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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 2021**

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

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

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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

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

*For the six months ended 31 October 2021*

	Notes	For the three months ended 31 October		For the six months ended 31 October	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	5	<b>54,979</b>	71,271	<b>111,497</b>	121,139
Cost of sales		<b>(40,908)</b>	(49,629)	<b>(82,195)</b>	(85,906)
Gross profit		<b>14,071</b>	21,642	<b>29,302</b>	35,233
Other income, gain/(losses), net	6	<b>109</b>	(587)	<b>212</b>	(427)
Allowance for expected credit losses, net		<b>(3,295)</b>	419	<b>(2,533)</b>	57
Selling and distribution expenses		<b>(883)</b>	(1,267)	<b>(1,564)</b>	(1,913)
Administrative expenses		<b>(4,478)</b>	(6,840)	<b>(8,271)</b>	(11,645)
Finance costs		<b>(507)</b>	(497)	<b>(971)</b>	(944)
Profit before taxation	7	<b>5,017</b>	12,870	<b>16,175</b>	20,361
Taxation	8	<b>(530)</b>	(3,398)	<b>(2,564)</b>	(4,954)
Profit for the period		<b>4,487</b>	9,472	<b>13,611</b>	15,407
Other comprehensive income for the period, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		<b>1,074</b>	2,705	<b>1,240</b>	4,515
Other comprehensive income for the period, net of tax		<b>1,074</b>	2,705	<b>1,240</b>	4,515
<b>Total comprehensive income for the period</b>		<b>5,561</b>	12,177	<b>14,851</b>	19,922
Profit for the period attributable to equity owners of the Company		<b>4,487</b>	9,472	<b>13,611</b>	15,407
Total comprehensive income for the period attributable to equity owners of the Company		<b>5,561</b>	12,177	<b>14,851</b>	19,922
Earnings per share attributable to equity owners of the Company					
Basic and diluted (HK cents)	10	<b>0.90</b>	1.89	<b>2.72</b>	3.08

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 October 2021*

	<i>Notes</i>	<b>31 October 2021 HK\$'000 (unaudited)</b>	30 April 2021 HK\$'000 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	16,025	16,267
Goodwill		8,996	8,890
Right-of-use assets		12,067	13,819
Financial assets at fair value through profit or loss		–	2,551
Deferred tax assets		627	169
		<u>37,715</u>	<u>41,696</u>
<b>Current assets</b>			
Inventories		69,409	67,650
Trade receivables	12	62,037	49,402
Deposits, prepayments and other receivables		29,955	11,223
Fixed deposit		10,473	10,210
Cash and bank balances		39,752	48,697
		<u>211,626</u>	<u>187,182</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	13	13,258	6,069
Accruals and other payables		4,073	4,792
Contract liabilities		1,358	1,950
Lease liabilities		3,352	3,441
Bank borrowings		15,072	12,960
Tax payables		10,166	11,520
		<u>47,279</u>	<u>40,732</u>
<b>Net current assets</b>		<u>164,347</u>	<u>146,450</u>
<b>Total assets less current liabilities</b>		<u>202,062</u>	<u>188,146</u>
<b>Non-current liabilities</b>			
Bank borrowings		11,416	10,800
Lease liabilities		9,691	11,242
		<u>21,107</u>	<u>22,042</u>
<b>Net assets</b>		<u>180,955</u>	<u>166,104</u>
<b>Equity</b>			
Share capital	14	5,000	5,000
Reserves		175,955	161,104
<b>Total equity</b>		<u>180,955</u>	<u>166,104</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2021

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i> <i>(Note ii)</i>	Translation reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(Note i)</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 1 May 2020 (audited)</b>	5,000	41,901	2,329	(4,826)	1	92,474	136,879
Profit for the period	-	-	-	-	-	15,407	15,407
Exchange differences on translation of foreign operation	-	-	-	4,515	-	-	4,515
Total comprehensive (loss)/income for the period	-	-	-	4,515	-	15,407	19,222
Transfer to statutory reserve	-	-	900	-	-	(900)	-
<b>At 31 October 2020 (unaudited)</b>	<u>5,000</u>	<u>41,901</u>	<u>3,229</u>	<u>(311)</u>	<u>1</u>	<u>106,981</u>	<u>156,801</u>
<b>At 1 May 2021 (audited)</b>	<b>5,000</b>	<b>41,901</b>	<b>3,869</b>	<b>273</b>	<b>1</b>	<b>115,060</b>	<b>166,104</b>
Profit for the period	-	-	-	-	-	13,611	13,611
Exchange differences on translation of foreign operation	-	-	-	1,240	-	-	1,240
Total comprehensive income for the period	-	-	-	1,240	-	13,611	14,851
<b>At 31 October 2021 (unaudited)</b>	<u><b>5,000</b></u>	<u><b>41,901</b></u>	<u><b>3,869</b></u>	<u><b>1,513</b></u>	<u><b>1</b></u>	<u><b>128,671</b></u>	<u><b>180,955</b></u>

