



**Bortex Global Limited**

**濠亮環球有限公司\***

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8118

2021

Third Quarterly Report

\* For identification purpose only

## 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.

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, 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 report 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 report misleading.*



# CONTENTS

	<i>Page</i>
THIRD QUARTERLY RESULTS	
FINANCIAL HIGHLIGHTS	3
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION	7
MANAGEMENT DISCUSSION AND ANALYSIS	11
CORPORATE GOVERNANCE AND OTHER INFORMATION	14

## THIRD QUARTERLY RESULTS

### FINANCIAL HIGHLIGHTS

- Based on the unaudited condensed consolidated financial results of the Group for the nine months ended 31 January 2022 (the “Period”), the Group’s revenue for the nine months ended 31 January 2022 was approximately HK\$138.4 million, representing a decrease of approximately 18.3% as compared to approximately HK\$169.5 million for the corresponding period in 2021.
- During the Period, the Group’s gross profit was approximately HK\$36.0 million, representing a decrease of approximately 26.7% as compared to approximately HK\$49.1 million for the corresponding period in 2021.
- The Group’s profit for the nine months ended 31 January 2022 was approximately HK\$15.7 million, representing a decrease by approximately HK\$6.0 million or 27.6% as compared with the corresponding period in 2021. The net decrease in profit of the Group for the Period was mainly attributable to the significant decrease in revenue of LED luminaire lighting products during the Period.
- The Board has resolved not to declare an interim dividend for the Period (nine months ended 31 January 2021: 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 nine months ended 31 January 2022 (the “Period”), together with the comparative figures for the corresponding period in 2021, as follows:

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

	Notes	For the three months ended 31 January		For the nine months ended 31 January	
		2022	2021	2022	2021
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	4	26,885	48,316	138,382	169,455
Cost of sales		(20,196)	(34,481)	(102,391)	(120,387)
Gross profit		6,689	13,835	35,991	49,068
Other income and gain/(loss)		112	26	324	(401)
Allowance for expected credit loss, net		–	(871)	(2,533)	(814)
Selling and distribution expenses		(651)	(1,053)	(2,215)	(2,966)
Administrative expenses		(3,363)	(3,173)	(11,634)	(14,818)
Finance costs		(463)	(506)	(1,434)	(1,450)
Profit before taxation	5	2,324	8,258	18,499	28,619
Taxation	7	(269)	(1,992)	(2,833)	(6,946)
Profit for the period		2,055	6,266	15,666	21,673
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		2,148	3,024	3,388	7,539
Other comprehensive income for the period, net of tax		2,148	3,024	3,388	7,539
Total comprehensive income for the period		4,203	9,290	19,054	29,212

	Notes	For the three months ended 31 January		For the nine months ended 31 January	
		2022	2021	2022	2021
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Profit for the period attributable to equity owners of the Company		2,055	6,266	15,666	21,673
Total comprehensive income for the period attributable to equity owners of the Company		4,203	9,290	19,054	29,212
Earnings per share attributable to equity owners of the Company					
Basic and diluted (HK cents)	8	0.41	1.25	3.10	4.33



## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 January 2022

	Share capital HK\$'000	Share premium HK\$'000	Statutory reserve HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>At 30 April 2020 and</b>							
1 May 2020 (audited)	5,000	41,901	2,329	(4,826)	1	92,474	136,879
Profit for the period	-	-	-	-	-	21,673	21,673
Exchange differences on translation of foreign operation	-	-	-	7,539	-	-	7,539
<b>Total comprehensive income for the period</b>	-	-	-	7,539	-	21,673	29,212
Transfer to statutory reserve	-	-	1,357	-	-	(1,357)	-
<b>At 31 January 2021 (unaudited)</b>	5,000	41,901	3,686	2,713	1	112,790	166,091
<b>At 30 April 2021 and</b>							
1 May 2021 (audited)	5,000	41,901	3,686	273	1	115,060	166,104
Profit for the period	-	-	-	-	-	15,666	15,666
Exchange differences on translation of foreign operation	-	-	-	3,388	-	-	3,388
<b>Total comprehensive income for the period</b>	-	-	-	3,388	-	15,666	19,054
<b>At 31 January 2022 (unaudited)</b>	5,000	41,901	3,686	273	1	130,726	185,158

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 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. The principal place of business of the Company in Hong Kong is located 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") since 16 November 2017 (the "Listing Date").

