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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 OCTOBER 2017**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE
STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 October 2017.

The unaudited condensed consolidated financial information for the six months ended 31 October 2017 has been reviewed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 October 2017

		For the six months ended 31 October	
	<i>Notes</i>	2017	2016
		HK\$’000	HK\$’000
		(unaudited)	(unaudited)
Revenue	6	77,430	70,289
Cost of sales		(54,603)	(48,483)
Gross profit		22,827	21,806
Other income and gain	7	181	70
Selling and distribution expenses		(1,798)	(2,771)
Administrative expenses		(6,975)	(9,802)
Finance costs		(915)	(1,109)
Profit before taxation	8	13,320	8,194
Taxation	9	(2,715)	(2,281)
Profit for the period		10,605	5,913
Other comprehensive income/(loss) 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		216	135
Exchange differences on translation of foreign operations		470	(498)
Other comprehensive income/(loss) for the period, net of tax		686	(363)
Total comprehensive income for the period		11,291	5,550

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME** *(Continued)*

For the six months ended 31 October 2017

	<i>Notes</i>	For the six months ended 31 October 2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Profit for the period attributable to equity owners of the Company		10,605	5,913
Total comprehensive income for the period attributable to equity owners of the Company		11,291	5,550
Earnings per share attributable to equity owners of the Company			
Basic and diluted (HK cents)	<i>11</i>	3.54	1.97

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2017

	Notes	31 October 2017 HK\$'000 (unaudited)	30 April 2017 HK\$'000 (audited)
Assets			
Non-current assets			
Property, plant and equipment	12	12,548	12,331
Goodwill		8,715	8,351
Available-for-sale financial asset		2,782	2,566
		<u>24,045</u>	<u>23,248</u>
Current assets			
Inventories		27,591	22,571
Trade receivables	13	27,214	39,323
Deposits, prepayments and other receivables		15,328	9,631
Cash and cash equivalents		11,198	8,502
		<u>81,331</u>	<u>80,027</u>
Liabilities			
Current liabilities			
Trade payables	14	11,346	20,684
Accruals, other payables and receipts in advance		5,236	5,175
Obligation under finance lease — due within one year		929	912
Bank borrowings		21,682	24,052
Tax payables		8,179	5,270
		<u>47,372</u>	<u>56,093</u>
Net current assets		<u>33,959</u>	<u>23,934</u>
Total assets less current liabilities		<u>58,004</u>	<u>47,182</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)
As at 31 October 2017

	<i>Notes</i>	31 October 2017 HK\$'000 (unaudited)	30 April 2017 HK\$'000 (audited)
Non-current liabilities			
Obligation under finance lease			
— due over one year		1,146	1,613
Deferred tax liabilities		7	9
		1,153	1,622
Net assets		56,851	45,560
Equity			
Share capital		—	—
Reserves		56,851	45,560
Total equity		56,851	45,560

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 and its principal place of business in Hong Kong is at Flat H, 7th Floor, King Palace Plaza, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company's issued shares have been listed on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of 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.

2. REORGANISATION

The companies comprising the Group underwent the reorganisation in preparation for listing of the Company's 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 authorised 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 Corp

On 24 October 2017, Mr. Shiu transferred one Share to Real Charm for cash at par. Real Charm Corp, 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 Corp (at the direction of Mr. Shiu) and Multi Tech, respectively.

3. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements (the “**Interim Financial Statements**”) have been prepared in accordance with the Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The Interim Financial Statements have been prepared in accordance with same accounting policies adopted in the Company’s prospectus dated 31 October 2017 (the “**Prospectus**”), except for the accounting policy changes that are expected to be reflected in the 2018 annual financial statements. Details of any changes in accounting policies are set out in note 4.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARD (“**HKFRSs**”)

The Interim Financial Statements have been prepared under the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The Group has adopted the following revised HKFRSs (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these Interim Financial Statements.

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014–2016 Cycle

The adoption of the revised HKFRSs has had no significant financial effect on these Interim Financial Statements and there have been no significant changes to the accounting policies applied in these Interim Financial Statements.

