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**My Heart Bodibra Group Limited**

**心心芭迪貝伊集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8297)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

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

**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 of Hong Kong Limited (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 the GEM are generally small and mid-sized companies, there is a risk that securities traded on the 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 the GEM.**

*This announcement, for which the directors (the “**Directors**”) of My Heart Bodibra Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (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.*

The board of directors (the “**Board**”) of the Company announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three and six months ended 30 September 2020, together with the comparative unaudited figures for the corresponding period in year 2019 as follows:

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

For the six months ended 30 September 2020

	Note	For the three months ended 30 September		For the six months ended 30 September	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
<b>Revenue</b>	5	<b>13,052</b>	15,664	<b>26,991</b>	32,941
Cost of sales		<u>(3,006)</u>	<u>(3,137)</u>	<u>(5,383)</u>	<u>(6,987)</u>
<b>Gross profit</b>		<b>10,046</b>	12,527	<b>21,608</b>	25,954
Other income		<b>2,664</b>	221	<b>4,275</b>	284
Selling expenses		<b>(4,198)</b>	(5,908)	<b>(8,668)</b>	(14,216)
Administrative and other operating expenses		<b>(5,439)</b>	(8,658)	<b>(10,635)</b>	(17,810)
Finance costs		<b>(253)</b>	(559)	<b>(521)</b>	(570)
Share of profit of associates		<b>(93)</b>	(332)	<b>530</b>	185
Profit/(loss) before tax	6	<b>2,727</b>	(2,709)	<b>6,589</b>	(6,173)
Income tax expense	7	<b>(295)</b>	–	<b>(569)</b>	–
<b>Profit/(loss) for the period attributable to the owners of the Company</b>		<b>2,432</b>	(2,709)	<b>6,020</b>	(6,173)
<b>Other comprehensive income for the period, net of tax:</b>					
Item that may be reclassified to profit or loss:					
Exchange difference on translating foreign operations		<b>(782)</b>	196	<b>(794)</b>	35
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>1,650</b>	(2,513)	<b>5,226</b>	(6,138)
<b>Earnings/(loss) per share</b>					
Basic (HK cents)	9(a)	<b>0.51</b>	(0.56)	<b>1.25</b>	(1.29)
Diluted (HK cents)	9(b)	<b>0.51</b>	(0.56)	<b>1.25</b>	(1.29)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