The Company is an investment company. The Group is principally engaged 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 nine months ended 31 January 2022 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 2021. 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 2021.

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 2021, the adoption of these 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 elected to early adopt the Amendment to HKFRS 16 "COVID-19-Related Rent Concessions" which is effective for annual reporting periods beginning on or after 1 June 2020. Except this, 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 2021.



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") and were approved for issue by the Board on 11 March 2022.

### 3. SEGMENT REPORTING

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. During the reporting period, the information reported to the executive Directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each product line or geographical area and the executive Directors reviewed the financial result of the Group as a whole report under HKFRSs. Therefore, the executive Directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in designing, manufacturing and trading of LED lighting products. The executive Directors allocate resources and assess performance on an aggregate basis. Accordingly, no operating segment is presented.

#### Geographical information

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

	For the three months ended 31 January		For the nine months ended 31 January	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Canada	406	–	50,368	33,934
The US	2,817	125	10,894	16,827
The PRC, excluding Hong Kong	13,436	30,924	35,640	52,733
Hong Kong	10,115	12,325	34,644	44,553
Others (note)	111	4,942	6,836	21,408
	<b>26,885</b>	<b>48,316</b>	<b>138,382</b>	<b>169,455</b>

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

#### 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 nine months ended 31 January 2022 and 2021.

	For the three months ended 31 January		For the nine months ended 31 January	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
LED decorative lighting	21,391	26,207	122,484	132,491
LED luminaire lighting	5,494	22,109	15,898	36,964
	26,885	48,316	138,382	169,455

#### 5. PROFIT BEFORE TAXATION

	For the three months ended 31 January		For the nine months ended 31 January	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Profit for the period has been arrived at after charging:				
Auditors' remuneration	–	750	–	950
Cost of inventories recognised as an expense	20,196	34,481	102,391	120,387
Depreciation of property, plant and equipment	939	736	2,545	2,125
Employee benefit expenses (including directors' emoluments)	4,234	5,943	19,707	19,802
Allowance for expected credit losses, net	–	871	2,533	814
Foreign exchange losses/(gains)	680	(856)	583	(574)
Research and development expenses	6	20	40	90

#### 6. DIVIDENDS

The Directors of the Company have determined that no dividend will be paid in respect of the Period (nine months ended 31 January 2021: nil).

## 7. TAXATION

	For the three months ended 31 January		For the nine months ended 31 January	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
<b>Current tax expenses/(credits):</b>				
The PRC	397	1,448	397	4,523
Hong Kong	(132)	773	2,894	2,618
	265	2,221	3,291	7,141
Deferred tax	–	(229)	(458)	(195)
<b>Total taxation</b>	<b>265</b>	<b>1,992</b>	<b>2,833</b>	<b>6,946</b>

### 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

	For the three months ended 31 January		For the nine months ended 31 January	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
<b>Earnings</b>				
Earnings for the purposes of basic and diluted earnings per share, profit for the period attributable to equity owners of the Company	2,055	6,266	15,666	21,673
Number of shares	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	500,000	500,000	500,000	500,000

## 9. CAPITAL COMMITMENTS

As at 31 January 2022, 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 nine months ended 31 January 2022, 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 nine months ended 31 January 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, the increase was offset by the decrease of sales in the European 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 nine months ended 31 January 2022 is approximately HK\$138.4 million, representing a decrease of approximately HK\$31.1 million or 18.3% as compared to the corresponding period in 2021. The decrease in revenue was mainly attributable to the combined effect of decrease in revenue of LED luminaire lighting products of approximately HK\$21.1 million or 57.0% and a decrease in revenue of LED decorative lighting products of approximately HK\$10.0 million or 7.5%.