Notes:

- (i) Other reserve represents the difference between the Company's share of normal value of the paid-up capital of the subsidiary acquired over the Company's cost of acquisition of the subsidiary under the common control.
- (ii) In accordance with the Articles of Association of a subsidiary established in the PRC, they required to transfer 10% of the profit after taxation to the statutory reserve 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.

The accompanying notes form an integral part of the Interim Financial Information.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31 October 2021*

## 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 Room 11, 5/F, No. 46 Tsun 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 unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"). It 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 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 Statement have been prepared in accordance with same accounting policies adopted in the 2021 annual financial statements, except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning on 1 May 2021. Details of any changes in accounting policies are set out in note 3.

The preparation of an Interim Financial Statement 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.

## 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARD ("**HKFRSs**")

### **Application of amendments to HKFRSs**

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 May 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Covid-19 Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

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

#### 4. 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 2021, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each product line or geographical area and the executive directors reviewed the financial result of the Group as a whole report under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in designing, manufacturing and trading of LED lighting products. The executive directors allocate resources and assess performance on an aggregate basis. Accordingly, no operating segment is presented.

##### Geographical information

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

	For the three months ended 31 October		For the six months ended 31 October	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Canada	27,679	15,458	49,962	33,934
The US	4,898	9,514	8,077	16,702
The PRC, excluding Hong Kong	9,222	18,473	22,204	21,809
Hong Kong	8,203	14,401	24,529	32,228
Others ( <i>Note</i> )	4,977	13,425	6,725	16,466
	<u>54,979</u>	<u>71,271</u>	<u>111,497</u>	<u>121,139</u>

*Note:* Others include the Italy, South Africa and India.

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

	As at 31 October 2021 <i>HK\$'000</i> (unaudited)	As at 30 April 2021 <i>HK\$'000</i> (audited)
Hong Kong	9,549	12,241
The Asia, excluding Hong Kong	<u>28,166</u>	<u>29,286</u>
	<u>37,715</u>	<u>41,527</u>

## Information about major customers

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

	For the three months ended 31 October		For the six months ended 31 October	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Customer A	27,679	15,458	49,962	33,934
Customer B	6,690	6,325	14,529	17,231
Customer C	—*	8,511	—*	13,462
Customer D	—*	13,838	—*	13,838

As at 31 October 2021, 22.7% (31 October 2020: 38.0%) of the Group's trade receivables, were due from these customers which accounted for 10% or more of the Group's revenue during the reporting period.

\* The customers contributed less than 10% of the total revenue of the Group in corresponding periods.

## 5. 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 2021 and 2020.

All revenue contract as for period of 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 October		For the six months ended 31 October	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
LED decorative lighting	49,276	58,108	101,093	106,284
LED luminaire lighting	5,703	13,163	10,404	14,855
	<u>54,979</u>	<u>71,271</u>	<u>111,497</u>	<u>121,139</u>

## 6. OTHER INCOME, GAIN/(LOSSES), NET

	For the three months ended 31 October		For the six months ended 31 October	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Fair value loss on financial assets at fair value through profit or loss	–	(798)	–	(798)
Interest income	63	75	151	112
Government grant	–	121	–	229
Gain on disposal of financial assets at fair value through profit or loss	26	–	26	–
COVID-19-related rental recession	10	15	25	30
Others	10	–	10	–
	<u>109</u>	<u>(587)</u>	<u>212</u>	<u>(427)</u>

