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 2019

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 condensed consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 30 April 2019, together with the audited comparative figures for the year ended 30 April 2018, as follows:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 April 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Revenue	*4*	**162,035**	151,228
Cost of sales		**(112,962)**	(108,454)
Gross profit		**49,073**	42,774
Other income	*5*	**682**	385
Net reversal of allowance for expected credit losses		**37**	–
Selling and distribution expenses		**(3,521)**	(3,908)
Administrative expenses		**(16,570)**	(26,194)
Finance costs	*6*	**(322)**	(1,233)
Profit before taxation	*7*	**29,379**	11,824
Taxation	*8*	**(5,961)**	(4,375)
Profit for the year		**23,418**	7,449
Other comprehensive (loss)/income for the year, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale financial assets		**–**	(201)
Exchange differences on translation of foreign operations		**(4,523)**	5,686
Other comprehensive (loss)/income for the year, net of tax		**(4,523)**	5,485
Total comprehensive income for the year		**18,895**	12,934
Profit for the year attributable to equity owners of the Company		**23,418**	7,449
Total comprehensive income for the year attributable to equity owners of the Company		**18,895**	12,934
Earnings per share attributable to equity owners of the Company			
Basic and diluted (HK cents)	*10*	**4.68**	1.91

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
At 30 April 2019

	Notes	2019 HK$'000	2018 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**18,018**	16,115
Goodwill		**8,634**	9,181
Available-for-sale financial asset		**–**	2,365
Financial assets at fair value through profit or loss		**2,738**	–
Deferred tax assets		**243**	–
		29,633	27,661
Current assets			
Inventories		**25,918**	25,213
Trade receivables	*11*	**61,801**	41,827
Deposits, prepayments and other receivables		**11,670**	6,871
Fixed deposits		**9,524**	10,117
Cash and cash equivalents		**16,266**	23,836
		125,179	107,864
Liabilities			
Current liabilities			
Trade payables	*12*	**13,736**	10,834
Accruals, other payables and receipts in advance		**2,858**	9,269
Contract liabilities		**472**	–
Obligation under finance lease			
— due within one year		**660**	953
Bank borrowings		**7,002**	1,773
Tax payables		**6,730**	6,641
		31,458	29,470
Net current assets		**93,721**	78,394
Total assets less current liabilities		**123,354**	106,055
Non-current liabilities			
Obligation under finance lease			
— due over one year		**–**	660
Net assets		**123,354**	105,395
Equity			
Share capital		**5,000**	5,000
Reserves		**118,354**	100,395
Total equity		**123,354**	105,395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2019

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. 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 Growth Enterprise Market ("**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$**") is also the financial currency of the Company and all values are rounded to the nearest thousand except otherwise indicated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARD ("HKFRS")

The Company and its subsidiaries (collectively referred to as the "**Group**") has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)–Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements. The above new HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

Impact on the consolidated financial statements

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Consolidated statement of financial position (extract)	**30 April 2018** *HK$'000*	**HKFRS 9** *HK$'000*	**HKFRS 15** *HK$'000*	**1 May 2018** *HK$'000*
Non-current assets				
Available for sale assets	2,365	(2,365)	–	–
Financial assets at fair value through profit or loss	–	2,365	–	2,365
Deferred tax assets	–	237	–	237
Current assets				
Trade receivables	41,827	(1,108)	–	40,719
Deposits, Prepayments and other receivables	6,871	(65)	–	6,806
Current liabilities				
Receipt in advance	3,407	–	(3,407)	–
Contract liabilities	–	–	3,407	3,407
Net current assets	78,394	(1,173)	–	77,221
Net assets	105,395	(936)	–	104,459
Capital and reserves				
Reserves	100,395	(936)	–	99,459

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments, Amendments to HKFRS 9 Prepayment Features with Negative Compensation and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, and (2) expected credit losses ("**ECL**") for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 May 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 May 2018. The difference between carrying amounts as at 30 April 2018 and the carrying amounts as at 1 May 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

Accounting policies resulting from application of HKFRS 9 are disclosed in note to consolidated financial statement

Summary of effects arising from initial application of HKFRS 9

Classification and measurement of financial assets and financial liabilities

The table below illustrates the classification and measurement of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 May 2018.