		At 30 September 2020 (Unaudited) HK\$'000	At 31 March 2020 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	3,894	5,207
Right-of-use assets		5,434	10,077
Investments in associates		18,550	18,020
Goodwill		440	440
Other receivables	11	4,658	4,642
		<b>32,976</b>	38,386
<b>CURRENT ASSETS</b>			
Inventories		25,264	25,918
Trade and other receivables	11	4,159	4,664
Amount due from ultimate holding company	12	173	153
Amount due from an associate	12	7,153	7,153
Pledged bank deposits		835	835
Cash and bank balances		4,023	3,269
		<b>41,607</b>	41,992
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	4,861	4,391
Contract liabilities		81,097	86,966
Lease liabilities		10,364	12,812
Current tax liabilities		681	131
		<b>97,003</b>	104,300
<b>NET CURRENT LIABILITIES</b>		<b>(55,396)</b>	(62,308)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(22,420)</b>	(23,922)
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		4,640	8,364
<b>NET LIABILITIES</b>		<b>(27,060)</b>	(32,286)
<b>EQUITY</b>			
Share capital	14	4,800	4,800
Reserves		(31,860)	(37,086)
<b>TOTAL DEFICIT</b>		<b>(27,060)</b>	(32,286)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	Share capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Statutory reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 April 2019 (audited)	4,800	34,250	(34)	38	525	(23,758)	15,821
Adjustments on initial application of HKFRS 16	—	—	—	—	—	(1,045)	(1,045)
Restated balance at 1 April 2019	<u>4,800</u>	<u>34,250</u>	<u>(34)</u>	<u>38</u>	<u>525</u>	<u>(24,803)</u>	<u>14,776</u>
Loss and total comprehensive income for the period (unaudited)	—	—	—	35	—	(6,173)	(6,138)
At 30 September 2019 (unaudited)	<u>4,800</u>	<u>34,250</u>	<u>(34)</u>	<u>73</u>	<u>525</u>	<u>(30,976)</u>	<u>8,638</u>
At 1 April 2020 (audited)	<b>4,800</b>	<b>34,250</b>	<b>(34)</b>	<b>281</b>	<b>525</b>	<b>(72,108)</b>	<b>(32,286)</b>
Profit and total comprehensive income for the period (unaudited)	—	—	—	(794)	—	6,020	5,226
At 30 September 2020 (unaudited)	<u>4,800</u>	<u>34,250</u>	<u>(34)</u>	<u>(513)</u>	<u>525</u>	<u>(66,088)</u>	<u>(27,060)</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	For the six months ended 30 September	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Net cash generated from operating activities	<u>9,457</u>	<u>944</u>
Purchases of items of property, plant and equipment	(339)	(1,944)
Proceeds from disposal of property, plant and equipment	–	2,052
Interest received	<u>1</u>	<u>(5)</u>
Net cash (used in)/from investing activities	<u>(338)</u>	<u>103</u>
Payment of lease liabilities	(7,548)	(7,623)
Repayment of finance lease payables	–	(329)
Other financing cash flows	<u>(27)</u>	<u>(21)</u>
Net cash used in financing activities	<u>(7,575)</u>	<u>(7,973)</u>
Net increase/(decrease) in cash and cash equivalents	1,544	(6,926)
Cash and cash equivalents at beginning of period	3,269	12,234
Effect of foreign exchange rate changes	<u>(790)</u>	<u>146</u>
Cash and cash equivalents at end of period	<u><u>4,023</u></u>	<u><u>5,454</u></u>
Analysis of cash and cash equivalents:		
Cash and bank balances	<u><u>4,023</u></u>	<u><u>5,454</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2020*

## 1. GENERAL INFORMATION

My Heart Bodibra Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 27 May 2016. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business in Hong Kong is changed from Unit 2801-03, 28/F., Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong to 1/F., Lok Kui Industrial Building, 6-8 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The shares of the Company are listed on the GEM since 13 July 2017 (the “**Listing**”).

The Company is an investment holding company and its principal subsidiaries are mainly engaged in the business of (1) manufacturing and retail sales of lingerie products in Hong Kong, Macau and the People’s Republic of China (the “**PRC**”) and (2) provision of beauty services.

In the opinion of the directors of the Company, as at 30 September 2020, Global Succeed Group Limited, a company incorporated in the British Virgin Islands and jointly controlled by Mr. Chan Lin So Alan and Mr. Yiu Koon Pong, is the immediate and ultimate holding company of the Company.

## 2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosures required by the GEM Listing Rules.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

These condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2020. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2020 except as described in note 3 below.

## 3. APPLICATION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2020.

A number of new standards are effective from 1 January 2020 but they do not have material impact on the Group’s unaudited condensed consolidated financial statements.

## 4. OPERATING SEGMENT INFORMATION

The Group’s activities (other than design, manufacture and sales of lingerie products) do not meet the quantitative thresholds of operating segment. Accordingly, the Directors have determined that the Group has only one operating and reportable segment, being the sales of lingerie products and other complementary and ancillary products through its retail stores.

Information reported to the Directors being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses only on revenue analysis by nature of revenue and geographical location of customers.

Since this is the only operating segment of the Group, no segment information is presented other than entity-wide disclosures.

## 5. REVENUE

Revenue represents the aggregation of net amounts received and receivable during the period. An analysis of the Group's revenue from external customers for the period is as follows:

	For the three months ended		For the six months ended	
	30 September		30 September	
	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>
Products and services transferred at a point in time:				
Sales of lingerie products and other complementary and ancillary products	12,523	14,829	23,773	31,556
Trading of garments	–	90	–	90
Provision of beauty services	267	318	545	643
Income from unused credit packages	262	427	2,673	652
	<u>13,052</u>	<u>15,664</u>	<u>26,991</u>	<u>32,941</u>

## 6. PROFIT/(LOSS) BEFORE TAX

The Group's profit and (loss) before tax is arrived at after charging:

