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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)

- (1) CLARIFICATION ANNOUNCEMENT;**
- (2) INFORMATION RELATING TO THE FIRST VESSEL AND THE SECOND VESSEL;**
- (3) FINANCIAL ASSISTANCE TO CONNECTED PERSONS;**
- (4) APPOINTMENT OF INTERNAL CONTROL CONSULTANTS; AND**
- (5) RESUMPTION OF TRADING**

This announcement is made by My Heart Bodibra Group Limited pursuant to Rule 17.10(2) and Rule 17.26A of the GEM Listing Rules and the Inside Information Provisions (has the meaning as ascribed to it under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 25 October 2017 in respect of an article published on the website of Apple Daily on 2 October 2017 (the “**Previous Announcement**”). The Board further noted the articles published on 11 October 2017 by Next Magazine and EastWeek (the “**News Articles**”) containing allegations against the Group and its Directors. The Board hereby wishes to clarify that parts of the allegations contained in the News Articles are inaccurate and misleading.

In respect of the News Articles, the Board would like to clarify as follows:

1. VALIDITY OF THE EMPLOYMENT CONTRACTS

On 29 September 2017, the Board was notified by Mr. Yiu, the then-executive Director and chief executive officer of the Company, that 7 employment contracts were entered into by My Heart Lingerie Limited (“**My Heart Lingerie**”), an indirectly wholly owned subsidiary of the Company, with 7 persons respectively (collectively the “**Employment Contracts**”). To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, save for Ms. Lau Mei Lei, the spouse of Mr. Yiu who was a party to one of the Employment Contracts, the Company does not have any further information on the relationship of the respective parties to the Employment Contracts with the Company or its connected persons.

Each of the Employment Contract had a duration of 5 years and the aggregate amount payable under the Employment Contracts was HK\$364,000 per month. In addition, each of the Employment Contract contained the following terms:

- (1) that in the event the employee was dismissed, the salary for the remaining period of engagement would be paid to them;
- (2) the working hours were flexible, i.e. there were no fixed working hours; and
- (3) there was no fixed place of work.

Recruitment of all employees by the Company and its subsidiaries is governed by the IC Manual. The relevant procedures include, but are not limited to, advertising for the vacancy, interview by the human resources officer and head of department. If the recruitment procedures are not being complied with, such employment should be directly approved by the Board.

The Employment Contracts were signed by Mr. Yiu purportedly on behalf of My Heart Lingerie. The Company had never advertised for the positions of the Employment Contracts and the persons purportedly employed under the Employment Contracts were not subject to interviews, had no work location or working hours, which, the Directors confirm that the Employment Contracts were not being entered into in accordance with the IC Manual.

The board of directors of My Heart Lingerie considered that the relevant internal control policies have not been followed by Mr. Yiu for entering into the Employment Contracts allegedly on behalf of My Heart Lingerie with the 7 persons mentioned above. The then-Directors were unaware of the existence of the Employment Contracts until notified of the same by Mr. Yiu on 29 September 2017.

In relation to the above, the Company sought legal advice on, among other things, the legality of the Employment Contracts and on 22 October 2017, the Company took legal action to set aside the Employment Contracts based on the legal advice obtained. A writ of summons was filed by the Company on 6 November 2017 against (1) Mr. Yiu in relation to his breach of fiduciary duties owed to the Company; (2) Mr. Yiu and those 7 persons (collectively the “**Defendants**”) for any loss to the Company resulting from the Employment Contracts; and (3) a declaration that the Employment Contracts are void and unenforceable. The statement of claim was filed by the Company on 8 December 2017 and the Defendants filed their Defence and Counterclaim on 19 January 2018. On 16 March 2018, the Company filed its Reply and Defence to Counterclaim.

The individuals under the Employment Contracts are not employees of the Company and based on the information currently available, the Directors are of a view that, no provision in relation to the contingent liabilities of the Group under the Employment Contracts is required.

Any further material developments in connection with the said legal action will be updated by way of further announcement(s) as and when appropriate.

2. INVESTIGATIONS BY THE ICAC AND THE CCB

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the Company is not aware of any investigation conducted by the ICAC or the CCB into the Company or its business or any of the Directors.

3. INFORMATION RELATING TO THE FIRST VESSEL AND THE SECOND VESSEL

- **The First Vessel**

In early July 2017, Mr. Chan, the then-executive Director, commenced negotiations in relation to the acquisition of the First Vessel with the vendor of the First Vessel, Ever Hero. On 24 July 2017, Mr. Chan discussed with the independent valuer in relation to the First Vessel and it was verbally indicated to Mr. Chan that the fair value of the First Vessel was approximately HK\$5,000,000.

On 25 July 2017, Excellent Goldenfield entered into a sale and purchase agreement with Ever Hero, pursuant to which Excellent Goldenfield agreed to acquire the First Vessel from Ever Hero for the consideration of HK\$5,000,000 and was settled by cash. Such consideration was paid from the internal resources of the Group and no part of the net proceeds from the Listing.

At the time prior to the entering of the said sale and purchase agreement, majority of the then-Board (being Mr. Chan, Mr. Li and Mr. Wong) had approved the acquisition of the First Vessel verbally via a telephone conference on 22 July 2017 with an intention that a formal physical meeting of the Board would be convened subsequently to formalize the said transaction. The Company was informed by Mr. Chan that he had tried to contact Mr. Yiu and Ms. Chow by phone on 22 July 2017 prior to the entering of the said sale and purchase agreement with a view to holding a Board meeting via telephone conference but he failed to reach Ms. Chow while Mr. Yiu could not attend the relevant telephone conference. As notice had been given to the rest of the then-Board and there was sufficient quorum for the said Board meeting, pursuant to the Articles, such meeting of the Board would be competent to exercise all or any of the authorities, powers and discretions by or under the Articles being vested in or exercisable by the Board generally.

