gain, net was approximately gain HK\$1.7 million for the year ended 30 April 2020. The decrease was primarily attributable to the fair value loss on financial assets at fair value through profit or loss which set-off the foreign exchange gain.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$0.5 million or 15.6% from approximately HK\$3.2 million for the year ended 30 April 2020 to approximately HK\$3.7 million for the year ended 30 April 2021. The increase in selling and distribution expenses was mainly attributable to the increase of salaries paid to the sales staff during the year ended 30 April 2021.

The salaries paid to the sales staff increased due to the increase in sales commission paid to the sales staff increased.

Administrative Expenses

The Group's administrative expenses decreased by approximately HK\$5.2 million or 23.1% from approximately HK\$22.5 million for the year ended 30 April 2020 to approximately HK\$17.3 million for the year ended 30 April 2021. The decreased was mainly attributable to the one-off expenses related to the transfer of listing to Main Board of approximately HK\$3.1 million during the year ended 30 April 2021 (2020: HK\$4.0 million) and the foreign exchange gain of approximately HK\$2.3 million during the year ended 30 April 2021 (2020: loss of approximately HK\$0.5 million).

Finance Costs

The Group's finance costs increased by approximately HK\$0.4 million or 26.7% from approximately HK\$1.5 million for the year ended 30 April 2020 to approximately HK\$1.9 million for the year ended 30 April 2021. The increase in finance costs was in line with the increase in bank borrowings during the year ended 30 April 2021.

Profit for the Year

The Group's profit for the year ended 30 April 2021 was approximately HK\$24.1 million, representing an increase of approximately HK\$5.6 million or 30.3% as compared to the year ended 30 April 2020. The net increase in profit for the year of the Group was mainly attributable to the increase in revenue and gross profit of the Group during the year ended 30 April 2021.

GEARING RATIO

Gearing ratio (total debts divided by the total equity) is not applicable for the year ended 30 April 2021 (2020: 0.21 times).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 April 2021, cash and bank balances (including fixed deposits) of the Group amounted to approximately HK\$58.9 million (2020: HK\$29.8 million). The current ratio (total current assets divided by total current liabilities) of the Group was 4.7 times as at 30 April 2021 (2020: 3.7 times). In view of the Group's current level of cash and bank balances and funds generated internally from its operations, the Board is confident that the Group will have sufficient resources to meet its finance needs for its operations.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND CAPITAL ASSETS

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets for the year ended 30 April 2021. Furthermore, the Group did not have any plans for material investments and capital assets.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 April 2021, the Group did not have any significant capital commitments (30 April 2020: nil) and significant contingent liabilities (30 April 2020: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2021, the Group had a total of 194 employees. The total remuneration costs incurred by the Group for the year ended 30 April 2021 were approximately HK\$24.3 million. The Group reviews the performance of its employees annually and use the results of such review in the annual salary review and promotion appraisal, in order to attract and retain valuable employees. The Company adopted a share option scheme to enable it to grant share options to, among others, selected eligible employees as incentive or reward for their contributions.

CHARGE OF ASSETS

At the respective end of the reporting periods, the following asset was pledged to secure general banking facilities granted to the Group or borrowings of the Group:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial asset at fair value through profit or loss	2,551	4,124
Fixed deposits	10,210	9,187
	12,761	13,311

FOREIGN CURRENCY EXPOSURE

A significant portion of the Group's turnover is derived from the Group's sales to customers located in North America and Euro which is primarily denominated and settled in US Dollars, while the Group generally settled the Group's cost of sales and operating expenses in Renminbi and Hong Kong dollars. The Group therefore exposed to exchange rate risk. During the year ended 30 April 2021, the Group had experienced exchange gain of approximately HK\$2.3 million (2020: loss of approximately HK\$0.5 million).

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 30 April 2021.

EVENT AFTER THE REPORTING PERIOD

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the year ended 30 April 2021.

USE OF PROCEEDS

The Company's shares were listed on GEM of the Stock Exchange on 16 November 2017 (i.e. the Listing Date). Net proceeds from the initial public offering and placing of new shares of the Company were approximately HK\$30.1 million.

The table below sets out the intended use of net proceeds in accordance with the "Business Objectives, Future Plans and Use of Proceeds" as set out in the prospectus of the Company dated 31 October 2017 (the "Prospectus"):

	Approximate percentage of total amount	Net proceeds <i>HK\$ million</i>	Up to 30 April 2021		Expected timeline for full utilisation (Notes 1 and 2)
			Utilised amount <i>HK\$ million</i>	Un-utilised amount <i>HK\$ million</i>	
Upgrading the production facilities	55%	16.6	10.5	6.1	By the end of 2022
— Improving automation and efficiency of LED decorative lighting series					
— Improving product quality and stability of LED luminaire lighting series					
Repayment of short-term bank borrowings and finance lease	25%	7.5	7.5	–	N/A
Expanding the product portfolio and strengthening the product development capability	5%	1.5	1.3	0.2	By the end of 2022
Expanding the sales force and sales channel	5%	1.5	1.5	–	N/A
General working capital	10%	3.0	3.0	–	N/A
	<u>100%</u>	<u>30.1</u>	<u>23.8</u>	<u>6.3</u>	

All un-utilised proceeds are deposited into interest-bearing bank accounts with licensed banks and/or financial institutions in Hong Kong.

Notes:

1. The expected timeline for utilising the remaining net proceeds is made based on the best estimation of the Company taking into account, among others, prevailing and future market conditions and business developments and need, and therefore is subject to change.
2. The un-utilised net proceeds from the Listing are expected to be used in accordance with the Company's plan as disclosed in the Prospectus except the original timeline for utilising the remaining net proceeds as disclosed in the Prospectus has been delayed due to, among others, the business environment being affected by the Sino-US trade conflict since 2018, social unrest in Hong Kong since June 2019 and the outbreak of COVID-19 since January 2020.

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 year ended 30 April 2021.

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 year ended 30 April 2021.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Ample Capital Limited to be the compliance adviser until 29 July 2020, being the date on which the Company sent to the Shareholders a copy of the Directors report and the consolidated financial statements in respect of its financial results for the second full financial year commencing after the date its listing. As notified by Ample Capital Limited, as at 29 July 2020, being the last day of its appointment as the Company's compliance adviser, 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, SALE 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 year ended 30 April 2021.

CORPORATE GOVERNANCE PRACTICES

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 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 year ended 30 April 2021.

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 year ended 30 April 2021.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 April 2021 as set out in the announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited ("**HLB**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB on the announcement.

SHARE OPTION SCHEME

The purpose of the share option scheme is to enable the Company to grant options to any director, employee, adviser, consultant, agent, contractors, supplier, customer and/or such other person, who in the sole discretion of the Board has contributed or may contribute to the Group. The Group has conditionally adopted a share option scheme (the "**Share Option Scheme**") on 24 October 2017 which has become effective on 16 November 2017 and, unless otherwise cancelled or amended, would remain in force for 10 years from 16 November 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 was established on 24 October 2017. The Audit Committee consists of three members, namely Mr. Wong Ting Kon (Chairman), Ms. Cheng Ka Yan 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 audited consolidated financial statements of the Group for the year ended 30 April 2021.

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

Hong Kong, 26 July 2021

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. Cheng Ka Yan and Mr. Cheng Hok Ming Albert.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at "www.hkgem.com" for at least seven days from the date of its publication and on the Company's website at "www.bortex.com.cn".