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Bortex Global Limited

濠亮環球有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8118)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 APRIL 2022**

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

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

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Bortex Global Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

* For identification purposes only

ANNUAL RESULTS

The board of Directors (the “**Board**”) announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 April 2022, together with the audited comparative figures for the year ended 30 April 2021, as follows:

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

For the year ended 30 April 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	4	149,918	200,907
Cost of sales		(116,649)	(145,705)
Gross profit		33,269	55,202
Other income, gain/(losses), net	5	1,461	(1,133)
Allowance for expected credit losses, net		(6,416)	468
Selling and distribution expenses		(2,976)	(3,683)
Administrative expenses		(17,147)	(17,297)
Finance costs	6	(1,772)	(1,911)
Profit before taxation	7	6,419	31,646
Taxation	8	(752)	(7,520)
Profit for the year		5,667	24,126
Other comprehensive (expense)/income for the year, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(1,557)	5,099
Other comprehensive (expense)/income for the year, net of tax		(1,557)	5,099
Total comprehensive income for the year		4,110	29,225
Profit for the year attributable to equity owners of the Company		5,667	24,126
Total comprehensive income for the year attributable to equity owners of the Company		4,110	29,225
Earnings per share attributable to equity owners of the Company			
Basic and diluted (HK cents)	10	1.13	4.83

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Assets			
Non-current assets			
Property, plant and equipment		14,022	16,267
Goodwill		8,796	8,890
Right-of-use assets		8,861	13,819
Financial assets at fair value through profit or loss		–	2,551
Deferred tax assets		163	169
		31,842	41,696
Current assets			
Inventories		73,622	67,650
Trade receivables	11	42,106	49,402
Deposits, prepayments and other receivables		26,944	11,223
Fixed deposits		10,370	10,210
Cash and bank balances		46,595	48,697
		199,637	187,182
Liabilities			
Current liabilities			
Trade payables	12	12,456	6,069
Accruals and other payables		6,610	4,792
Contract liabilities		3,548	1,950
Bank borrowings		15,887	12,960
Lease liabilities		2,776	3,441
Tax payables		4,111	11,520
		45,388	40,732
Net current assets		154,249	146,450
Total assets less current liabilities		186,091	188,146
Non-current liabilities			
Lease liabilities		6,141	11,242
Bank borrowings		9,736	10,800
		15,877	22,042
Net assets		170,214	166,104
Equity			
Share capital		5,000	5,000
Reserves		165,214	161,104
Total equity		170,214	166,104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2022

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 January 2014 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its ultimate and immediate parent is Real Charm Corp (incorporated in British Virgin Islands) and its ultimate controlling party is Mr. Shiu Kwok Leung. The Company's registered office is located at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is at Room 11, 5/F, No. 46 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong.

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

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

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time which are mandatorily effective for the annual periods beginning on or after 1 May 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "**Committee**") of the International Accounting Standard Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKFRS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

¹ Effective for annual periods beginning on or after a date to be determined.

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

³ Effective for annual periods beginning on or after 1 January 2023.

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

3. SEGMENT REPORTING

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. The executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in designing, manufacturing and trading of LED lighting products. The executive directors allocate resources and assess performance on an aggregate basis. Accordingly, no operating segment is presented.

Geographical information

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Canada	49,989	33,934
The US	15,463	22,818
The PRC, excluding Hong Kong	39,657	70,654
Hong Kong	37,973	52,017
Others (<i>Note</i>)	6,836	21,484
	<u>149,918</u>	<u>200,907</u>

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

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	9,270	12,241
Asia, excluding Hong Kong	<u>22,409</u>	<u>29,286</u>
	<u><u>31,679</u></u>	<u><u>41,527</u></u>

Information about major customers

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A	49,989	33,934
Customer B	21,526	N/A*
Customer C	<u>16,361</u>	<u>N/A*</u>

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

4. REVENUE

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

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
LED decorative lighting	131,255	146,782
LED luminaire lighting	<u>18,663</u>	<u>54,125</u>
	<u><u>149,918</u></u>	<u><u>200,907</u></u>