	For the three months ended		For the six months ended	
	30 September		30 September	
	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>
Directors' emoluments	345	345	782	655
Other staff costs:				
Salaries, bonuses and allowances	4,117	6,517	8,681	13,808
Retirement benefit scheme contributions	244	396	428	852
Total staff costs	<u>4,706</u>	<u>7,258</u>	<u>9,891</u>	<u>15,315</u>
Cost of inventories recognised as an expense	3,006	3,137	5,383	6,987
Depreciation:				
– Property, plant and equipment	807	1,106	1,650	2,282
– Right-of-use of assets	2,759	3,524	5,524	7,047
Net foreign exchange loss	8	627	366	807
Operating lease charges on land and buildings:				
– contingent rentals	–	21	–	86

## 7. INCOME TAX EXPENSE

	For the three months ended 30 September		For the six months ended 30 September	
	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>
Current tax:				
Hong Kong Profits Tax	(243)	–	(373)	–
Macao Complementary Tax	(75)	–	(87)	–
PRC Enterprise Income Tax (“EIT”)	23	–	(109)	–
	<u>(295)</u>	<u>–</u>	<u>(569)</u>	<u>–</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (for the three and six months ended 30 September 2019: 16.5%) on the estimated assessable profits for the three and six months ended 30 September 2020.

Under the Macao Complementary Tax, taxable income below MOP600,000 is exempted from taxation while amount beyond this amount is to be taxed at the rate of 12% for the three and six months ended 30 September 2020.

PRC EIT has been provided at a rate of 25% (for the three and six months ended 30 September 2019: 25%) on the estimated assessable profit of those subsidiaries established in the PRC for the three and six months ended 30 September 2020.

## 8. DIVIDENDS

The Directors do not recommend the payment of a dividend for the three and six months ended 30 September 2020 (for the three and six months ended 30 September 2019: Nil).



## 9. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the following:

	For the three months ended 30 September		For the six months ended 30 September	
	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>
Earnings/(loss)				
Earnings/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share	<u>2,432</u>	<u>(2,709)</u>	<u>6,020</u>	<u>(6,173)</u>
	For the three months ended 30 September		For the six months ended 30 September	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Number of shares				
Issued ordinary shares at the beginning of period	<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/(loss) per share	<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>

### (b) Diluted earnings/(loss) per share

No diluted earnings/loss per share is presented as the Company did not have any dilutive potential ordinary share.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2020, the Group acquired property, plant and equipment of approximately HK\$339,000 (six months ended 30 September 2019: approximately HK\$1,800,000).

## 11. TRADE AND OTHER RECEIVABLES

	At 30 September 2020 (Unaudited) <i>HK\$'000</i>	At 31 March 2020 (Audited) <i>HK\$'000</i>
Trade receivables	416	590
Other receivables, prepayment and deposits	<u>8,401</u>	<u>8,716</u>
	<u><b>8,817</b></u>	<u><b>9,306</b></u>
Analysed as:		
Current assets	4,159	4,664
Non-current assets	<u>4,658</u>	<u>4,642</u>
	<u><b>8,817</b></u>	<u><b>9,306</b></u>

The ageing analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

	At 30 September 2020 (Unaudited) <i>HK\$'000</i>	At 31 March 2020 (Audited) <i>HK\$'000</i>
0–30 days	<u>416</u>	<u>590</u>

## 12. AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY/A RELATED PARTY/AN ASSOCIATE

The amounts due are unsecured, interest-free and repayable on demand.

## 13. TRADE AND OTHER PAYABLES

	At 30 September 2020 (Unaudited) <i>HK\$'000</i>	At 31 March 2020 (Audited) <i>HK\$'000</i>
Trade payables	263	360
Accruals and other payables	<u>4,598</u>	<u>4,031</u>
	<u><b>4,861</b></u>	<u><b>4,391</b></u>

The ageing analysis of trade payables based on the date of receipt of goods is as follows:

	<b>At 30 September 2020 (Unaudited) HK\$'000</b>	<b>At 31 March 2020 (Audited) HK\$'000</b>
0–60 days	<b>263</b>	<b>360</b>