Due to the Pandemic, the operation of the Group’s new production line in Phnom Penh, Cambodia was briefly suspended during the nine months ended 31 January 2022, but has resumed operation in July 2021. However, the sales order from the US customers were reduced due to the variant virus during the 3rd quarter period. As a result, the revenue from the US customer decreased by approximately HK\$5.9 million or 35.1% as compared to the nine months ended 31 January 2021 from approximately HK\$16.8 million to approximately HK\$10.9 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

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

During the nine months ended 31 January 2022, the Group's revenue from LED decorative lighting products was approximately HK\$122.5 million, representing a decrease of approximately HK\$10.0 million or 7.5% as compared to the corresponding period in 2021 (nine months ended 31 January 2021: HK\$132.5 million). The decrease was mainly attributable to the decrease in sales of LED decorative lighting products to the US and Hong Kong customers.

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

During the nine months ended 31 January 2022, the Group's revenue from LED luminaire lighting products was approximately HK\$15.9 million, representing a significant decrease of approximately HK\$21.1 million or 57.0% as compared to the corresponding period in 2021 (nine months ended 31 January 2021: HK\$37.0 million). The decrease was mainly due to the decrease in sales of LED luminaire lighting products to the PRC and South Africa customers.

### Cost of sales

The Group's cost of sales decreased by approximately HK\$18.0 million or 15.0% from approximately HK\$120.4 million for the nine months ended 31 January 2021 to approximately HK\$102.4 million for the nine months ended 31 January 2022. The decrease in cost of sales was in line with the decrease in the Group's total revenue.

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

The Group's gross profit for the nine months ended 31 January 2022 was approximately HK\$36.0 million (nine months ended 31 January 2021: approximately HK\$49.1 million), representing a decrease of approximately 26.7% as compared to the corresponding period in 2021. The overall gross profit margin decrease from approximately 29.0% for the nine months ended 31 January 2021 to approximately 26.0% for the nine months ended 31 January 2022.

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

The Group's selling and distribution expenses decreased by approximately HK\$0.8 million or 26.7% from approximately HK\$3.0 million for the nine months ended 31 January 2021 to approximately HK\$2.2 million for the nine months ended 31 January 2022. The decrease of selling expenses was mainly due to the decrease in staff costs and shipping cost during the nine months ended 31 January 2022.

### ***Administrative expenses***

The Group's administrative expenses decreased by approximately HK\$3.2 million or 21.6% from approximately HK\$14.8 million for the nine months ended 31 January 2021 to approximately HK\$11.6 million for the nine months ended 31 January 2022. The decrease was mainly attributable to the decrease in legal and professional expenses during the nine months ended 31 January 2022 as compared to the corresponding period in 2021.

### ***Finance costs***

The Group's finance costs remained relatively stable at approximately HK\$1.4 million for the nine months ended 31 January 2021 (nine months ended 31 January 2021: HK\$1.5 million). The average balance of bank borrowings remained relatively stable during the Period.

### ***Profit for the Period***

The Group's profit for the Period was approximately HK\$15.7 million, representing an decrease by approximately HK\$6.0 million or 27.6% as compared to the corresponding period in 2021. The net decrease in profit for the Period of the Group was mainly attributable to the decrease in revenue during the nine months ended 31 January 2022.

### ***Dividend***

The Board has resolved not to declare an interim dividend for the nine months ended 31 January 2022 (nine months ended 31 January 2021: 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 January 2022, 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 <sup>+</sup> of shareholding in the Company
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.

<sup>+</sup> The percentage represents the number of ordinary shares involved divided by the number of issued shares of the Company as at 31 January 2022.

Save as disclosed above, as at 31 January 2022, 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 January 2022, 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 <sup>+</sup> 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%

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.

\* The percentage represents the number of ordinary shares involved divided by the number of issued shares of the Company as at 31 January 2022.

Save as disclosed above, as at 31 January 2022, 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 nine months ended 31 January 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 nine months ended 31 January 2022.

### **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 nine months end 31 January 2022.

### **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 nine months ended 31 January 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 nine months ended 31 January 2022.

## 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, 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 unaudited condensed consolidated financial statements of the Group for the nine months ended 31 January 2022.

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

Hong Kong, 11 March 2022

*As at the date of this report, 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 report 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”.*