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Fair value gain/(loss) on financial assets at fair value through profit or loss (“FVTPL”)	26	(1,573)
Sales of scrap material	10	10
Interest income	291	142
Government grant (<i>Note</i>)	–	228
Covid-19-related rent concession	25	60
Gain on termination of lease	9	–
Gain on modification of lease	1,100	–
	<u>1,461</u>	<u>(1,133)</u>

Note: During the year ended 30 April 2021, the Group recognised government grant of HK\$228,000 in respect of Covid-19-related subsidies, of which HK\$216,000 relates to Employment Support Scheme provided by the Hong Kong government.

6. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest expenses on:		
— bank borrowings wholly repayable within five years	981	839
— lease liabilities	791	1,072
	<u>1,772</u>	<u>1,911</u>

7. PROFIT BEFORE TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit before taxation has been arrived after charging/(crediting):		
Auditors' remuneration		
— Audit service	900	900
Cost of inventories	95,920	122,793
Depreciation of property, plant and equipment	3,100	2,948
Depreciation of right-of-use-assets	3,437	3,590
Employee benefit expenses (including directors' emoluments)	20,165	24,290
Expenses relating to short-term leases	226	—
Written off on property, plant and equipment	102	—
Foreign exchange losses/(gain), net	467	(2,278)
Listing expense related to the transfer listing to Main Board	—	3,077
Research and development expenses	46	59
	<u>46</u>	<u>59</u>

8. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax:		
— the PRC	—	5,344
— Hong Kong	2,416	2,086
	<u>2,416</u>	<u>7,430</u>
Over provision in prior years		
— the PRC	(1,670)	—
Deferred tax	6	90
	<u>752</u>	<u>7,520</u>

Hong Kong Profits Tax

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

PRC enterprise income tax (“EIT”)

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

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

9. DIVIDENDS

The Board of Directors do not recommend the payment of any dividend for the year ended 30 April 2022 (2021: 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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings:		
Earning for the purpose of calculation basic earnings per share		
— Profit for the year attributable to equity owners of the Company	<u>5,667</u>	<u>24,126</u>
	2022 '000	2021 '000
Number of shares:		
Number of ordinary shares for the purpose of calculation basic earnings per share	<u>500,000</u>	<u>500,000</u>

Diluted earnings per share for the years ended 30 April 2022 and 2021 were the same as the basic earnings per share as there were no potential ordinary shares in issue for both years.

11. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	49,254	50,120
Less: Allowance for ECL, net	<u>(7,148)</u>	<u>(718)</u>
	<u>42,106</u>	<u>49,402</u>

The Group's trade receivables are attributable to a number of independent customers with credit. The Group normally allows a credit period of 0 to 180 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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 60 days	6,572	27,994
61–90 days	419	76
91–180 days	19,189	22,047
181–365 days	15,474	3
365 days or above	7,600	–
	<u>49,254</u>	<u>50,120</u>

12. TRADE PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	<u>12,456</u>	<u>6,069</u>

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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 60 days	3,644	3,740
61–90 days	913	6
91–180 days	2,766	1,357
181–365 days	3,094	906
Over 365 days	2,039	60
	<u>12,456</u>	<u>6,069</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of year 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 the year ended 30 April 2022 which is mainly attributable to the customer forecast increase in the demand and sales of indoor decorative lightings to household users during the Christmas seasons.

However as affected by the outbreak of unprecedented Pandemic and spread rapidly since the second half of year 2021, the increased revenue in Canada customer was offsetted by the decrease of sales in the PRC and Hong Kong markets as a result of the emergence of the Delta and Omicron variants of the COVID-19 virus. Some of the Group’s customers in these markets cancelled and reduced their orders due to the uncertain economic environment.

The Group’s revenue for the year ended 30 April 2022 is approximately HK\$149.9 million, representing a decrease of approximately HK\$51.0 million or 25.4% as compared to the year ended 30 April 2021. The decrease in revenue was mainly attributable to the decrease in revenue of LED luminaire lighting products of approximately HK\$35.4 million or 65.4% and decrease in revenue of LED decorative lighting products of approximately HK\$15.5 million or 10.6%.