## 7. PROFIT BEFORE TAXATION

	For the three months ended 31 October		For the six months ended 31 October	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Profit for the period has been arrived at after charging/(crediting):				
Auditors' remuneration	–	–	–	200
Cost of inventories recognised as cost of sales	40,908	49,629	83,195	85,906
Depreciation of property, plant and equipment	808	723	1,606	1,389
Employee benefit expenses (including directors' emoluments)	8,340	7,443	15,473	13,859
Allowance for expected credit losses, net	3,295	(419)	2,533	(57)
Foreign exchange (gains)/losses	(108)	435	(97)	282
Research and development expenses	12	46	34	70
	<u>40,908</u>	<u>49,629</u>	<u>83,195</u>	<u>85,906</u>

## 8. TAXATION

	For the three months ended 31 October		For the six months ended 31 October	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
<b>Current tax:</b>				
The PRC	–	2,268	–	3,075
Hong Kong	1,160	1,076	3,026	1,845
	<u>1,160</u>	<u>3,344</u>	<u>–</u>	<u>4,920</u>
<b>Deferred tax</b>	<u>(626)</u>	<u>54</u>	<u>(458)</u>	<u>34</u>
Total taxation	<u>530</u>	<u>3,398</u>	<u>2,564</u>	<u>4,954</u>





## 11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 October 2021, the Group acquired property, plant and equipment of approximately HK\$1.3 million (six months ended 31 October 2020: HK\$2.1 million).

During the six months ended 31 October 2021, the Group had loss on disposed or written-off property, plant and equipment of approximately HK\$77,000 (six months ended 31 October 2020: nil).

## 12. TRADE RECEIVABLES

	<b>As at 31 October 2021 HK\$'000 (unaudited)</b>	As at 30 April 2021 HK\$'000 (audited)
Trade receivables	<b>65,310</b>	50,120
Less: Allowance for expected credit losses	<b>(3,253)</b>	(718)
	<b><u>62,037</u></b>	<u>49,402</u>

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, based on the invoice date at the end of the reporting period is as follows:

	<b>As at 31 October 2021 HK\$'000 (unaudited)</b>	As at 30 April 2021 HK\$'000 (audited)
Within 60 days	<b>16,014</b>	27,994
61 to 90 days	<b>7,984</b>	76
91 to 180 days	<b>30,149</b>	22,047
181 to 365 days	<b>11,142</b>	3
	<b><u>65,310</u></b>	<u>50,120</u>

Movement in allowance for expected credit losses of trade receivable.

Movement in lifetime expected credit losses that has been recognised for trade receivable in accordance with the simplified approach set in HKFRS 9 as follows:

	Total HK\$'000
At 30 April 2021 (audited)	718
Allowance for expected credit losses, net	<u>2,535</u>
At 31 October 2021 (unaudited)	<u><u>3,253</u></u>

### 13. TRADE PAYABLES

	<b>As at 31 October 2021 HK\$'000 (unaudited)</b>	<b>As at 30 April 2021 HK\$'000 (audited)</b>
Trade payables	<u><b>13,258</b></u>	<u><b>6,069</b></u>

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:

	<b>As at 31 October 2021 HK\$'000 (unaudited)</b>	<b>As at 30 April 2021 HK\$'000 (audited)</b>
Within 60 days	<b>5,275</b>	3,740
61 to 90 days	<b>4,384</b>	6
91 to 180 days	<b>2,898</b>	1,357
181 to 365 days	<b>289</b>	906
Over 365 days	<b>412</b>	60
	<u><b>13,258</b></u>	<u><b>6,069</b></u>

All amounts are short-term and hence the Directors considered that carrying amounts of trade payable are considered to be a reasonable approximation of their fair value.

### 14. SHARE CAPITAL

	<b>Number of shares</b>	<b>HK\$'000</b>
<b>Authorised:</b>		
At 30 April 2021, 1 May 2021 and 31 October 2021	<u>10,000,000,000</u>	<u>100,000</u>
<b>Issued and fully paid:</b>		
At 30 April 2021, 1 May 2021 and 31 October 2021	<u>500,000,000</u>	<u>5,000</u>

### 15. CAPITAL COMMITMENTS

As at 31 October 2021, the Group has no commitment (as at 30 April 2021: 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

During the six months ended 31 October 2021, the global economic activities continued to recover as a result of implementation of vaccination programme worldwide which leads to better control over the COVID-19 pandemic (the “**Pandemic**”). The revenue in Canada increased during six months ended 31 October 2021 which is mainly attributable to the customer forecast increase in the demand and sales of indoor decorative lightings to household users in the forthcoming Christmas seasons. At the same time, the Group also approached many new customers in The People’s Republic of China (the “**PRC**”) to fill up the short fall of the revenue decrease in the PRC. The Group’s revenue for the six months ended 31 October 2021 is approximately HK\$111.5 million, representing a decrease of approximately HK\$9.6 million or 7.9% as compared to the six months ended 31 October 2020 of approximately HK\$121.1 million.