5. 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. During the six months ended 31 October 2017, 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 six months ended 31 October	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Canada	30,693	33,891
Taiwan	4,064	16,757
The US	16,339	6,351
The PRC, excluding Hong Kong	21,372	10,412
Hong Kong	408	83
Others (<i>Note</i>)	4,554	2,795
	77,430	70,289

Note: Others include the United Kingdom, Japan, Australia, Thailand, Spain, Italy and Denmark.

The following is an analysis of the Group's non-current assets, excluding goodwill and available-for-sale financial assets, by their geographical location:

	As at 31 October 2017 HK\$'000 (unaudited)	As at 30 April 2017 HK\$'000 (audited)
Hong Kong	9	18
The PRC, excluding Hong Kong	12,539	12,313
	12,548	12,331

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:

	For the six months ended 31 October	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Customer A	30,971	33,891
Customer B	—*	31,996
Customer C	8,836	—

* Less than 10%

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 six months ended 31 October 2017 and 2016.

	For the six months ended 31 October	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
LED decorative lighting	60,988	47,598
LED luminaire lighting	16,442	22,691
	<u>77,430</u>	<u>70,289</u>

7. OTHER INCOME AND GAIN

	For the six months ended 31 October	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales of scrap material	10	2
Interest income	65	68
Government grant	106	–
	<u>181</u>	<u>70</u>

8. PROFIT BEFORE TAXATION

	For the six months ended 31 October	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	200	–
Cost of inventories recognised as an expense	54,603	48,483
Depreciation of property, plant and equipment	868	1,222
Employee benefit expenses (including directors' emoluments)	7,890	6,529
Minimum lease payments under operating leases	1,680	1,924
Listing expenses	1,018	4,236
Foreign exchange (gains)/losses	(486)	472
Research and development expenses	33	39
	<u>33</u>	<u>39</u>

9. TAXATION

	For the six months ended 31 October	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
The PRC	1,077	251
Hong Kong	1,640	2,041
	2,717	2,292
Deferred tax	(2)	(11)
Total taxation	2,715	2,281

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% (2016:16.5%) for the assessable profit for the period.

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%.

10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period (six months ended 31 October 2016: HK\$4,000,000).

The Directors of the Company have determined that no dividend will be paid in respect of the interim period.

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

For the purpose of the Interim Financial Statements, the calculations of basic earnings per share attributable to equity owners of the Company for the six months ended 31 October 2017 and 2016 are based on the profit for the period attributable to equity owners of the Company of approximately HK\$10,605,000 (unaudited) and HK\$5,913,000 (unaudited) respectively, and on the basis of 300,000,000 shares of the Company in issue, being the number of shares in issue immediately after the completion of capitalisation issue as described in the section headed “Share Capital” of the Prospectus, as if these shares had been issued throughout the period.

Diluted earnings per Share were same as the basic earnings per Share as there were no potential dilutive ordinary shares in existence during the period.

12. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 October 2017, the Group acquired property, plant and equipment of approximately HK\$548,000 (six months ended 31 October 2016: HK\$61,000).

During the six months ended 31 October 2017, the Group had not disposed any of its property, plant and equipment (six months ended 31 October 2016: Nil).

13. TRADE RECEIVABLES

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

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

	31 October 2017 HK\$'000 (unaudited)	30 April 2017 HK\$'000 (audited)
Within 60 days	24,495	36,110
61 to 90 days	739	1,416
91 to 180 days	495	1,797
181 to 365 days	1,485	–
Over 365 days	–	–
	27,214	39,323

14. TRADE PAYABLES

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

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

	31 October 2017 HK\$'000 (unaudited)	30 April 2017 HK\$'000 (audited)
Within 60 days	3,148	11,779
61 to 90 days	1,435	3,549
91 to 180 days	4,217	2,828
181 to 365 days	2,505	2,419
Over 365 days	41	109
	11,346	20,684

15. CAPITAL COMMITMENTS

As at 31 October 2017, 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 Interim Financial Statements.