A formal physical meeting of the Board was held on 29 September 2017 to approve and ratify the acquisition of the First Vessel and majority of the then-Board had approved the said acquisition. Mr. Yiu and Ms. Chow were present at the said Board meeting but they left before the resolution on the acquisition of the First Vessel was tabled for voting and hence, they did not vote on the said resolution. After their departure, as disclosed in the Previous Announcement, a group of unknown persons entered into the office of the Company and attempted to interfere with the Board meeting and threatened certain Directors.

The consideration of the First Vessel was determined with reference to a valuation report prepared by an independent valuer which opined that the total fair value of the First Vessel would be HK\$5,000,000 as at 24 July 2017. The completion of the acquisition of the First Vessel took place on 20 September 2017. The consideration of the First Vessel has been paid to a few persons as instructed by Ever Hero (the “Payees”) as Ever Hero has no bank account. Ever Hero has confirmed to the Company that all the Payees are Independent Third Parties and to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, Ever Hero and its ultimate beneficial owner(s), together with the Payees, are Independent Third Parties. The Company has confirmed with Mr. Chan that the payments to the Payees are not related, and have not, and will not be ultimately be rebated to Mr. Chan or used to settle the personal loans and liabilities of Mr. Chan.

The First Vessel has been recognized as fixed asset in the financial statements of the Group.

The GEM Listing Rules implications on the acquisition of the First Vessel

The acquisition of the First Vessel is not a connected transaction nor a notifiable transaction and is exempted from announcement, reporting and shareholders’ approval requirements under Chapters 19 and 20 of the GEM Listing Rules.

Update on the disposal of the First Vessel

As mentioned in the Previous Announcement, the Company has initiated discussions with potential purchaser(s) of the First Vessel. As at the date of this announcement, no formal agreement has been entered into. The Company will update by way of an announcement of the disposal of the First Vessel as and when required by the GEM Listing Rules.

● **The Second Vessel**

Information on Ocean Trader

Ocean Trader is a company incorporated in Hong Kong and it is the owner of the Second Vessel. As at the date of this announcement, there are 3 shareholders of Ocean Trader:

- (1) Excellent Goldenfield, holding 25% of the interest in the issued share capital of Ocean Trader;
- (2) Winning Cycle, holding 25% of the interest in the issued share capital of Ocean Trader; and
- (3) Food Idea Property, holding 50% of the interest in the issued share capital of Ocean Trader and a manager of the Second Vessel.

Winning Cycle is a subsidiary of a company whose shares of which are listed on the Stock Exchange and it is principally engaged in the manufacturing and sale of personal care products. Food Idea Property is a subsidiary of Food Idea.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Winning Cycle and Food Idea Property and their substantial shareholders (has the meaning as ascribed to it under the GEM Listing Rules) are Independent Third Parties.

On 11 August 2017, Mr. Leung Chi Yan, who was authorized by Mr. Ho Chun Fai, the sole director of Ocean Trader, entered into a sale and purchase agreement in relation to the Second Vessel on behalf of Ocean Trader with Sea Loyal Limited, the previous owner of the Second Vessel. The consideration of the acquisition of the Second Vessel was HK\$20,800,000 and it was arrived with reference to the assessment of recent sale and purchase of vessel transactions which was higher than HK\$20,800,000. The Company later reconfirmed that the fair value of the Second Vessel was HK\$30,500,000 as at 7 September 2017 based on a valuation report prepared by an independent valuer engaged by the Company.

Excellent Goldenfield is interested as to 25% of the issued share capital of Ocean Trader. A shareholder's loan of HK\$7,500,000 has been provided by Excellent Goldenfield to Ocean Trader for the purpose of the acquisition of the Second Vessel.

Details of the Subscription are set out below:

The Subscription

1 share in Ocean Trader, representing 25% of the interest in the issued share capital of Ocean Trader and the Company subscribed such 1 share in Ocean Trader on 11 August 2017. Ocean Trader was set up as a special purpose vehicle on 28 July 2017 for the purpose of acquiring the Second Vessel. As Ocean Trader is newly set up, it has no profit for the two financial years immediately preceding the Subscription.

Consideration

HK\$1 as the subscription money for the 1 share in Ocean Trader.

Shareholders' loans

For the purpose of the acquisition of the Second Vessel, the shareholders of Ocean Trader have agreed to provide the following shareholders' loans to Ocean Trader:

- (1) Excellent Goldenfield — HK\$7,500,000;
- (2) Winning Cycle — HK\$7,500,000; and
- (3) Food Idea Property — HK\$5,800,000.

All the shareholders' loans have been provided to Ocean Trader on or about 15 August 2017 for the acquisition of the Second Vessel.

Pursuant to the Shareholders' Agreement, future funding of Ocean Trader will be shared pro-rata to its respective shareholdings.

Source of funding

The shareholder's loan provided by Excellent Goldenfield and the relevant subscription money were settled by cash and funded by way of internal resources of the Group. Such amount was not funded by the net proceeds raised from the Listing and the net proceeds raised thereunder have been and will be applied by the Company in a manner in accordance with the use of proceeds as disclosed in the Prospectus.

If Ocean Trader entered a facility agreement with an outside party, e.g. a bank, Ocean Trader would have to pay interest on the amount of the loan and those expenses would be indirectly borne by Ocean Trader's shareholders, including Excellent Goldenfield. Ocean Trader would not have to pay interest on the shareholders' loan and the Company would therefore not have to bear added finance costs, i.e. the costs of any interest payments. As a result, the consideration of the Second Vessel being financed by way of shareholders' loans was an agreement which resulted on better than normal commercial terms insofar as the funding of the acquisition of the Second Vessel is concerned.