Due to the Pandemic, the operation of the Group’s new production line in Phnom Penh, Cambodia was briefly suspended during the first half year of 2021, but has resumed operation in July 2021. However, the sales order from the US customers were reduced due to the variant virus during the second half year of 2021. As a result, the revenue from the US customer decreased by approximately HK\$7.3 million or 32.0% as compared to the year ended 30 April 2021 from approximately HK\$22.8 million to approximately HK\$15.5 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 Pandemic continues to pose challenges and the management of the Company believed that the progress of vaccination rates and the easing of lockdown measures worldwide are the determining factors in the recovery of the global economy in the 2nd half of year 2022 and 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 from LED Decorative Lighting

The Group's LED decorative lighting revenue decreased by approximately HK\$15.5 million or 10.6% from approximately HK\$146.8 million for the year ended 30 April 2021 to approximately HK\$131.3 million for the year ended 30 April 2022. The decreased in LED decorative lighting revenue was mainly attributable to the decrease in sales to Hong Kong and the US customers.

Revenue from LED Luminaire Lighting

The Group's LED luminaire lighting revenue decreased significantly by approximately HK\$35.4 million or 65.4% from approximately HK\$54.1 million for the year ended 30 April 2021 to approximately HK\$18.7 million for the year ended 30 April 2022. The decrease in LED luminaire lighting revenue mainly resulted from the decrease in sales to construction customers in the PRC.

Cost of Sales

The Group's cost of sales decreased by approximately HK\$29.1 million or 20.0% from approximately HK\$145.7 million for the year ended 30 April 2021 to approximately HK\$116.6 million for the year ended 30 April 2022. The decrease in cost of sales was generally in line with the decrease in the Group's total revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$21.9 million or 39.7% from approximately HK\$55.2 million for the year ended 30 April 2021 to approximately HK\$33.3 million for the year ended 30 April 2022. The decrease in gross profit was generally in line with the decrease in the Group's total revenue. The gross profit margin decreased from approximately 27.5% for the year ended 30 April 2021 to approximately 22.2% for the year ended 30 April 2022. The decrease in gross profit margin was mainly due to the combined effect of the increase in sales of LED decorative lighting products which were sold with lower profit margin and extra labour cost incurred during the period of low productive activities in February and March 2022.

Other Income, Gain/(Losses), Net

The Group's other income and gain, net was approximately gain HK\$1.5 million for the year ended 30 April 2022. The Group's other income and losses, net was approximately loss HK\$1.1 million for the year ended 30 April 2021. The increase was primarily attributable to the fair value loss on financial assets at fair value through profit or loss as the financial assets at fair value through profit or loss was disposed during the year ended 30 April 2022.

Selling and Distribution Expenses

The Group's selling and distribution expenses decrease by approximately HK\$0.7 million or 18.9% from approximately HK\$3.7 million for the year ended 30 April 2021 to approximately HK\$3.0 million for the year ended 30 April 2022. The decrease in selling and distribution expenses was mainly attributable to the decrease of marketing and advertising expenses during the year ended 30 April 2022.

Administrative Expenses

The Group's administrative expenses decreased by approximately HK\$0.2 million or 1.2% from approximately HK\$17.3 million for the year ended 30 April 2021 to approximately HK\$17.1 million for the year ended 30 April 2022. Such decrease was mainly attributable to the decrease in legal and professional fee for the year ended 30 April 2022.

Finance Costs

The Group's finance costs decreased by approximately HK\$0.1 million or 5.3% from approximately HK\$1.9 million for the year ended 30 April 2021 to approximately HK\$1.8 million for the year ended 30 April 2022. The decrease of the finance costs was due to the decrease of interest expenses on lease liabilities for the year ended 30 April 2022.

Profit for the Year

The Group's profit for the year ended 30 April 2022 was approximately HK\$5.7 million, representing an decrease of approximately HK\$18.4 million or 76.3% as compared to the year ended 30 April 2021. The net decrease in profit for the year of the Group was mainly attributable to the decrease in revenue and gross profit of the Group during the year ended 30 April 2022.

