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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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 JULY 2020**

**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 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

FIRST QUARTERLY RESULTS

FINANCIAL HIGHLIGHTS

- Based on the unaudited condensed consolidated financial results of the Group for the three months ended 31 July 2020, the Group's revenue for the three months ended 31 July 2020 was approximately HK\$49.9 million, representing a slight increase of approximately HK\$5.1 million or 11.4% as compared to the same period in 2019 (three months ended 31 July 2019: HK\$44.8 million). The slight increase was mainly attributable to the significant increase in revenue of LED decorative lighting products due to the increase in revenue from the Group's US customers which was partially offset by a decrease in revenue from the Group's Hong Kong customers during the three months ended 31 July 2020 as compared to the same period in 2019.
- During the three months ended 31 July 2020, the Group's gross profit was approximately HK\$13.6 million, representing an increase of approximately 18.3% as compared to approximately HK\$11.5 million for the same period in 2019.
- During the three months ended 31 July 2020, the Group's profit for the period was approximately HK\$5.9 million (three months ended 31 July 2019: HK\$5.4 million).
- The Board did not recommend an interim dividend for the three months ended 31 July 2020 (three months ended 31 July 2019: Nil).

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 31 July 2020 (the “**Period**”), together with the unaudited comparative figures for the corresponding period in 2019, as follows:

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

For the three months ended 31 July 2020

	Notes	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	4	49,868	44,837
Cost of sales		<u>(36,277)</u>	<u>(33,309)</u>
Gross profit		13,591	11,528
Other income and gain		160	592
Net allowance for expected credit losses		(362)	(305)
Selling and distribution expenses		(646)	(728)
Administrative expenses		(4,805)	(4,474)
Finance costs		<u>(447)</u>	<u>(144)</u>
Profit before taxation	5	7,491	6,469
Taxation	7	<u>(1,556)</u>	<u>(1,039)</u>
Profit for the period		<u>5,935</u>	<u>5,430</u>
Other comprehensive gain/(loss) for the period, net of tax			
Exchange differences on translation of foreign operations		<u>1,810</u>	<u>(2,511)</u>
Other comprehensive gain/(loss) for the period, net of tax		<u>1,810</u>	<u>(2,511)</u>
Total comprehensive income for the period		<u>7,745</u>	<u>2,919</u>
Profit for the period attributable to equity owners of the Company		<u>5,935</u>	<u>5,430</u>
Total comprehensive income for the period attributable to the equity owners of the Company		<u>7,745</u>	<u>2,919</u>
Earnings per share attributable to equity owners of the Company			
Basic and diluted (HK cents)	8	<u>1.19</u>	<u>1.09</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 July 2020

	Share capital HK'000	Share premium HK'000	Statutory reserve HK'000	Translation reserve HK\$'000	Other reserve HK\$'000	Retain earnings HK\$'000	Total HK\$'000
At 1 May 2019 (audited)	5,000	41,901	1,223	153	1	75,076	123,354
Profit for the period	–	–	–	–	–	5,430	5,430
Exchange different on translation of foreign operations	–	–	–	(2,511)	–	–	(2,511)
Total comprehensive income for the period	–	–	–	(2,511)	–	5,430	2,919
Transfer to statutory reserve	–	–	10	–	–	(10)	–
At 31 July 2019 (unaudited)	<u>5,000</u>	<u>41,901</u>	<u>1,233</u>	<u>(2,358)</u>	<u>1</u>	<u>80,496</u>	<u>126,273</u>
At 1 May 2020 (audited)	5,000	41,901	2,329	(4,826)	1	92,474	136,879
Profit for the period	–	–	–	–	–	5,935	5,935
Exchange different on translation of foreign operations	–	–	–	1,810	–	–	1,810
Total comprehensive income for the period	–	–	–	1,810	–	5,935	7,745
Transfer to statutory reserve	–	–	267	–	–	(267)	–
At 31 July 2020 (unaudited)	<u>5,000</u>	<u>41,901</u>	<u>2,596</u>	<u>(3,016)</u>	<u>1</u>	<u>98,142</u>	<u>144,624</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 July 2020

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 A, 11th Floor, King Palace Plaza, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company's issued shares have been listed on GEM of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") 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 financial information are presented in Hong Kong dollars ("**HK\$**") is also the reporting currency of the Company and all values are rounded to the nearest thousand except otherwise indicated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 July 2020 have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 April 2020. The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 30 April 2020.

As at the date of authorisation of these unaudited condensed consolidated financial statements, HKICPA has issued a number of new and amended HKFRSs. For those which are effective for accounting period beginning on 1 May 2020, the adoption of theses new and amended HKFRSs had no material impact on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. The Group has not early adopted any new and amended HKFRSs that are relevant to the Group have been issued but are not yet effective for the current accounting period.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies set out in the annual consolidated financial statements of the Group for the year ended 30 April 2020.

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("**HK\$**"), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("**HK\$'000**"), except when otherwise indicated. The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the accounting policies of the Group. The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee (the "**Audit Committee**").