Management of Ocean Trader and the Second Vessel

It has been agreed that Food Idea Property would provide the berth for the Second Vessel and conduct maintenance work on the Second Vessel without charging any management fees to the other shareholders. As a result, the respective shareholders' loans provided to Ocean Trader were not divided pro-rata between the shareholders of Ocean Trader.

This arrangement is on normal commercial terms or better for the Company as the initial and continuing costs of ascertaining a suitable berth (which includes, but not limited to, membership fee for joining yacht clubs that can be costly), renting or purchasing such a berth (which can range from at least HK\$40,000/month for a berth that is suitable for the Second Vessel) and engaging an outside party to manage and maintain the Second Vessel would likely exceed the difference between the Company's contribution and Food Idea Property's contribution to the shareholders' loan to Ocean Trader. Food Idea Property has access and experience in dealing with yacht matters so it has been agreed amongst the shareholders of Ocean Trader that Food Idea Property should be responsible for the management of the Second Vessel.

Pursuant to the Shareholders' Agreement, Food Idea Property shall be responsible for, among other things:

- (1) Crew management such as, selecting, engaging and managing the vessel's crew and related matters;
- (2) Technical management such as provision of competent personnel to supervise the maintenance and general efficiency of the Second Vessel; and
- (3) Administration management such as procuring the relevant insurance policies and general administration of the Second Vessel.

Financial information of Ocean Trader

Set out below is the unaudited management accounts of Ocean Trader from 28 July 2017 (date of incorporation) to 28 February 2018:

	<i>HK\$</i>
Net profit (loss) before taxation and extraordinary items	2,500
Net profit (loss) after taxation and extraordinary items	2,500

The unaudited net asset value of Ocean Trader as at 28 February 2018 is approximately HK\$2,800.

Recognition in the Group's financial statements

The Company recognized its 25% of the interest in the issued share capital of Ocean Trader by using the equity method according to HKAS 28, Investments in Associates and Joint Ventures (revised in January 2018). Under the method, the Company initially recognized its investment in Ocean Trader at cost and the carrying amount of the investment is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition. The Company's share of Ocean Trader's profit or loss is recognized in the investor's profit or loss.

Therefore, the Company initially recognized the cost of its investment, i.e. HK\$1, in "interest in associate" in the consolidated statement of financial position of the Group as at 30 September 2017 (the "**Statement of Financial Position**") and as there was an insignificant loss in Ocean Trader since its incorporation date, 28 July 2017 to 30 September 2017, the Company recognized the initial cost of its investment only to reflect its interest in Ocean Trader. However, as the Statement of Financial Position is presented in HK\$ to its thousands, the amount of the investment (i.e. HK\$1) in Ocean Trader is presented as zero.

According to the management accounts of Ocean Trader as at 28 February 2018, the net asset value was HK\$2,800. As a result, the Company shared 25% of its net asset value, i.e. HK\$700.

As at the date of this announcement, Excellent Goldenfield holds 25% of the interest in the issued share capital of Ocean Trader and as such, Ocean Trader is regarded as an associate of the Group.

Reasons for the Subscription

It was the intention of the then-Board to make the Subscription which in turn, use the Second Vessel to treat business partners hospitably and conduct marketing activities, such as products photo shooting and press events. In addition, the Second Vessel may also be used to provide benefits for its employees to encourage and reward their continued good performance as staff benefit. The then-Board was also of a view that marketing or corporate events to be held on the vessels will increase the brand image.

Delay in entering into the Shareholders' Agreement

The shareholders of Ocean Trader agreed verbally on (1) the percentage of the shareholdings and the nominal subscription amount; (2) the amount of the respective shareholders' loans; and (3) how the management and affairs of Ocean Trader should be conducted on or about 10 August 2017, prior to Ocean Trader acquired the Second Vessel but the parties did not reduce the commercially agreed terms (such as the subscription agreement or the shareholders' agreement) in writing immediately. The following persons were involved in the verbal discussions in relation to Ocean Trader:

- (1) Mr. Chan (representing the Company);
- (2) Mr. Yu Ka Ho (representing Food Idea Property);
- (3) Mr. Tsai Wallen (representing Winning Cycle); and
- (4) Mr. Ho Chun Fai (representing Ocean Trader).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the individuals in (2), (3) and (4) are Independent Third Parties.

On or about October 2017, it was discussed amongst the shareholders of Ocean Trader that a draft shareholders' agreement should be prepared based on what had been commercially agreed back in August 2017. A draft shareholders' agreement governing the operation and affairs of Ocean Trader and in particular, the management of the Second Vessel was prepared and the parties to the Shareholders' Agreement took time to review the said draft agreement and it was eventually signed on 3 November 2017.

The Company noted the delay in entering into the written agreement and will prevent the same from occurring. The Company has engaged an internal control consultant and please see below point 9 of this announcement regarding the IC Review for more information.

Approval from the then-Board in relation to the Subscription

As informed by Mr. Chan, there was an urgency to (1) lock in the offer to acquire the Second Vessel as the consideration was lower than the then-market price of similar vessel transactions; and (2) finalize the cooperation with other shareholders of Ocean Trader, on 7 August 2017, shortly prior to the entering of the documents relating to the Subscription, majority of the then-Board (being Mr. Chan, Mr. Li and Mr. Wong) had approved the Subscription verbally via a telephone conference with an intention that a formal physical meeting of the Board will be convened to formalize the said transaction. The Company was informed by Mr. Chan that he had tried to contact Mr. Yiu and Ms. Chow by phone on 7 August 2017, prior to the entering of the documents relating to the Subscription with a view to holding a Board meeting but he failed to reach them. As notice had been given to the rest of the then-Board and there was sufficient quorum for the said Board meeting,

pursuant to the Articles, such meeting of the Board should be competent to exercise all or any of the authorities, powers and discretions by or under the Articles being vested in or exercisable by the Board generally.