However, due to the Pandemic, the operation of the Group’s new production line in Phnom Penh, Cambodia was briefly suspended during the six months ended 31 October 2021, but has resumed operation in July 2021. In order to alleviate the effect of the production suspension less sales order were accepted during the period of suspension. As a result, the revenue from the US customer decreased by approximately HK\$8.6 million or 51.5% as compared to the six months ended 31 October 2020 from approximately HK\$16.7 million to approximately HK\$8.1 million. The production line was set up through Qualified Investment Project application to take advantage of the tax benefits for the import of raw materials, semi-products and machinery from China to Cambodia as well as for the export of the lighting products to the US. With the tax benefits for the export to the US, the Group has devoted more marketing effort in procuring potential customers in the US and broaden its customer base.

### Prospect

Going forward, the management of the Company believed that the progress of vaccination rates worldwide and the Pandemic are the determining factors in the recovery of the global economy. As it is a global trend for countries to boost up the vaccination rates and to relax the lockdown measures, the management of the Company is confident that the global economy will continue to improve and will bring in more sales especially from North America customers.

The Group will continue to adopt prudent and risk balancing management approach in the coming years. Leveraging on the tax benefits available to the Group from the new production line in Phnom Penh, Cambodia, the management believes that the Group’s competitiveness will be enhanced and the export sales to North America will become more stable under the effects of Sino-US trade conflict. The Group also plans to participate in exhibitions across the world after the travel restrictions have been lifted.

## **Financial Review**

### ***Revenue***

#### ***Revenue from LED decorative lighting products***

During the period under review, the Group's revenue from LED decorative lighting products was approximately HK\$101.1 million, representing a decrease of approximately HK\$5.2 million or 4.9% as compared to the same period in 2020 (six months ended 31 October 2020: HK\$106.3 million). The decrease was mainly attributable to the decrease in sales of LED decorative lighting products to the US.

#### ***Revenue from LED luminaire lighting products***

During the period under review, the Group's revenue from LED luminaire lighting products was approximately HK\$10.4 million, representing a significant decrease of approximately HK\$4.5 million or 30.2% as compared to the same period in 2020 (six months ended 31 October 2020: HK\$14.9 million). The significant decrease was mainly due to the decrease in sales of LED luminaire lighting products to the PRC and South Africa.

### ***Cost of sales***

The Group's cost of sale decreased by approximately HK\$3.7 million or 4.3% from approximately HK\$85.9 million for the six months ended 31 October 2020 to approximately HK\$82.2 million for the six months ended 31 October 2021. The decrease was generally in line with the decrease in total revenue during the period under the review.

### ***Gross profit and gross profit margin***

The Group's gross profit decreased by approximately HK\$5.9 million or 16.8% from approximately HK\$35.2 million for the six months ended 31 October 2020 to approximately HK\$29.3 million for the six months ended 31 October 2021. The overall gross profit margin decreased from approximately 29.1% for the six months ended 31 October 2020 to approximately 26.3% for the six months ended 31 October 2021.

### ***Other income and gain or loss***

The Group's other income and gain or loss increased by approximately HK\$0.6 million from a loss of approximately HK\$0.4 million for the six months ended 31 October 2020 to a gain of approximately HK\$0.2 million for the six months ended 31 October 2021. The increase was primarily attributable to the decrease of fair value loss on financial assets of fair value through profit or loss as the financial assets of fair value through profit or loss was disposed during the six months ended 31 October 2021.

### ***Selling and distribution expenses***

The Group's selling and distribution expenses decrease by approximately HK\$0.3 million or 15.8% from approximately HK\$1.9 million for the six months ended 31 October 2020 to approximately HK\$1.6 million for the six months ended 31 October 2021. The decrease was mainly attributable to a decrease in marketing and advertising expenses during six months ended 31 October 2021.