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Capitalisation Issue

Pursuant to the resolutions passed by the sole shareholder of the Company on 24 October 2017, the Directors were authorised to capitalise an aggregate amount of HK\$2,999,900 standing to the credit of the share premium of the Company and to appropriate such amount as capital to pay up in full at par 299,990,000 shares for allotment and issue to the persons whose names appear on the register of members of the Company at the close of business on 27 October 2017 (or such other date as determined by the board of the Company or a duly authorized committee thereof), in proportion to their then existing shareholdings in the Company (the “**Capitalisation Issue**”), each ranking pari passu in all respects with the then existing issued shares. Capitalisation Issue had been completed immediately upon issue of Shares under the initial public offering and placing of new Shares (the “**Share Offer**”).

(b) Share Offer

On 16 November 2017, 200,000,000 ordinary shares of par value of HK\$0.01 each were issued at price of HK\$0.3 per share under the Share Offer. Details of the use of proceeds, please refer to the Prospectus.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Bortex Global Limited is a developing 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 principally engages in the manufacturing and selling of quality LED lighting products to customers in North America, Europe and Asia Pacific.

The public listing of the Shares on the GEM of the Stock Exchange on 16 November 2017 is a recognition of its solid business standing, which will further strengthen the foundation for its further expansion.

For the six months ended 31 October 2017, the Group's revenue was approximately HK\$77.4 million (six months ended 31 October 2016: HK\$70.3 million), representing a 10.1% increase as compared to the corresponding period of 2016, mainly driven by the increase in sales of LED decorative lighting series. The gross profit reached approximately HK\$22.8 million, representing a 4.6% increase as compared to the corresponding period in 2016, which was generally in line with the increase in the total revenue attributable to the aforementioned increase in sales of LED decorative lighting series. In addition, profit for the period increased by approximately 79.7% to approximately HK\$10.6 million (six months ended 31 October 2016: HK\$5.9 million), with a slight decrease in gross profit margin from approximately 31.0% for the six months ended 31 October 2016 to approximately 29.5% for the six months ended 31 October 2017.

PROSPECT

Moving forward, in view of the expected increasing demand for LED decorative lighting products and the increasing total revenue of the Christmas lighting manufacturing industry, the Group plans to increase the level of automation and efficiency for the production of its LED decorative lighting products by continuing to upgrade its existing production facilities through purchasing more equipment and machinery. The Group also wishes to purchase additional facilities for better quality control and enhancing the stability and reliability of its LED luminaire lighting series.

The Group plans to further sustain its capability in expanding its product portfolio and strengthen its product development capability by hiring additional design and technical personnel for production with appropriate qualifications and providing training to them in order to better serve its customers' needs and to enable them to keep abreast of the latest production and management practices in the manufacturing industry. Further, the Group will also apply for patents for its product designs to protect its intellectual property rights. Meanwhile, the Group intends to expand the existing sales and marketing department and strengthen its recognition in the LED lighting industry through various media to explore new business opportunities.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately HK\$7.1 million or 10.1% from approximately HK\$70.3 million for the six months ended 31 October 2016 to approximately HK\$77.4 million for the six months ended 31 October 2017. The increase in revenue was mainly attributable to the increase in sales of LED decorative lighting series.

Cost of sales

The Group's cost of sales increased by approximately HK\$6.1 million or 12.6% from approximately HK\$48.5 million for the six months ended 31 October 2016 to approximately HK\$54.6 million for the six months ended 31 October 2017. The increase in cost of sales was generally in line with the increase in our total revenue.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$1.0 million or 4.6% from approximately HK\$21.8 million for the six months ended 31 October 2016 to approximately HK\$22.8 million for the six months ended 31 October 2017. Our overall gross profit margin slightly decreased from approximately 31.0% for the six months ended 31 October 2016 to approximately 29.5% for the six months ended 31 October 2017. The increase in gross profit was generally in line with the increase in our total revenue and was mainly attributable to the increase in sales of LED decorative lighting series. The decrease in gross profit margin was mainly due to the increase in sales of LED lighting products with lower profit margin.

Other income

The Group's other income and gain increased by approximately HK\$0.1 million or 158.6% from approximately HK\$70,000 for the six months ended 31 October 2016 to approximately HK\$0.2 million for the six months ended 31 October 2017. The increase was primarily attributable to the one-off receipt of government grant.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately HK\$1.0 million or 35.7% from approximately HK\$2.8 million for the six months ended 31 October 2016 to approximately HK\$1.8 million for the six months ended 31 October 2017. The decrease was mainly attributable to the decrease in advertising and marketing expenses.