A formal physical meeting of the Board was held on 29 September 2017 to approve and ratify the Subscription and majority of the then-Board approved the transaction. A relevant notice of the meeting, which sets out the agenda which includes, inter alia, the Subscription, were circulated to the then-Board for information prior to the said meeting. All the Directors of the then-Board attended the said meeting but Mr. Yiu and Ms. Chow left before the resolution on the Subscription was tabled for voting and hence, they did not vote on the said resolution. After their departure, as disclosed in the Previous Announcement, a group of unknown persons entered into the office of the Company and attempted to interfere with the Board meeting and threatened certain Directors.

The GEM Listing Rules implications on the Subscription

The Company had consulted Lego on the implications under the GEM Listing Rules of the acquisition of the Second Vessel before it was acquired, and Lego, at that time, did not make any comment on the size tests calculation prepared by the Company which indicated that the percentage ratio of the asset test was below 5%. However, after consultation with the Stock Exchange, the Company concluded that the asset ratio of the Subscription would exceed 5% but less than 25%, the Subscription constituted a notifiable transaction and was subject to the publication of announcement requirements but exempt from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. As a result, the Company failed in complying with the aforesaid requirements, which constituted a breach of relevant GEM Listing Rules at the material time. Such non-compliance was primarily attributable to the different interpretation of the relevant provisions of the GEM Listing Rules.

Possible disposal of the interests in Ocean Trader

It is the intent of the Company's management to concentrate its resources on the expansion of its new core business and as at the date of this announcement, the Company has initiated discussions with potential purchaser(s) of Excellent Goldenfield's interests in Ocean Trader. The Company will update by way of an announcement of the disposal of such interests in Ocean Trader as and when required by the GEM Listing Rules.

Compliance with the IC Manual in relation to the acquisition of the First Vessel and the Subscription

In accordance with the IC Manual, for payment amount over HK\$1,000,000, it should be approved by the Board. As a result of such, prior to the entering of the documents relating to (1) the acquisition of the First Vessel; and (2) the Subscription, majority of the then-Board (being Mr. Chan, Mr. Li and Mr. Wong) had approved the relevant transactions verbally in a telephone conference with an intention that a formal physical meeting of the Board will be convened to formalize the said transactions. As notice had been given to the rest of the then-Board and

there was sufficient quorum for the said Board meetings, pursuant to the Articles, such meeting of the Board should be competent to exercise all or any of the authorities, powers and discretions by or under the Articles being vested in or exercisable by the Board generally. In view of the above, the Board considers that appropriate approvals were obtained in respect of the acquisition of the First Vessel and the Subscription and such transactions were conducted in compliance with the IC Manual. The Board also engaged the IC to specifically review and consider, the said transactions with a view to (1) assess and identify significant risks, failures, weaknesses or deficiencies in the procedures, systems and controls of the Group; and (2) make recommendations and devise a remedial action plan to remedy such weaknesses. Further particulars of the review are set out in point 9 of this announcement.

4. THE INDEPENDENCE ISSUE IN RELATION TO THE THEN-INDEPENDENT NON-EXECUTIVE DIRECTORS

Loan arrangements between Happy Credit Limited (“Happy Credit”) and Mr. Chan (“Happy Credit Loans”)

As disclosed in the Prospectus, Mr. Wong is the chief financial officer of Food Idea and Mr. Li was an independent non-executive director of Food Idea. Mr. Li resigned as an independent non-executive director of Food Idea on 1 February 2018.

According to the annual report of Food Idea for the financial period ended 31 December 2016 which was published on 30 March 2017, Happy Credit is a wholly owned subsidiary of Food Idea. The Company was informed by Mr. Chan that Happy Credit has entered into various loan arrangements with Mr. Chan in his own personal capacity.

The Company was informed by Mr. Wong that, as the chief financial officer of Food Idea where Happy Credit is its wholly owned subsidiary, Mr. Wong is a bank signatory mandate to the bank account of Happy Credit as part of the corporate governance mechanism in Food Idea. However, Mr. Wong is not a director of Happy Credit and Happy Credit has a separate management team which handles all the loan applications. Happy Credit has been in the money lending business since 2015 and it has always been managed by a management team with personnel that have many years of experience in the money lending business. The team will review, consider and approve all loan applications and they will report to the board of directors of Happy Credit. The team does not report to Mr. Wong and Mr. Wong does not consider nor approve any loan application. As a result of being a bank signatory of the bank account of Food Idea, Mr. Wong was aware of the transactions between Happy Credit and Mr. Chan but Mr. Wong has no influence on whether (1) Happy Credit should grant a loan facility to Mr. Chan; or (2) if so approved by Happy Credit, the relevant terms of the facility.

As informed by Mr. Li, employees or directors of Happy Credit do not report to him. At the time when he was an independent non-executive director of Food Idea, Mr. Li was not involved in the operation of Food Idea and its subsidiaries, but Mr. Li, from time to time, attended the board meetings of Food Idea in relation to matters of Happy Credit should this be required under the GEM Listing Rules. As a result of such, Mr. Li was aware of the transactions between Happy Credit and Mr. Chan and according to Mr. Li, such transactions occurred in late 2015/mid-of-2016. When considering whether to

approve any loan transactions that Happy Credit may have, Mr. Li informed the Company that he has a fiduciary duty towards Food Idea and he will consider whether it will be in the interest of Food Idea to enter into such transactions.