GEARING RATIO

Gearing ratio (total debts divided by the total equity) is not applicable for the year ended 30 April 2022 (2021: not applicable).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 April 2022, cash and bank balances (including fixed deposits) of the Group amounted to approximately HK\$57.0 million (2021: HK\$58.9 million). The current ratio (total current assets divided by total current liabilities) of the Group was 4.4 times as at 30 April 2022 (2021: 4.7 times). In view of the Group's current level of cash and bank balances and funds generated internally from its operations, the Board is confident that the Group will have sufficient resources to meet its finance needs for its operations.

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

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets for the year ended 30 April 2022. Furthermore, the Group did not have any plans for material investments and capital assets.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 April 2022, the Group did not have any significant capital commitments (30 April 2021: nil) and significant contingent liabilities (30 April 2021: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2022, the Group had a total of 251 employees. The total remuneration costs incurred by the Group for the year ended 30 April 2022 were approximately HK\$20.2 million. The Group reviews the performance of its employees annually and use the results of such review in the annual salary review and promotion appraisal, in order to attract and retain valuable employees. The Company adopted a share option scheme to enable it to grant share options to, among others, selected eligible employees as incentive or reward for their contributions.

CHARGE OF ASSETS

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

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial asset at fair value through profit or loss	–	2,551
Fixed deposits	<u>10,370</u>	<u>10,210</u>
	<u>10,370</u>	<u>12,761</u>

FOREIGN CURRENCY EXPOSURE

A significant portion of the Group's turnover is derived from the Group's sales to customers located in North America and Euro which is primarily denominated and settled in US Dollars, while the Group generally settled the Group's cost of sales and operating expenses in Renminbi and Hong Kong dollars. The Group therefore exposed to exchange rate risk. During the year ended 30 April 2022, the Group had experienced exchange loss of approximately HK\$0.5 million (2021: gain of approximately HK\$2.3 million).

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 30 April 2022.

EVENT AFTER THE REPORTING PERIOD

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the year ended 30 April 2022.

USE OF PROCEEDS

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

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

	Approximate percentage of total amount	Net proceeds <i>HK\$ million</i>	Up to 30 April 2022		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	11.7	4.9	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	–	By the end of 2022
Expanding the sales force and sales channel	5%	1.5	1.5	–	N/A
General working capital	10%	3.0	3.0	–	N/A
	<u>100%</u>	<u>30.1</u>	<u>25.2</u>	<u>4.9</u>	

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

Notes:

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

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Company and any other conflicts of interest which any such person has or may have with the Group during the year ended 30 April 2022.

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 2022.

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 2022.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

The Company has applied the principles as set out in the CG Code set out in Appendix 15 to the GEM Listing Rules. The Board considers that the Company has complied with the CG Code during the year ended 30 April 2022.

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 2022.

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 2022 as set out in the announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited ("**HLB**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB on the announcement.

SHARE OPTION SCHEME

The purpose of the share option scheme is to enable the Company to grant options to any director, employee, adviser, consultant, agent, contractors, supplier, customer and/or such other person, who in the sole discretion of the Board has contributed or may contribute to the Group. The Group has conditionally adopted a share option scheme (the "**Share Option Scheme**") on 24 October 2017 which has become effective on 16 November 2017 and, unless otherwise cancelled or amended, would remain in force for 10 years from 16 November 2017.

No share option has been granted by the Company under the Share Option Scheme since its adoption.

AUDIT COMMITTEE

The Audit Committee of the Company was established on 24 October 2017. The Audit Committee consists of three members, namely Ms. Cheng Ka Yan (Chairman), Mr. Lang Jilu and Mr. Cheng Hok Ming Albert, all being independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information and reporting process, risk management and internal control systems, relationship with external auditors and arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 30 April 2022.

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

Hong Kong, 25 July 2022

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. Lang Jilu, Ms. Cheng Ka Yan and Mr. Cheng Hok Ming Albert.

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