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$2.8 million or 28.6% from approximately HK\$9.8 million for the six months ended 31 October 2016 to approximately HK\$7.0 million for the six months ended 31 October 2017. The decrease was mainly attributable to the significant decrease in listing expenses of approximately HK\$3.2 million.

Finance costs

The Group's finance costs slightly decreased by approximately HK\$0.2 million or 18.2% from approximately HK\$1.1 million for the six months ended 31 October 2016 to approximately HK\$0.9 million for the six months ended 31 October 2017. The decrease was mainly due to the decrease in average balance of bank borrowings during the period.

Profit before taxation

The Group's profit before taxation increased by approximately HK\$5.1 million or 62.2% from approximately HK\$8.2 million for the six months ended 31 October 2016 to approximately HK\$13.3 million for the six months ended 31 October 2017. The increase was mainly due to the combined effect of (i) the increase in gross profit; (ii) the decrease in selling and distribution expenses; and (iii) the decrease in administrative expenses as a result of the aforementioned significant increase in the listing expenses.

Taxation

The Group's taxation increased by approximately HK\$0.4 million or 17.4% from approximately HK\$2.3 million for the six months ended 31 October 2016 to approximately HK\$2.7 million for the six months ended 31 October 2017. The increase was mainly due to the increase in profit before taxation.

Profit for the period

As a result of the foregoing, profit for the period increased by approximately HK\$4.7 million or 79.7% from approximately HK\$5.9 million for the six months ended 31 October 2016 to approximately HK\$10.6 million for the six months ended 31 October 2017. The Group's net profit margin also increased from approximately 8.4% for the six months ended 31 October 2016 to approximately 13.7% for the six months ended 31 October 2017. The increase in profit for the period was primarily due to the combined effect of (i) the increase in gross profit; (ii) the decrease in selling and distribution expenses; and (iii) the decrease in administrative expenses as a result of the aforementioned significant decrease in the listing expenses.

GEARING RATIO

The Group recorded a gearing ratio (total debts divided by the total equity) of approximately 0.6 times and 0.4 times as at 30 April 2017 and 31 October 2017 respectively. The decrease in the gearing ratio was mainly due to a decrease in the Group's bank borrowings from approximately HK\$24.0 million as at 30 April 2017 to approximately HK\$21.7 million as at 31 October 2017.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 October 2017, cash and bank balances of the Group amounted to approximately HK\$11.2 million (30 April 2017: HK\$8.5 million). The current ratios (total current assets divided by total current liabilities) of the Group were 1.7 times and 1.4 times as at 31 October 2017 and 30 April 2017, respectively. In view of the Group's current level of cash and bank balances and funds generated internally from our operations, the Board is confident that the Group will have sufficient resources to meet its finance needs for its operations.

SHARE CAPITAL

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 30 January 2014. As at the date of incorporation, the Company had an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of par value of HK\$0.01 each and 1 share was issued and credited as fully paid.

Pursuant to the written resolutions of the then sole shareholder passed on 24 October 2017, conditional on the share premium account of our Company being credited as a result of the issue of Shares under the initial public offering and placing of new shares (the “**Share Offer**”), our Directors are authorised to allot and issue a total of 299,990,000 Shares credited as fully paid at par to the shareholders whose names appears on the register of members of our Company at the close of business on 27 October 2017 (or another date as the Directors may direct) by way of capitalisation of the sum of HK\$2,999,900 standing to the credit of the share premium account of the Company, and the Shares to be allotted and issued pursuant to such resolution shall rank *pari passu* in all respects with the existing issued Shares.

The Shares were successfully listed on the GEM of the Stock Exchange on 16 November 2017 by way of Share Offer of 200,000,000 Shares at the offer price of HK\$0.3 per share, the estimate net proceeds were approximately HK\$30.1 million. The proceeds were proposed to be used as set forth in the section headed “Business Objectives, Future Plans and Use of Proceeds” of the Prospectus.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 October 2017, the Group did not have any significant capital commitments (30 April 2017: nil) and significant contingent liabilities (30 April 2017: nil).