Mr. Li being the mandatory provident fund (“MPF”) account manager of the Group

Mr. Li is a Unit Manager of Manulife (International) Limited (“**Manulife**”) and he is responsible for the sales and marketing of insurance product. In 2014, the Group included Manulife as an additional MPF service provider for its employees. The employees have an option to choose from 2 MPF providers and Manulife is one of them. The Group has no influence over the employees on how they choose their MPF provider.

The Company is not aware of how Manulife remunerates Mr. Li as the MPF account manager of the Group. Neither Manulife nor Mr. Li has discussed with the Company in relation to the relevant commission or remuneration. The Company was informed by Mr. Li that the commission he received as a result of being a MPF account manager of the Group represents less than 1% of Mr. Li’s annual income.

In addition, the Company was informed by Mr. Li that he has assisted Mr. Chan in taking out certain insurance policies with Manulife. Mr. Li confirmed that Mr. Chan is not aware of how Manulife remunerates Mr. Li. Neither Manulife nor Mr. Li has discussed with Mr. Chan in relation to the relevant commission or remuneration. The Company was informed by Mr. Li that the highest commission amount he received as a result of Mr. Chan’s personal insurance policies represents less than 8% of Mr. Li’s annual income in that particular year.

As informed by Mr. Li, it does not appear that he has a material business dealing with Mr. Chan as (1) the financial interest derived from Mr. Chan’s insurance policies was insignificant and will remain insignificant; and (2) Mr. Chan has taken out Manulife’s insurance policies because of the product’s own merit.

Disclosure in the Prospectus

As informed by Mr. Wong, it did not occur to Mr. Wong at the time he met with Lego that he needed to disclose to Lego the Happy Credit Loans nor he was being asked to provide such information by Lego. Yet, Mr. Wong confirmed that the non-disclosure was not done as a result of a willful act nor to intentionally withhold any information.

As informed by Mr. Li, he met with the sponsor at the end of 2016 and it did not occur to Mr. Li that he needed to disclose to Lego the Happy Credit Loans as those transactions occurred back in late 2015/mid-of-2016 and he did not recollect the transactions. In addition, Mr. Li was not asked to provide such information by Lego. Yet, Mr. Li confirmed that the non-disclosure was not done as a result of a willful act nor to intentionally withhold any information.

As informed by Mr. Chan, Lego has mentioned to him Rule 5.09(1) to (8) of the GEM Listing Rules in relation to the factors affecting the independence of an independent non-executive Director. Mr. Chan informed the Company that it did not occur to him at

the time when he met with Lego that he needed to disclose to Lego the issues stated above as both Mr. Wong and Mr. Li had confirmed their independence pursuant to the requirements as set out in Rule 5.09(1) to (8) of the GEM Listing Rules, and that he was not asked to provide such information by Lego. Yet, Mr. Chan confirmed that the non-disclosure was not done as a result of a willful act nor to intentionally withhold any information.

Confirmation by Mr. Li, Mr. Wong and Mr. Chan

Each of Mr. Li, Mr. Wong and Mr. Chan has confirmed to the Company that:

- (1) due care and skills have been applied throughout their tenure as a Director;
- (2) as a Director, he owed a fiduciary duty to the Company and he has acted honestly and in good faith in the interests of the Company and the Shareholders as a whole; and
- (3) he has not acted as a connected group with Mr. Chan, Mr. Li and/or Mr. Wong.

In addition, Mr. Li and Mr. Wong have both confirmed that:

- (1) they have not acted in accordance with the instructions from Mr. Chan;
- (2) they have no material interest in any principal business activities of or is involved in any material business dealings with the Group or with any the connected persons of the Company;
- (3) they were not on the Board specifically to protect the interest of any entity/ individual whose interests are not the same as those of the Shareholders as a whole; and
- (4) they were not financially dependent on the Group or the connected persons of the Company.

5. PURCHASE OF COUPONS FROM SPERA BEAUTY COMPANY LIMITED (“SPERA BEAUTY”)

As disclosed in the Previous Announcement, on 29 August 2017, the Company purchased numerous coupons for the consideration of HK\$50,000 from Spera Beauty, which was paid by the Company’s credit card. On 15 September 2017, the Company purchased further coupons for a consideration of HK\$38,000 (collectively the “Coupons”).

The purpose of acquiring the Coupons was to provide general benefit and encouragement to employees of the Company who have performed well and the Coupons are regarded as part of the employees’ fringe benefits. As at the date of this announcement, all Coupons have been distributed to the employees of the Group in Hong Kong.

The credit card used to purchase the Coupons was authorized by the Company for Mr. Chan's use and the purpose of which is to settle petty cash needs arising from the course of the day-to-day operations of the Company when he is out of office, such as entertainment and travelling expenses. There is a credit limit on the credit card of HK\$200,000. The current authorization protocol is that if single transaction is over HK\$50,000, the finance manager needs to be notified and authorized the relevant transaction. On top of the authorization protocol, the policy for using the Company's credit card is that expenses have to be related to the operation of the business of the Group and Mr. Chan will have to provide relevant receipts and/or documents to the finance department after the transaction has been concluded. As at the date of this announcement, none of Mr. Chan nor other ex-Director can still use the Company's credit card and/or other assets of the Company.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the purchase of the Coupons is not connected transactions or notifiable transactions and is exempted from announcement, reporting and shareholders' approval requirements under Chapters 19 and 20 of the GEM Listing Rules.

6. FINANCIAL ASSISTANCE TO MR. CHAN AND MR. YIU

The News Articles alleged that certain unnamed persons borrowed in aggregate of HK\$5,000,000 from the Group after the Listing. The Board would like to clarify that Mr. Yiu and Mr. Chan, together with their associates, had borrowed money from the Group after the Listing, which was funded by the internal resources of the Group and not part of the net proceeds raised from the Listing.