#### 14. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each At 1 April 2019, 31 March 2020, 1 April 2020 (audited) and 30 September 2020 (unaudited)	4,000,000,000	40,000
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each At 1 April 2019, 31 March 2020, 1 April 2020 (audited) and 30 September 2020 (unaudited)	480,000,000	4,800

#### 15. RELATED PARTY TRANSACTIONS

The Group had entered into the following transactions with its related party during the period:

	<b>For the three months ended 30 September</b>		<b>For the six months ended 30 September</b>	
	<b>2020 (Unaudited) HK\$'000</b>	<b>2019 (Unaudited) HK\$'000</b>	<b>2020 (Unaudited) HK\$'000</b>	<b>2019 (Unaudited) HK\$'000</b>
Consultancy and advisory fees payable to a related party	<b>114</b>	<b>114</b>	<b>220</b>	<b>228</b>

#### 16. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2020 (31 March 2020: Nil).

#### 17. CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 30 September 2020 (31 March 2020: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is one of the leading retailers of lingerie with shaping functions in Hong Kong, with production facilities in the PRC and Hong Kong. The Group principally offers a wide range of its own branded lingerie that are designed with shaping functions which aim to achieve better body appearances, including bras and panties, body shaping underwear and chest support vests. The Group also (1) sells other products without shaping functions, which primarily include breast cream, panties, nude bras, swimwear, bras straps and pads, and waist bands and (2) provides beauty services.

During the period under review, the Group maintains its focus on Hong Kong market and will keep on strengthening the cost control measures to deal with the adverse market conditions caused by the novel coronavirus pneumonia (the “**COVID-19 pandemic**”) in Hong Kong. Given the uncertainties of both the duration of the COVID-19 pandemic and the implementation of pandemic preventive measures imposed by the Hong Kong Government, the Group’s financial results may be affected by such uncertainties. Although the second quarter saw a slight normalization of economic activities in Hong Kong, the Board will continue to closely monitor the development of the COVID-19 pandemic and proactively react to its impact on the Group’s profitability and financial position.

### **REVENUE**

During the reporting period, the Group’s revenue, which principally represents income derived from the sale of lingerie products with shaping functions and other complementary and ancillary products, recorded a total amount of approximately HK\$27.0 million, representing a decrease of approximately 17.9% compared with the revenue of approximately HK\$32.9 million for the corresponding period in year 2019 as a result of the decrease in sales volume due to weak retail sales caused by the COVID-19 pandemic and the pandemic preventive measures imposed by the Hong Kong Government.

### **COST OF SALES AND GROSS PROFIT**

Cost of sales recorded approximately HK\$5.4 million for the six months ended 30 September 2020, (2019: approximately HK\$7.0 million) representing a decrease of approximately 22.9% as compared to the corresponding period in year 2019. The decrease in cost of sales was mainly attributable to the effective cost control on the production costs and the inventory management enhancement and the decrease in rental expenses pursuant to HKFRS 16. The gross profit decreased by approximately 15.4% from approximately HK\$26.0 million for the six months ended 30 September 2019 to approximately HK\$22.0 million for the corresponding period in year 2020.

## **EXPENSES**

Selling expenses during the reporting period decreased by approximately HK\$5.5 million from approximately HK\$14.2 million for the six months ended 30 September 2019 to approximately HK\$8.7 million for the corresponding period in year 2020, which was mainly attributable to the decrease in staff costs and marketing expenses for promotional activities and the net effect of the decrease in rental expenses and the increase in depreciation of right-of-use assets recorded pursuant to HKFRS 16.

Administrative expenses and other operating expenses decreased by approximately HK\$7.2 million from approximately HK\$17.8 million for the six months ended 30 September 2019 to approximately HK\$10.6 million for the corresponding period in year 2020, primarily due to the decrease in legal and professional fees, staff cost and other general operating expenses and the net effect of the decrease in rental expenses and the increase in depreciation of right-of-use assets recorded pursuant to HKFRS 16.

## **INCOME TAX EXPENSE**

Income tax expense increased by approximately HK\$568,900 from an expense of approximately HK\$100 for the six months ended 30 September 2019 to an expense of approximately HK\$569,000 for the corresponding period in 2020.