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 executive directors of the Company who are 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 of the Company, 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 of the Company reviewed the financial result of the Group as a whole report under HKFRSs. Therefore, the executive directors of the Company 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 of the Company allocate resources and assess performance on an aggregate basis. Accordingly, no operating segment is presented.

Geographical information

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

	For the three months ended 31 July	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Canada	18,476	17,969
The US	7,188	1,171
The PRC, excluding Hong Kong	3,336	2,658
Hong Kong	17,827	22,597
Others (<i>note</i>)	3,041	442
	49,868	44,837

Note: Others include the South Africa and Italy.

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 three months ended 31 July 2020, and 2019.

All revenue contract as for period on one year less, 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.

	For the three months ended 31 July	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
LED decorative lighting	48,176	44,317
LED luminaire lighting	1,692	520
	49,868	44,837

5. PROFIT BEFORE TAXATION

	For the three months ended 31 July	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit before taxation has been arrived after charging		
Auditors' remuneration		
— Non-audit service	200	300
Cost of inventories recognised as cost of sales	36,277	33,309
Depreciation on property, plant and equipment	666	728
Employee benefit expenses (including director's emoluments)	6,416	7,238
Listing expenses related to the transfer of listing to Main Board	1,178	—
Net allowance for expected credit losses	362	305
Foreign exchange gain, net	(153)	(89)
Research and development expenses	24	28

6. DIVIDENDS

No dividends were paid, declared or proposed during the reporting period (three months ended 31 July 2019: nil).

The Board did not recommend the payment of any dividend for the three months ended 31 July 2020 (three months ended 31 July 2019: nil).

7. TAXATION

	For the three months ended 31 July	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax expenses/(credits):		
Hong Kong	769	1,019
The PRC	807	33
Deferred tax	(20)	(13)
Total Taxation	1,556	1,039

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 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% during the reporting period.

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

The calculation of the basic and diluted earnings per share for the period is based on the following data:

	For the three months ended 31 July	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share, profit for the period attributable to equity owners of the company	<u>5,935</u>	<u>5,430</u>
Number of share	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>500,000</u>	<u>500,000</u>

9. CAPITAL COMMITMENTS

As at 31 July 2020, the Group has no commitment (as at 30 April 2020: nil) in respect of the acquisition of property, plant and equipment contracted for but not provided in the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

After Chinese New Year in early 2020, the global economy has been affected by the outbreak of the COVID-19 pandemic (the “**Pandemic**”). The Pandemic seriously affects the North America and Asia 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 to keep itself abreast of their business development. As a result, some deferred orders have been confirmed and delivered during the three months ended 31 July 2020. The Group’s revenue for the three months ended 31 July 2020 is approximately HK\$49.9 million, representing a slight increase of approximately HK\$5.1 million or 11.4% as compared to the same period in 2019.

As affected by the Pandemic, the Group’s new production line in Phnom Penh, Cambodia has delayed in commencing its operation until the second half of year 2020. The Group was advised that a new company set up through Qualified Investment Project application is entitled to 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 put its marketing effort to procure potential customers in the US and broaden its customer base.

PROSPECT

Under the haze of the outbreak of the Pandemic, most of the countries have imposed stringent border control policy to avoid the further spreading of the Pandemic and travellers are required to quarantine for a specific time period on their arrival. This poses extreme challenges for the Company to develop the business relationship in the worldwide. The Group will continue to adopt prudent and risk balancing management approach in the coming years.

The Group commenced building a new production line at Phnom Penh in Cambodia in 2019 and leveraging on the tax benefits available to the Group, 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 has sent its sales team to visit the customers in the US to promote its new production line in Cambodia during the first half of calendar year 2020. The Group also plans to participate in exhibitions worldwide in the coming years and to place advertisements on some business-to-business websites.

FINANCIAL REVIEW

Revenue

Revenue from LED decorative lighting products

During the three months ended 31 July 2020, the Group's revenue from LED decorative lighting products was approximately HK\$48.2 million, representing an increase of approximately HK\$3.9 million or 8.8% as compared to the same period in 2019 (three months ended 31 July 2019: approximately HK\$44.3 million). The increase was mainly attributable to the increase in sales of LED decorative lighting products to the US and other customers which was partially offset by the decrease in sales to the Hong Kong customers.

Revenue from LED luminaire lighting products

During the three months ended 31 July 2020, the Group's revenue from LED luminaire lighting products was approximately HK\$1.7 million, representing a significant increase of approximately HK\$1.2 million or 240.0% as compared to the same period in 2019 (three months ended 31 July 2019: approximately HK\$0.5 million). The significant increase was mainly attributable to the increase in sales of LED luminaire lighting products to the PRC customers.

Cost of sales

During the three months ended 31 July 2020, the Group's cost of sales was approximately HK\$36.3 million, representing an increase of approximately HK\$3.0 million or 9.0% as compared to the same period in 2019 (three months ended 31 July 2019: approximately HK\$33.3 million). The increase in cost of sales was generally in line with the increase in the Group's total revenue.