In the case of Mr. Chan, for the 4-month period since the Listing and until 9 November 2017, the Company had granted an aggregate of HK\$3,481,000 to Mr. Chan and his associates on various occasions, particulars of which are set out below. Mr. Chan's Loan was unsecured and repayable on demand and no written agreement was entered into. As at 30 September 2017, the outstanding amount of Mr. Chan's Loan was HK\$443,000. The Directors confirmed that Mr. Chan's Loan was fully repaid on 9 November 2017.

In the case of Mr. Yiu, for the 4-month period since the Listing and until 9 November 2017, the Company had granted an aggregate of HK\$9,701,000 to Mr. Yiu and his associates on various occasions, particulars of which are set out below. Mr. Yiu's Loan was unsecured and repayable on demand and no written agreement was entered into. As at 30 September 2017, the outstanding amount of Mr. Yiu's Loan was HK\$9,547,000. The Directors confirmed that Mr. Yiu's Loan together with the interest were fully repaid on 9 November 2017.

As there was HK\$9,990,000 of the Directors' Loans as at 30 September 2017 and Mr. Yiu's Loan represented 95.57% of the outstanding amount of the Directors' Loans, Mr. Fok informed Mr. Yiu on 29 September 2017 that an interest of 2% per annum shall be charged on Mr. Yiu's Loan, being HK\$33,000 which was calculated with reference to (1) the average of the outstanding balance of the Directors' Loans as at the Listing and 30 September 2017; and (2) the 3-month period between the Listing and 30 September 2017. No interest was charged on Mr. Chan's Loan as at 30 September 2017 as it was insignificant.

Particulars of the Directors' Loans are set out below:

Dates	Mr. Chan and his associates		Mr. Yiu and his associates		Total outstanding amount of the Directors' Loans during the said period
	Drawdown Amount	Repayment Amount	Drawdown Amount	Repayment Amount	
As at the date of the Listing	(HK\$1,663,000) * The Company owed such amount to Mr. Chan and his associates as at the date of the Listing	—	HK\$4,722,000 (outstanding balance)	—	HK\$3,059,000
3 July 2017 to 18 July 2017	HK\$3,050,000	(HK\$32,000)	HK\$3,078,000	—	HK\$6,096,000
18 July 2017 to 31 July 2017	HK\$1,154,000	—	HK\$1,361,000	—	HK\$2,515,000
1 August 2017 to 15 August 2017	HK\$113,000	—	HK\$215,000	—	HK\$328,000
16 August 2017 to 31 August 2017	HK\$707,000	—	HK\$201,000	(HK\$126,000)	HK\$782,000
1 September 2017 to 15 September 2017	HK\$85,000	—	HK\$89,000	—	HK\$174,000
16 September 2017 to 30 September 2017	HK\$35,000	(HK\$3,006,000)	HK\$35,000	(HK\$28,000)	(HK\$2,964,000)
Balance as at 30 September 2017	HK\$3,481,000	(HK\$3,038,000)	HK\$9,701,000	(HK\$154,000)	HK\$9,990,000
1 October 2017 to 9 November 2017	—	(HK\$443,000)	—	(HK\$9,547,000)	(HK\$9,990,000)
Balance as at 9 November 2017	—	—	—	—	HK\$0

Mr. Chan and Mr. Yiu gave instructions to the finance clerk of the finance department of the Group directly and all parties involved had overlooked the requirements of the GEM Listing Rules. The then-Board was not aware of the Directors' Loans until late September 2017 and immediately consulted the professional parties and concluded that the transactions might be notifiable and/or connected transactions under the GEM Listing Rules. As a result, the then-Board did not consult Lego prior to the provisions of the Directors' Loans. The then-Board discussed the Directors' Loans at the meeting of the Board held on 29 September 2017 and concluded that interests on the Directors' Loans should be charged, but details were not being discussed during the said meeting. As mentioned in the Previous Announcement, a group of unknown persons entered into the office of the Company and attempted to interfere with the Board meeting and threatened certain Directors. However, during the course of the said meeting, Mr. Fok informed Mr. Yiu the preliminary arrangements regarding the amount of the interests to

be charged and the calculation method. Mr. Fok further mentioned to Mr. Yiu that the finalized interest calculation would be subject to the approval from the then-Board. Subsequently, the amount of the Directors' Loans and the interest that was proposed to be charged were reflected in the final draft of the 2017 Interim Report which was circulated to the then-Board on 6 November 2017 for review and comments and the same had been approved by the then-Board on or about 10 November 2017.

As a result of the oversight of the requirements of the GEM Listing Rules on the Directors' Loans, no written agreements in relation to the Directors' Loans were entered into. As the then-Board was not aware of the Directors' Loans until late September 2017, the then-independent non-executive Directors did not consider whether the provision of the Directors' Loans had been fair and reasonable and on normal commercial terms. The Board acknowledged that the Company's internal controls need to be improved and recommendations from the IC in this aspect will be considered and implemented where appropriate. Please see below point 9 of this announcement regarding the IC Review for more information.

Financial implications of the Directors' Loans

Save as disclosed in the 2017 Interim Report, the Company did not have any bank borrowings during the period in relation to the provision of the Directors' Loans and as disclosed in the 2017 Interim Report, the Company has HK\$133,266,000 of total assets as at 30 September 2017, of which the Directors' Loans represented 7.5%. In view of the above, the Board is of a view that the provision of the Directors' Loans did not have a material adverse effect on the total assets of the Company.

View of the Directors in relation to the Directors' Loans and the GEM Listing Rules implications on the Directors' Loans

Both Mr. Chan and Mr. Yiu were, at the time of the granting of the Directors' Loans, executive Directors and therefore constituted connected persons under Chapter 20 of the GEM Listing Rules. The granting of the Directors' Loans as a result, constituted notifiable and connected transactions under Chapters 19 and 20 of the GEM Listing Rules.