## **PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY**

Profit attributable to owners of the Company for the six months ended 30 September 2020 amounted to approximately HK\$6.0 million, whereas there was a loss attributable to owners of the Company of approximately HK\$6.2 million recorded for the corresponding period in year 2019. This was primarily attributable to the effective cost control measures in selling expenses, administrative and other operating expenses of the Group.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 September 2020, the Group had net current liabilities of approximately HK\$55.4 million (31 March 2020: approximately HK\$62.3 million). This was mainly due to the decrease in the contract liabilities and the lease liabilities as a result of adopting HKFRS16. The Group had cash and cash equivalents of approximately HK\$4.0 million (31 March 2020: approximately HK\$3.3 million).

## **CAPITAL STRUCTURE**

There has been no change in the capital structure of the Company since the Listing Date and up to the date of this announcement.

## **GEARING RATIO**

Gearing ratio is calculated based on the total debts divided by total equity at the respective reporting date. As at 30 September 2020, the Group's gearing ratio was Nil, while it was Nil as at 31 March 2020.

## **SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS**

During the period under review, an associate of the Group entered into a sales and purchase agreement to dispose a vessel at a consideration of HK\$13.5 million and the transaction has completed in September 2020.

Save as disclosed above, there was no significant investment held by the Company or material acquisition and disposal made by the Company during the period.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 30 September 2020, the Group had 107 (31 March 2020: 120) full-time employees. Remuneration packages offered to the Group's employees are consistent with the prevailing market terms and are reviewed on a regular basis. Discretionary bonuses may be awarded to employees taking into consideration the Group's performance and that of the individual employee.

Pursuant to the applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administrated by the responsible government authorities in Macau and the PRC for its employees in Macau and the PRC. For the Group's employees in Hong Kong, all the arrangements pursuant to the mandatory provident fund requirements prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) have been duly implemented.

## **EVENTS AFTER THE REPORTING PERIOD**

There are no material subsequent events undertaken by the Company or by the Group after the reporting period.

## **CHARGES ON GROUP'S ASSETS**

The Group did not have any other mortgage or charge over its assets except for the deposits pledged to a bank to secure the rental of the office of the Group as at 30 September 2020 and 31 March 2020.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the Prospectus, the Group currently has no plan for material investments and capital assets.

## **FOREIGN CURRENCY EXPOSURE**

The Group's exposures to currency risk arise mainly from the business operations of some of its subsidiaries in the PRC and Macau, which are denominated in Renminbi and Macau pataca. The Group currently does not have a foreign currency hedging policy. Management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise. The directors has reviewed the financial statements for the six months ended 30 September 2020 and consider that the foreign currency risk is minimal.

## **CONTINGENT LIABILITIES**

As at 30 September 2020, the Group did not have any material contingent liabilities or guarantees.

## **OTHER INFORMATION**

### **DISCLOSURE OF INTERESTS**

**(a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations**

As at 30 September 2020, none of the Directors nor chief executives of the Company and their respective associates had any interests and short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.



**(b) Interests and short positions of substantial shareholders in the shares, underlying shares and debentures of the Company**

So far as is known to the Directors, as at 30 September 2020, the following persons (not being Directors or chief executives of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

*Long positions in the Shares of the Company*

<b>Name of Shareholder</b>	<b>Nature of interest/ holding capacity</b>	<b>Number of shares</b>	<b>Percentage of issued share capital of the Company</b>
Global Succeed Group Limited	Beneficial owner (Note 1)	250,000,000	52.08%
Mr. Chan Lin So Alan	Interest in a controlled corporation	250,000,000	52.08%
Mr. Yiu Koon Pong	Interest in a controlled corporation	250,000,000	52.08%
Waichun Logistics Technology Limited	Beneficial owner (Note 2)	110,000,000	22.92%
Mr. Li Zhi	Interest in a controlled corporation	110,000,000	22.92%
Mr. Xian Hui	Interest in a controlled corporation	110,000,000	22.92%

*Notes:*

- (1) Global Succeed Group Limited is the direct shareholder of the Company. According to the information available to the Company, Global Succeed Group Limited is beneficially owned as to 50% by Mr. Chan Lin So Alan and 50% by Mr. Yiu Koon Pong. By virtue of the SFO, each of Mr. Chan Lin So Alan and Mr. Yiu Koon Pong is deemed to be interested in the 250,000,000 shares held by Global Succeed Group Limited. Mr. Chan Lin So Alan is a consultant of the Company as at 30 September 2020 and up to the date of this announcement.