	Available-for-sale financial asset reserve *HK$'000*	Available-for-sale financial assets *HK$'000*	Financial assets at FVTPL *HK$'000*	Retained earnings *HK$'000*
Closing balance at 30 April 2018 – HKAS 39	275	2,365	–	–
Effect arising from initial application of HKFRS 9:				
Reclassification				
From available-for-sale financial assets	(275)	(2,365)	2,365	275
Opening balance at 1 May 2018	–	–	2,365	275

From available-for-sale financial assets to financial assets at FVTPL

Investment in a life contract with a fair value of HK$2,365,000 were reclassified from available-for-sale financial assets to financial assets at FVTPL, as the investment is held as long-term strategic investments that do not represent solely payments of principal and interest, so they do not meet the HKFRS 9 criteria for classification at amortised cost.

Classification and measurement of financial assets and financial liabilities at amortised cost:

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15. All recognised financial assets and financial liabilities that are within the scope of HKFRS 9 are subsequently measured at amortised cost except derivative financial instruments which are continued to be recognised at fair value under HKFRS 9 as financial assets at fair value through profit or loss.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The impact of the change in impairment methodology is as follows:

Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including prepayments, deposits and other receivables, amount due from related parties, pledged deposits, and cash and cash equivalents, are assessed on 12-month ECL ("**12m ECL**") basis as there had been no significant increase in credit risk since initial recognition.

Other financial assets measured at amortised cost

As at 1 May 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9.

The following tables summarized the impact, net of tax, of transition HKFRS 9 on the opening balance of retained profits as 1 May 2018 as follow:

	Available-for-sale financial asset reserve *HK$'000*	**Retained earning** *HK$'000*	**Total** *HK$'000*
At 30 April 2018			
Transfer of available-for-sale financial asset reserve	(275)	275	–
Increase in ECL in			
— Trade receivables	–	(1,108)	(1,108)
— Deposits, prepayments and other receivables	–	(65)	(65)
— Deferred tax assets	–	237	237
At 1 May 2018, restated	(275)	(661)	(936)

All loss allowances, including trade receivables and deposits, prepayments and other receivables as at 30 April 2018 reconciled to the opening loss allowances as at 1 May 2018 are as follows:

	Trade receivables *HK$'000*	**Deposits, prepayments and other receivables** *HK$'000*	**Total** *HK$'000*
At 30 April 2018 — HKAS 39			
Amounts re-measured through opening			
— Retained earnings	(1,108)	(65)	(1,173)
At 1 May 2018 — HKFRS 9	(1,108)	(65)	(1,173)

HKFRS 15 Revenue from Contracts with Customers and the related amendments

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 May 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to the contracts that are not completed at 1 May 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared with HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in note to the audited consolidated financial statement.

Except for the reclassification of the contract liabilities from receipt in advance of HK$3,407,000 at initial application, HKFRS 15 was generally adopted without restating any other comparative information. There is no impact of transition to HKFRS 15 on retained earnings at 1 May 2018.

New and revised HKFRSs in issue but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[2]
HK(IFRIC)–Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 10 and HKAS 28	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[5]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 May 2019

2 Effective for annual periods beginning on or after 1 May 2021

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

4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 May 2020

5 Effective for annual periods beginning on or after 1 May 2020

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. During the reporting period, 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:

	2019	2018
	HK$'000	*HK$'000*
Canada	**21,968**	31,155
Taiwan	**10,690**	10,264
The US	**15,796**	16,868
The PRC, excluding Hong Kong	**86,939**	46,964
Hong Kong	**15,958**	40,259
Others *(note)*	**10,684**	5,718
	162,035	151,228

Note: Others include the Brazil, France, Japan, Philippines, Thailand, South Africa and Italy.