The Directors (including the independent non-executive Directors), who were appointed after the Directors' Loans were provided and repaid, are of a view that the terms of the Directors' Loans were not on normal commercial terms as (1) the 2% interest charged might not reflect the current prevailing rate as quoted by commercial banks in Hong Kong in relation to granting of loans of similar nature; and (2) the calculation method of interest where it was charged on the average balance rather than on the gross principal amounts of the Directors' Loans.

In view of the above, the Company's failure to comply with the respective requirements under Chapters 19 and 20 of the GEM Listing Rules in respect of the provision of the Directors' Loans constituted a breach of Chapters 19 and 20 of the GEM Listing Rules where the provision of the Directors' Loans were subject to reporting, announcement and circular requirements, independent financial advice and independent shareholders' approval requirements under the GEM Listing Rules.

As mentioned above, the independent non-executive Directors also considered the financial impact of the provision of the Directors' Loans on the Group and they are of a view that the provision of the Directors' Loans did not have a material adverse effect on the total assets of the Company at the relevant period. The Board has also resolved that no further provision of loans to the Directors, the connected persons, senior management, staff, adviser, consultant of the Company and their related entities will be allowed. Such measure will be included in the IC Manual and the Company will remind its staff that the IC Manual should be strictly followed.

7. REMEDIES

In respect of all of the incidents described above, the Directors consider that the failure to comply with the relevant GEM Listing Rules was inadvertent and can be avoided going forward. The Company has taken the following remedial measures to prevent the re-occurrence of similar incidents:

- (1) the Company will provide more detailed guideline relating to notifiable and connected transactions under the GEM Listing Rules to the Directors, senior management and the finance staff of the Group in order to strengthen and reinforce their existing knowledge with respect to notifiable and connected transactions;
- (2) the Company will set up a reporting guideline and in case the staff are in doubt prior to the entering into any transactions which potentially may have the GEM Listing Rules' implications, they will immediately inform the company secretary of the Company and he shall further assess the proposed transactions and ensure its reporting obligations as well as submit to the compliance committee of the Company (if appropriate) and the Board for approval. If the transaction is on a recurring basis, a monthly report/update has to be prepared and submit to the company secretary of the Company and the Board for review/record;
- (3) the Board has engaged the IC to investigate the effectiveness of the internal control system of the Group, particulars of which are set out in point 9 of this announcement;
- (4) ongoing trainings will be developed and provided to the Directors, senior management and relevant employees of the Group to familiarize themselves with the legal and regulatory requirements applicable to the business operations of the Group. In this regard, Central China provided training to the Board on 26 January 2018; and
- (5) the Company will discuss with and seek advice, if necessary, from the compliance advisor of the Company in relation to compliance matters set out under Rules 6A.23 and 6A.24 of the GEM Listing Rules.

In addition, the Company has engaged the IC to review and to recommend in relation to the internal control procedures, particulars of which are set out in point 9 of this announcement.

8. ESTABLISHMENT OF THE COMPLIANCE COMMITTEE

In addition to the remedies as set out in point 7 of this announcement, the Board has resolved that:

- (1) the Company must ensure that the IC Manual should be strictly followed. In particular, all transactions and/or advances which will have the GEM Listing Rules' implications should be executed subject to prior examination and approval of the compliance committee of the Company (the "**Compliance Committee**"), which comprises 3 independent non-executive Directors, 1 executive Director and 1 senior management of the Company;
- (2) the Compliance Committee should ensure that every possible transaction is examined with due care. In this respect, the Compliance Committee should notify the Board and consult with the compliance adviser of the Company of all proposed transactions of the Company which will have the GEM Listing Rules' implications;
- (3) in the event that the Compliance Committee considers that the proposed transaction may have the GEM Listing Rules' implications, the Compliance Committee should work with the company secretary of the Company and the professional parties on the proposed transaction;
- (4) the Compliance Committee should meet as and when necessary and at least, once every 2 months with the compliance adviser of the Company and other professional parties;
- (5) the Compliance Committee may invite representatives from the Company's finance team, external legal advisers, the compliance adviser or such other persons to attend its meeting as it considers appropriate;
- (6) in addition, the Company intends to hire more staff in the finance team who has the relevant skills and knowledge. In addition, the Company is considering appointing a specific delegate as the compliance officer to handle all compliance matters and to set up a legal/compliance department in the long run to assist the Compliance Committee; and
- (7) the Board will also consider and implement the recommendations that the IC may have in relation to the IC Review. In addition, it is proposed that a follow-up review should be conducted after the relevant recommendations from the IC have been implemented and to report on whether those recommendations have been fully implemented.

9. APPOINTMENT OF THE INTERNAL CONTROL CONSULTANT

In light of the recent incidents, the Company has engaged World Link Corporate Finance Limited as its internal control consultant to conduct a review on the internal control systems and procedures of the Group and to make recommendations accordingly.

The Company has discussed with the IC and explained the objectives of the IC Review are to (1) assess and identify significant risks, failures, weaknesses or deficiencies in certain procedures, systems and controls of the Group; and (2) make recommendations and devise an agreed-upon remedial action plan to remedy such weaknesses (if any). The scope of the IC Review will cover the following areas:

- (1) investigate the transactions relating to the First Vessel, the Second Vessel and the Coupons;
- (2) investigate on all significant payment transactions incurred during the period from 1 April 2017 to 31 December 2017 (the “**Review Period**”) with a dollar value of HK\$1 million or above; and any unusual transactions or balances incurred during/at the end of the Review Period;
- (3) examine the books and records of the Group with a view to identify whether there were other payment transactions which were conducted without the prior knowledge and approved/endorsed by the Board; and
- (4) perform checks on the internal control for both corporate level and operational level controls.