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 during the six months ended 31 October 2017. Furthermore, the Group did not have any plans for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 October 2017, the Group had a total of 166 employees. The total remuneration costs incurred by the Group for the six months ended 31 October 2017 were approximately HK\$7.9 million. We review the performance of our employees annually and use the results of such review in our 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.

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 Taiwan which are primarily denominated and settled in US Dollars, while the Group generally settle the Group's cost of sales and operating expenses in Renminbi and Hong Kong dollars. We are therefore exposed to exchange rate risk. During the six months ended 31 October 2017, we had experienced exchange gain of approximately HK\$0.5 million (six months ended 31 October 2016: exchange loss of approximately HK\$0.5 million).

DEBTS AND CHARGE ON ASSETS

The Group had total bank borrowings and obligation under finance lease of approximately HK\$23.8 million as at 31 October 2017, while that as at 30 April 2017 was approximately HK\$26.6 million. These bank borrowings are secured by the Group's available-for-sale financial assets with an aggregate carrying amount of approximately HK\$2.8 million and HK\$2.6 million as at 31 October 2017 and 30 April 2017 respectively.

DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 31 October 2017.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to the date of this announcement is as follow:

- As set out in the Prospectus, the business objectives and strategies of the Group will involve (i) upgrading its production facilities; (ii) expanding its product portfolio and strengthening its product development capability; and (iii) expanding its sales force and sales channel.
- Given that the Share Offer was completed after 31 October 2017, the implementation plans set out in the Prospectus will therefore be implemented during the years ending 30 April 2018 and 2019.

USE OF PROCEEDS

The Shares were listed on the GEM of the Stock Exchange on 16 November 2017. Net proceeds from the Share Offer were approximately HK\$30.1 million.

The table below sets out the intended use of net proceeds as set out in the “Business Objectives, Future Plans and Use of Proceeds” of the Prospectus:

	Approximate percentage of total amount	Net proceeds <i>HK\$ million</i>	Up to the date of this announcement	
			Utilized amount <i>HK\$ million</i>	Unutilized amount <i>HK\$ million</i>
Upgrading our production facilities				
— Improving automation and efficiency of LED decorative lighting series				
— Improving product quality and stability of LED luminaire lighting series	55%	16.6	–	16.6
Repayment of short-term bank borrowings and finance lease	25%	7.5	–	7.5
Expanding our product portfolio and strengthening our product development capability	5%	1.5	–	1.5
Expanding our sales force and sales channel	5%	1.5	–	1.5
General working capital	10%	3.0	–	3.0
	<u>100%</u>	<u>30.1</u>	<u>–</u>	<u>30.1</u>

As the Listing Date is after the six months ended 31 October 2017, our Group has not yet utilized the net proceeds from the Share Offer. All unutilized proceeds are deposited into interest-bearing bank accounts with licensed banks and/or financial institutions in Hong Kong.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

The Shares were listed on the Stock Exchange on 16 November 2017 (the Listing Date), which is after 31 October 2017 (end of this reporting period). Accordingly, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the “SFO”) and Section 352 of the SFO were not applicable to the Company/the Directors as at 31 October 2017; and no disclosure of interests or short positions in any shares or underlying shares of the Company was required to be made to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at 31 October 2017.

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

As at the Listing Date, 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 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, 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 the Listing Date.

Save as disclosed above, as at the Listing Date, 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 the Listing Date, 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 (<i>Note 1</i>)	46.8%
Ms. Chung Yu Chun	Interest of spouse	234,000,000 (<i>Note 2</i>)	46.8%
Multi Tech Creation Limited	Beneficial owner	66,000,000 (<i>Note 3</i>)	13.2%
Ms. Giang Maryanne Phung-van	Interest of controlled corporation	66,000,000 (<i>Note 3</i>)	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 the Listing Date.

Save as disclosed above, as at the Listing Date, 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 six months ended 31 October 2017.

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 six months ended 31 October 2017.

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 the date of this announcement, 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 up to the date of this announcement.

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 up to the date of this announcement.

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 up to the date of this announcement.

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 Prospectus.

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 six months ended 31 October 2017.

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

Hong Kong, 11 December 2017

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.

This announcement will remain on the “Latest Company Announcements” 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”.