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

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**561**	117
The PRC, excluding Hong Kong	**17,457**	15,998
	18,018	16,115

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:

	2019	2018
	HK$'000	*HK$'000*
Customer A	**21,968**	31,250
Customer B	**18,759**	–
Customer C	**18,027**	15,374
Customer D	**–***	26,399
Customer E	**17,478**	–*

As at 30 April 2019, 38.3% (2018: 69.3%) of the Group's trade receivables were due from these customers.

* *The customers contributed less than 10% of the total revenue of the Group.*

4. 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 reporting period.

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

	2019	2018
	HK$'000	*HK$'000*
LED decorative lighting	**132,954**	120,279
LED luminaire lighting	**29,081**	30,949
	162,035	151,228

5. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Fair value gain on financial assets at fair value through profit or loss	**373**	–
Sales of scrap material	**55**	112
Interest income	**234**	52
Government grant	**20**	108
Others	**–**	113
	682	385

6. FINANCE COSTS

	2019 *HK$'000*	2018 *HK$'000*
Interest expenses on:		
— bank borrowings wholly repayable within five years	**229**	1,101
— obligation under finance lease	**54**	95
	283	1,196
Bank charges	**39**	37
	322	1,233

7. PROFIT BEFORE TAXATION

	2019 *HK$'000*	2018 *HK$'000*
Profit before taxation has been arrived after charging:		
Auditors' remuneration	**1,190**	1,345
Cost of inventories recognized as an expense	**112,962**	108,454
Depreciation of property, plant and equipment	**2,916**	2,662
Employee benefit expenses (including directors' emoluments) *(note 10)*	**21,503**	15,704
Minimum lease payments under operating leases	**3,773**	3,345
Net reversal of allowance for expected credit loss	**(37)**	–
Listing expenses	**–**	–
— Audit and reporting accountants services	**–**	1,320
— Others	**–**	8,438
Foreign exchange losses/(gain), net	**161**	(580)
Written-off of property, plant and equipment	**–**	369
Research and development expenses	**61**	70

8. TAXATION

	2019 *HK$'000*	2018 *HK$'000*
Current tax:		
— the PRC	**4,075**	1,539
— Hong Kong	**1,892**	2,845
	5,967	4,384
Deferred tax	**(6)**	(9)
Total taxation	**5,961**	4,375

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%. The Group is subject to Hong Kong Profit Tax at a rate of 16.5% for the year ended 30 April 2018.

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 2019 (2018: 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:

	2019	2018
	HK$'000	*HK$'000*
Earnings:		
Earning for the purpose of calculation basic earnings per share		
— Profit for the year attributable to the owners of the Company	**23,418**	7,449

	2019	2018
	'000	*'000*
Number of shares:		
Number of ordinary shares for the purpose of calculation basic earnings per share — Profit for the year attributable to owners of the Company	**500,000**	390,959

Diluted earnings per share for the years ended 30 April 2019 and 2018 were the same as the basic earnings per share as there were no potential ordinary shares in issue for both years.

11. TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables *(note)*	**62,890**	41,827
Less: allowance for expected credit losses	**(1,089)**	–
	61,801	41,827

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

	2019	2018
	HK$'000	*HK$'000*
Within 60 days	**55,822**	33,941
61–90 days	**699**	2,736
91–180 days	**6,369**	3,841
181–365 days	**–**	1,309
	62,890	41,827

12. TRADE PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**13,736**	10,834

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:

	2019	2018
	HK$'000	*HK$'000*
Within 60 days	**10,959**	5,796
61–90 days	**742**	286
91–180 days	**962**	1,605
181–365 days	**812**	2,880
Over 365 days	**261**	267
	13,736	10,834

All amounts are short-term and hence the directors considered that carrying amounts of trade payables are considered to be a reasonable approximation of their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The year ended 30 April 2019 was a difficult financial year for the Company as a result of the Sino-US trade conflict. The Sino-US trade conflict has seriously affected the operation of the Company and brought uncertainties to the demand for the Group's LED lighting products since a significant amount of the Group's sales relied on the consumptions in North America. The purchase orders from which for both the LED decorative lighting products and LED luminaire lighting products were reduced from the first quarter to third quarter for the year ended 30 April 2019.