Gross profit and gross profit margin

The Group's gross profit for the three months ended 31 July 2020 was approximately HK\$13.6 million, representing an increase of approximately HK\$2.1 million or 18.3% as compared to the same period in 2019 (three months ended 31 July 2019: approximately HK\$11.5 million). The Group's overall gross profit margin for the three months ended 31 July 2020 was approximately 27.3%, representing a slight increase of approximately 6.2% as compared to the same period in 2019 (three months ended 31 July 2019: approximately 25.7%). The increase in gross profit margin was mainly due to higher profit margin of the Group's LED decorative lighting products during the three months ended 31 July 2020 as compared to the same period in 2019.

Selling and distribution expenses

During the three months ended 31 July 2020, the Group's selling and distribution expenses were approximately HK\$0.6 million, representing a slight decrease of approximately HK\$0.1 million or 14.3% as compared to the same period in 2019 (three months ended 31 July 2019: HK\$0.7 million). The decrease was mainly attributable to the decrease of salaries paid to the sales staffs during the three months ended 31 July 2020 as less sales staffs is required to handle and process the sales orders from customers by electronics means such as emails during the Pandemic.

Other income and gain

During the three months ended 31 July 2020, the Group's other income and gain was approximately HK\$0.2 million, representing a significant decrease of approximately HK\$0.4 million or 66.7% as compared to the same period in 2019 (three months ended 31 July 2019: approximately HK\$0.6 million). The significant decrease in other income and gain was mainly due to the fair value of the financial assets through profit or loss remaining under range compared to the fair value of the financial assets through profit or loss at 30 April 2020.

Administrative expenses

During the three months ended 31 July 2020, the Group's administrative expenses were approximately HK\$4.8 million, representing a slight increase of approximately HK\$0.3 million or 6.7% as compared to the same period in 2019 (three months ended 31 July 2019: approximately HK\$4.5 million). The increase of administrative expenses was mainly due to the increase of legal and professional fee and expenses related to the Group's application for transfer of listing to Main Board.

Finance costs

During the three months ended 31 July 2020, the Group's finance costs were approximately HK\$0.4 million, representing a significant increase of approximately HK\$0.3 million or 300.0% as compared to the same period in 2019 (three months ended 31 July 2019: approximately HK\$0.1 million). The significant increase in finance costs was mainly attributable to the increase in bank borrowings and the interest expenses on the lease liabilities during the three months ended 31 July 2020.

Profit for the period

During the three months ended 31 July 2020, the Group's profit for the period was approximately HK\$5.9 million, representing a slight increase by approximately HK\$0.5 million or 9.3% as compared to the same period in 2019 (three months ended 31 July 2019: approximately HK\$5.4 million). The slight increase was mainly attributable to the increase in LED decorative lighting product during the three months ended 31 July 2020 as compared to the same period in 2019.

Dividend

The Board did not recommend the payment of an interim dividend for the three months ended 31 July 2020 (three months ended 31 July 2019: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 31 July 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

Name of Director	Capacity/nature of interest	Number of shares	Approximate percentage ⁺ of shareholding in the Company
Mr. Shiu Kwok Leung	Interest of controlled corporation	234,000,000 (Note 1)	46.8%
Mr. Yuen Lai Him	Interest of spouse	30,000,000 (Note 2)	6.0%

Notes:

1. These shares are held by Real Charm Corp, which is wholly and beneficially owned by Mr. Shiu Kwok Leung. Accordingly, Mr. Shiu Kwok Leung is deemed to be interested in these shares of the Company pursuant to Part XV of the SFO.
2. Mr. Yuen Lai Him is deemed to be interested in these shares of the Company through the interest of his spouse, Ms. Giang Maryanne Phung-van.

⁺ The percentage represents the number of ordinary shares involved divided by the number of issued shares of the Company as at 31 July 2020.

Save as disclosed above, as at 31 July 2020, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 31 July 2020, the following parties (other than the Directors or the chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in ordinary shares of the Company

Name of shareholder	Capacity/nature of interest	Number of shares	Approximate percentage ⁺ of shareholding in the Company
Real Charm Corp	Beneficial owner	234,000,000 (Note 1)	46.8%
Ms. Chung Yu Chun	Interest of spouse	234,000,000 (Note 2)	46.8%
Multi Tech Creation Limited	Beneficial owner	30,000,000 (Note 3)	6.0%
Ms. Giang Maryanne Phung-van	Interest of controlled corporation	30,000,000 (Note 3)	6.0%

Notes:

1. The above interest of Real Charm Corp was also disclosed as the interest of Mr. Shiu Kwok Leung in the section headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, the Underlying Shares or Debentures of the Company" in this announcement.
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 section headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, the Underlying Shares or Debentures of the Company" in this announcement.

⁺ The percentage represents the number of ordinary shares involved divided by the number of issued shares of the Company as at 31 July 2020.

Save as disclosed above, as at 31 July 2020, 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 three months ended 31 July 2020.

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 three months ended 31 July 2020.

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 three months ended 31 July 2020.

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 three months ended 31 July 2020.

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 three months ended 31 July 2020.

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 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 three months ended 31 July 2020.

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

Hong Kong, 10 September 2020

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 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”.