### ***Administrative expenses***

The Group's administrative expenses decreased by approximately HK\$3.3 million or 28.4% from approximately HK\$11.6 million for the six months ended 31 October 2020 to approximately HK\$8.3 million for the six months ended 31 October 2021. Such decrease was mainly attributable to the decrease in expenses related to transfer of listing to Main Board during the period.

### ***Finance costs***

The Group's finance costs remained relatively stable at approximately HK\$1.0 million for the six months ended 31 October 2021 (six months ended 31 October 2020: HK\$0.9 million). The average balance of bank borrowings and the increase in interest on lease liabilities during the period remained relatively stable.

### ***Profit before taxation***

The Group's profit before taxation decreased by approximately HK\$4.2 million or 20.6% from approximately HK\$20.4 million for the six months ended 31 October 2020 to approximately HK\$16.2 million for the six months ended 31 October 2021. Such decrease was mainly in line with the decrease in the Group's gross profit.

### ***Taxation***

The Group's taxation decreased by approximately HK\$2.4 million or 48.0% from approximately HK\$5.0 million for the six months ended 31 October 2020 to approximately HK\$2.6 million for the six months ended 31 October 2021. Such decrease was mainly due to the decrease in the Group's profit before taxation.

### ***Profit for the period***

As a result of the foregoing, profit for the period decreased by approximately HK\$1.8 million or 11.7% from approximately HK\$15.4 million for the six months ended 31 October 2020 to approximately HK\$13.6 million for the six months ended 31 October 2021. The Group's net profit margin decreased slightly from approximately 12.7% for the six months ended 31 October 2020 to approximately 12.2% for the six months ended 31 October 2021. The decrease was mainly due to the decrease in Group's gross profit.

## **Gearing Ratio**

Gearing ratio (total debts divided by the total equity) is not applicable for the six months ended 31 October 2021 and for the year ended 30 April 2021.

## **Liquidity and Financial Resources**

As at 31 October 2021, cash and bank balances of the Group amounted to approximately HK\$50.3 million (as at 30 April 2021: HK\$58.9 million). The current ratio (total current assets divided by total current liabilities) of the Group was 4.5 times as at 31 October 2021 (as at 30 April 2021: 4.7 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.

## **Share Capital**

Details of movements in the share capital of the Company during the period are set out in Note 14 of the unaudited condensed consolidation financial statements.

## **Capital Commitments and Contingent Liabilities**

As at 31 October 2021, the Group did not have any significant capital commitments (30 April 2021: nil) and significant contingent liabilities (30 April 2021: 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 2021. Furthermore, the Group did not have any plans for material investments and capital assets.

## **Employees and Remuneration Policies**

As at 31 October 2021, the Group had a total of 206 employees. The total remuneration costs incurred by the Group for the six months ended 31 October 2021 were approximately HK\$15.5 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.

## Foreign Currency Exposure

A significant portion of the Group's turnover is derived from the Group's sales to customers located in North America 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 2021, we had experienced exchange gains of approximately HK\$0.1 million (six months ended 31 October 2020: exchanged losses of approximately HK\$0.3 million).

## Charge on 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:

	<b>As at 31 October 2021 HK\$'000 (unaudited)</b>	<b>As at 30 April 2021 HK\$'000 (audited)</b>
Financial assets at fair value through profit or loss	–	2,551
Fixed deposits	<u>10,473</u>	<u>10,210</u>

## Dividend

The Board has resolved not to declare an interim dividend for the six months ended 31 October 2021.



## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Company’s prospectus dated 31 October 2017 (the “**Prospectus**”) with the Group’s actual business progress for the period from 16 November 2017 (i.e. the Listing Date) to 31 October 2021 is set out below:

Objectives	Implementation plan	Actual business progress up to 31 October 2021
Upgrading our production facilities	— improving automation and efficiency of LED decorative lighting series: <ul style="list-style-type: none"> <li>(i) purchasing new automatic welding machines for the production of mobile phone applications linked LED decorative lighting products</li> <li>(ii) purchasing machinery for the production of more flexible user-friendly LED decorative lighting products</li> <li>(iii) purchasing machinery with a higher level of automation for the assembling of the LED decorative lighting products</li> <li>(iv) modifying and alternating our existing machines for the production of LED capsules</li> </ul>	The Group purchased 6 new automatic welding machines for the production of mobile phone applications linked LED decorative lighting and upgraded 15 machines for more flexible and user-friendly LED decorative lighting product production line. With the focus to enhance automation, the Group acquired 3 new machines to allow a higher level of automation in the assembling of the LED decorative lighting products process. A total of 44 existing machines were upgraded to increase the production capacity of LED capsules.
	— improving product quality and stability of LED luminaire lighting series: <ul style="list-style-type: none"> <li>(i) purchase additional facility for LED tube light aging test</li> <li>(ii) invest in new surface mount technology (SMT) production line which is to be operated in a clean room</li> </ul>	
Expanding our product portfolio and strengthening our product development capability	— recruiting design and experienced technical personnel	The Group hired 6 senior engineers to focus on product design and production.
	— applying patents	The Group had submitted 11 patent applications and 1 new patent application up to the six months ended 31 October 2021.

Objectives	Implementation plan	Actual business progress up to 31 October 2021
Expanding our sales force and sales channel	— recruiting sales staff and providing training	7 new sales personnel were recruited for strengthening the Group’s sales and marketing function.
	— participation in exhibitions and trade fairs	The Group participated in Hong Kong based exhibitions in October 2018, April 2019 and April 2020. The Group’s sales and marketing team has also conducted site visits and explored the market in the United States, Philippines, Europe, West Africa during the year 2019 and 2020.

## USE OF PROCEEDS

The Company’s shares were listed on the GEM of the Stock Exchange on 16 November 2017. 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 as disclosed in the section headed “Business Objectives, Future Plans and Use of Proceeds” as set out in the Prospectus and the status of utilisation up to 31 October 2021:

	Approximate percentage of total amount	Net proceeds <i>HK\$ million</i>	Up to 31 October 2021		Expected timeline for full utilisation (Notes 1 and 2)
			Utilised amount <i>HK\$ million</i>	Un-utilised amount <i>HK\$ million</i>	
Upgrading the production facilities	55%	16.6	11.8	4.8	By the end of 2022
— Improving automation and efficiency of LED decorative lighting series					
— Improving product quality and stability of LED luminaire lighting series					
Repayment of short-term bank borrowings and finance lease	25%	7.5	7.5	–	N/A
Expanding the product portfolio and strengthening the product development capability	5%	1.5	1.5	–	N/A
Expanding the sales force and sales channel	5%	1.5	1.5	–	N/A
General working capital	10%	3.0	3.0	–	N/A
	<u>100%</u>	<u>30.1</u>	<u>25.3</u>	<u>4.8</u>	

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

*Notes:*

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

## **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 October 2021, 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*

<b>Name of Director</b>	<b>Capacity/nature of interest</b>	<b>Number of shares</b>	<b>Approximate percentage<sup>+</sup> of shareholding in the Company</b>
Mr. Shiu Kwok Leung	Interest of controlled corporation	234,000,000 (Note)	46.8%
Mr. Shao Chiliang	Beneficial owner	7,280,000	1.46%

*Note:* 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.

+ The percentage represents the number of ordinary shares involved divided by the number of issued shares of the Company as at 31 October 2021.

Save as disclosed above, as at 31 October 2021, 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 October 2021, 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*

<b>Name of shareholder</b>	<b>Capacity/nature of interest</b>	<b>Number of shares</b>	<b>Approximate percentage<sup>+</sup> of shareholding in the Company</b>
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%
Mr. Yuen Lai Him	Interest of spouse	30,000,000 (Note 4)	6.0%

*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.
  4. 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 October 2021.

Save as disclosed above, as at 31 October 2021, 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 2021.

None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of their respective close associates has engaged in or has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during six months ended 31 October 2021.

### **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 six months ended 31 October 2021.

### **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 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 six months ended 31 October 2021.

## **Directors' Securities Transactions**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in the Company. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and there was no event of non-compliance during the six months ended 31 October 2021.

## **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. Cheng Ka Yan and Mr. Cheng Hok Ming Albert, all being independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information and reporting process, risk management and internal control systems, relationship with external auditors and arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 31 October 2021.

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

Hong Kong, 13 December 2021

*As at the date of this announcement, the executive Directors are Mr. Shiu Kwok Leung, Mr. Shao Xu Hua and Mr. Shao Chiliang; and the independent non-executive Directors are Mr. Wong Ting Kon, Ms. Cheng Ka Yan and Mr. Cheng Hok Ming Albert.*

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