To mitigate the effect of the Sino-US trade conflict, the Company has strategically focused on the sales of the PRC customers during the year. The revenue derived from the PRC customers increased from approximately HK$47.0 million to approximately HK$86.9 million on a year-over-year basis, resulting an increase of total revenue by approximately HK$10.8 million or 7.1% from approximately HK$151.2 million for the year ended 30 April 2018 to approximately HK$162.0 million for the year ended 30 April 2019.

During the year ended 30 April 2019, our Group focused on developing and marketing the sales of smart light products in LED decorative light series (the "**Smart Light**") in the Mainland China market. The Group tailored its Smart Light products to accommodate for the usage in tourism development projects and building's exterior decoration projects, which presented a new revenue source of the Group. The sales of LED decorative lighting products increased by HK$12.6 million or 10.2% from approximately HK$120.3 million for the year ended 30 April 2018 to approximately HK$132.9 million for the year ended 30 April 2019.

At the same time, the production line of LED luminaire lighting series had undergone an upgrade during the year ended 30 April 2019 and was completed in October 2018. The sales of LED luminaire lighting series resumed during the last quarter of the year ended 30 April 2019. As a result, the sales of LED luminaire lighting series decreased slightly by approximately HK$1.8 million or 5.8% from approximately HK$30.9 million for the year ended 30 April 2018 to approximately HK$29.1 million for the year ended 30 April 2019.

PROSPECT

The Sino-US trade conflict has led to a dramatic drop in the Group's export sales to North America and other customers during the year ended 30 April 2019.

Therefore, the Group was in the progress of exploring to build a new production line at Phnom Penh in Cambodia. It is advised that a new company set up through Qualify Investment Project (the "**QIP**") application is entitled to tax benefit for the import of raw materials, semi-products and machinery from China to Cambodia as well as for the export of the light products to the US. The Company believes that if the Group's plan to set up a factory in Cambodia can be materialised, the Group's competitiveness will be enhanced and the export sales to North America will become more stable.

FINANCIAL REVIEW

Revenue from LED decorative lighting

The Group's LED decorative lighting revenue increased by approximately HK$12.6 million or 10.8% from approximately HK$120.3 million for the year ended 30 April 2018 to approximately HK$132.9 million for the year ended 30 April 2019. The increase in LED decorative lighting revenue was mainly attributable to the increase in sales of Smart Light products and the increase in sales to the PRC customers.

Revenue from LED luminaire lighting

The Group's LED luminaire lighting revenue was slightly decreased by approximately HK$1.8 million or 5.8% from approximately HK$30.9 million for the year ended 30 April 2018 to approximately HK$29.1 million for the year ended 30 April 2019. The decrease in LED luminaire lighting revenue mainly resulted from the upgrade of the production line(s) for LED luminaire lighting during the year. Such upgrade was completed in October 2018 and the sales of LED luminaire lighting has resumed during the last quarter for the year ended 30 April 2019.

Cost of Sales

The Group's cost of sales increased by approximately HK$4.5 million or 4.1% from approximately HK$108.5 million for the year ended 30 April 2018 to approximately HK$113.0 million for the year ended 30 April 2019. 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$6.3 million or 14.7% from approximately HK$42.8 million for the year ended 30 April 2018 to approximately HK$49.1 million for the year ended 30 April 2019. The increase in gross profit was generally in line with the increase in our total revenue. The gross profit margin increased from approximately 28.3% for the year ended 30 April 2018 to approximately 30.3% for the year ended 30 April 2019. The increase in gross profit margin was mainly due to the increase in sales of Smart Light which were generally sold with higher profit margin.

Other Income

The Group's other income increased by approximately HK$297,000 or 77.1% from approximately HK$385,000 for the year ended 30 April 2018 to approximately HK$682,000 for the year ended 30 April 2019. The increase was primarily attributable to the fair value gain on financial assets at fair value through profit or loss and the interest income of the secured fixed deposits in Hong Kong.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by approximately HK$0.4 million or 10.3% from approximately HK$3.9 million for the year ended 30 April 2018 to approximately HK$3.5 million for the year ended 30 April 2019. The decease in selling and distribution expenses was mainly attributable to the decrease in advertising and marketing expenses.