- (2) Global Succeed Group Limited disposed of 110,000,000 shares of the Company to Waichun Logistics Technology Limited on 21 April 2020. Details of the Disposal were stated in the announcement dated 27 April 2020. Waichun Logistics Technology Limited is another direct shareholder of the Company. According to the information available to the Company, Waichun Logistics Technology Limited is beneficially owned as to 50% by Mr. Xian Hui and 50% by Mr. Li Zhi. By virtue of the SFO, each of Mr. Xian Hui and Mr. Li Zhi is deemed to be interested in the 110,000,000 shares held by Waichun Logistics Technology Limited.

Save as disclosed above, as at 30 September 2020, the Directors were not aware of any other persons (other than the Directors or chief executive of the Company) who had, or was deemed to have, interest or short positions in the Shares or underlying Shares of the Company would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 19 June 2017. For the principal terms of the Share Option Scheme, please refer to “Other Information – 12. Share Option Scheme” in Appendix IV to the Prospectus.

Up to the date of this announcement, no share option had been granted by the Company under the Share Option Scheme.

## **COMPETING INTERESTS**

As far as the Directors are aware of, none of the Directors or the controlling shareholder of the Company or any of their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the six months ended 30 September 2020.

## **CODE OF CORPORATE GOVERNANCE PRACTICES**

The Company endeavors to adopt prevailing best corporate governance practices. For the six months ended 30 September 2020, the Company, except for the deviation as specified below, had complied with all the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 15 of the GEM Listing Rules.

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company has not appointed chief executive officer and chairman since 27 October 2017 and 6 February 2018 respectively. The roles and functions of chief executive officer and chairman have been performed by all the executive Directors collectively. The Board will keep reviewing its current structure from time to time and will appoint chief executive officer and chairman if the Board considers appropriate and necessary.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard Dealings**”). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Code of Conduct and Required Standard Dealings during the six months ended 30 September 2020. Further, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors for the six months ended 30 September 2020.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2020.

## **AUDIT COMMITTEE**

The financial information in this announcement has not been audited by the auditor of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control procedures and risk management system of the Group. As at the date of this announcement, the Audit Committee comprises Mr. Deng Guo Hong, Mr. Ong King Keung and Mr. Cai Chun Fai, being the independent non-executive Directors.

## **REVIEW OF INTERIM FINANCIAL RESULTS**

The Audit Committee reviewed and discussed the unaudited condensed consolidated results of the Company for the six months ended 30 September 2020 with the management of the Company by considering (1) the attainment of the profit and the positive cash flows from the operations; (2) the effectiveness of the Company's measures to improve its financial position; and (3) the assessment of the recent development of the COVID-19 pandemic. The Audit Committee is of the opinion that it is appropriate to adopt the going concern in preparing these unaudited condensed consolidated results and such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules and that adequate disclosures have been made.

The members of the Audit Committee reported these views to the Board. The Board agreed with these views by considering (1) the recent development of the COVID-19 pandemic and the social protest gradually subsided; (2) the recent market conditions and the consumer sentiment have been better than those in the first quarter; and (3) the measures taken by the Company have been proved to be effective. The Board is of the opinion that the financial position of the Group would be improved.

By order of the Board  
**My Heart Bodibra Group Limited**  
**Tam Chak Chi**  
*Executive Director*

Hong Kong, 10 November 2020

*As at the date of this announcement, the executive Directors are Mr. Tam Chak Chi and Mr. Xu Xue; and the independent non-executive Directors are Mr. Deng Guo Hong, Mr. Ong King Keung and Mr. Cai Chun Fai.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company’s website at [www.bodibra.com](http://www.bodibra.com).*