Administrative Expenses

The Group's administrative expenses decreased significantly by approximately HK$9.6 million or 36.6% from approximately HK$26.2 million for the year ended 30 April 2018 to approximately HK$16.6 million for the year ended 30 April 2019. The decrease was mainly attributable to the absence of the one-off listing expenses of approximately HK$9.8 million incurred in the year ended 30 April 2018.

Finance Cost

The Group's finance cost decreased by approximately HK$0.9 million or 75.0% from approximately HK$1.2 million for the year ended 30 April 2018 to approximately HK$0.3 million for the year ended 30 April 2019. The decrease in finance cost was in line with the decrease in bank borrowings during the year ended 30 April 2019.

Profit for the Year

The Group's profit for the year ended 30 April 2019 was approximately HK$23.4 million, representing an increase of approximately HK$16.0 million or 216.2% as compared with the year ended 30 April 2018. The net increase in profit for the year of the Group was mainly attributable to the drop in administrative expense as a result of the absence of the one-off listing expenses of approximately HK$9.8 million incurred during the year ended 30 April 2018 along with the aforementioned increase in revenue and gross profit of the Group during the year ended 30 April 2019.

GEARING RATIO

The Group recorded a gearing ratio (total debts divided by the total equity) of approximately 0.06 times as at 30 April 2019 (2018: 0.03 times). The gearing ratio remained low as at 30 April 2019.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 April 2019, cash and bank balances of the Group amounted to approximately HK$25.8 million (2018: HK$34.0 million). The current ratio (total current assets divided by total current liabilities) of the Group was 4.0 times as at 30 April 2019 (2018: 3.7 times). 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.

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 2019. Furthermore, the Group did not have any plans for material investments and capital assets.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 April 2019, the Group did not have any significant capital commitments (30 April 2018: nil) and significant contingent liabilities (30 April 2018: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2019, the Group had a total of 230 employees. The total remuneration costs incurred by the Group for the year ended 30 April 2019 were approximately HK$21.5 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.

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:

	2019	2018
	HK$'000	*HK$'000*
Financial asset at fair value through profit or loss/ Available-for-sale financial asset	**2,738**	2,365
Fixed deposits	**9,524**	–
	12,262	2,365

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 settled 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 year ended 30 April 2019, we had experienced exchange loss of approximately HK$0.2 million (2018: gain of approximately HK$0.6 million).

DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 30 April 2019.

The Group currently does not have a pre-determined dividend payout ratio. Dividends may be paid out by way of cash or by other means that the Group considers appropriate. Declaration and payment of any dividends would require the recommendation of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to shareholders' approval. A decision to declare or to pay any dividend in the future, and the amount of any dividends, depends on a number of factors, including the results of operations, financial condition, the payment by the subsidiaries of cash dividends to the Group, and other factors the Board may deem relevant. There will be no assurance that the Group will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Board in the future.

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 Company's prospectus dated 31 October 2017 (the "**Prospectus**"):

	Approximate percentage of total amount	**Net proceeds**	**Up to 30 April 2019**	
			Utilised amount	**Un-utilised amount**
		HK$ million	*HK$ million*	*HK$ million*
Upgrading our production facilities	55%	16.6	7.6	9.0
— 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	–
Expanding our product portfolio and strengthening our product development capability	5%	1.5	0.5	1.0
Expanding our sales force and sales channel	5%	1.5	1.1	0.4
General working capital	10%	3.0	3.0	–
	100%	30.1	19.7	10.4

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

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 2019.

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 2019.

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. As notified by Ample Capital Limited, as at 30 April 2019, 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 2019.

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 year ended 30 April 2019.

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 2019.

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 2019 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited ("**HLB**"), to the amounts set out in the Group's draft 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 preliminary 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 (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 audited condensed consolidated financial statements of the Group for the year ended 30 April 2019.

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

Hong Kong, 11 July 2019

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".