The Board and the Compliance Committee have reviewed the scope of the IC Review and considered it to be appropriate based on the information currently available.

The IC submitted its report on the IC Review to the Company on 20 April 2018.

Findings and implementation taken by the Company pursuant to the IC Review

Save for those set out below, with reference to the scope of the IC Review, the IC did not find any material deficiency in the internal control system of the Group. Summarized below are (1) the material findings found in the IC Review; (2) recommendations made to address the findings; and (3) current status of the implementation of the recommendations by the IC:

Findings	Recommendations	Status of implementation
A. Lack of formal physical Board meetings in the acquisition of the First Vessel and the Subscription	<p>For all acquisitions involving significant amounts, a physical Board meeting should be convened and all Directors should be formally informed</p> <p>The Company should also retain all Board minutes and documentations of the matters that have been discussed during the Board meeting for proper books and records purposes</p>	The Company has established the Compliance Committee and it will directly report to the Board and ensure the Board meetings will be convened accordingly
B. Non-compliance with the GEM Listing Rules regarding the Subscription	Comprehensive policies and procedures governing the reporting of notifiable transactions and connected transactions should be established	Please see point 7 of this announcement regarding the remedies undertaken and to be undertaken by the Company and the establishment of the Compliance Committee
C. Bank account signatory	<p>It was noted that a bank account of the Company only required a signatory of 1 Director</p> <p>A dual or triple signature arrangement for all bank accounts of the Group should be adopted</p>	The bank signatory mandates of all the bank accounts of the Group currently have dual authorizations

Findings**Recommendations****Status of implementation**

D. No procedures on vendor/supplier selection and quotation comparison were performed

It was noted that in the acquisition of the First Vessel, the Subscription and the purchase of the Coupons, procedures on vendor/supplier selection and quotation comparison were lacking

The Company should strengthen its policies regarding vendor/supplier selection and verification processes by implementing background checks and obtaining all relevant documents

The Company will strengthen its policies on vendor/supplier selection and verification processes by (1) obtaining quotation from at least 2 parties to determine the market price of the similar products; and (2) obtaining information of the relevant vendor/supplier to determine its qualification and suitability for providing the relevant goods/services prior to the engagement. Independent verification on the background of the relevant vendor/supplier (such as obtaining the company record on the relevant companies registry) should be performed where possible

E. No time limit for entering into documents in writing after a commercial discussion has been reached

It was noted that the entering of the Shareholders' Agreement was delayed while the commercial terms have been agreed

It is recommended that the Company to adopt a policy on the aforesaid issue

The Compliance Committee has resolved that commercial terms of any definitive agreement to be entered into by the Company have to be reduced in writing prior to the commencement of the said commercial activity

Findings

F. Directors' Loans

Recommendations

It was noted that an aggregate amount of HK\$10.12 million were withdrawn without prior approval from the Board. Further, there was no written agreement in relation to the provision of the Directors' Loans

The directors, senior management and relevant employees of the Group were not familiar with the legal and regulatory requirements applicable to the business operations of the Group

The Company failed to comply with the GEM Listing Rules as a result of the provision of the Directors' Loans

It is recommended that:

- (1) the management of the Company should not allow director to withdraw money from the Company for personal use
- (2) all payment should be initiated through a payment application form
- (3) payment above certain amount should be approved by at least 2 Directors and endorsed by the financial controller of the Company

Status of implementation

The Board has resolved that no further provision of loans to the Directors, the connected persons, senior management, staff, adviser, consultant of the Company and their related entities will be allowed. Such measure will be included in the IC Manual

The bank signatory mandates of all the bank accounts of the Group currently have dual authorizations

The Company will remind its staff that the IC Manual should be strictly followed

Please see point 7 of this announcement regarding the remedies undertook and to be undertaken by the Company and the establishment of the Compliance Committee

Findings

Recommendations

Status of implementation

G. Accounts payable aging review

The accounts payable aging was prepared by the accountant of the Company and reviewed/ approved by the financial controller of the Company. However, there was no evidence found such accounts payable aging review and relevant analysis had been reviewed and approved

The latest accounts payable aging analysis has been reviewed and approved with proper documentation

The finance department of the Company is in the course of updating the IC Manual with respect to the aforesaid recommendation

It is recommended to:

- (1) retain evidences of documentation in relation to the roles and responsibilities of the preparer and approver. Such roles and responsibilities should be clearly defined; and
- (2) where necessary, to update/ amend the Group's internal control manual by incorporating the recommendation

H. Payroll calculation

It was noted that the calculation of staff salary and performance bonus of the Group is highly dependent on manual input using the excel spreadsheet. Although controls are in place to ensure the accuracy of payroll calculation, manual calculations are prone to human errors and mistakes

Macros had been incorporated in the payroll calculation sheet for calculating staff salaries of the Group and the Company is considering whether to purchase a tailor-made payroll software to replace the use of excel spreadsheet

It is recommended that a computerized system or program (e.g. use of macro) to be implemented so that salary, sales commission and performance bonus can be calculated electronically to minimize the risk of calculation errors

10. APPOINTMENT OF MR. CHAN AS A CONSULTANT OF THE COMPANY

As a founding shareholder of the Company, Mr. Chan has devoted himself to the lingerie business for many years, with market insight and understanding of the industry, and put efforts and made valuable contribution to the development of the Group. He has advised the Group for over 5 years in its business operations, marketing activities and liaised and organized local and overseas exhibitions for the Group in view of the Group's business development.

As disclosed in the announcement of the Company dated 6 February 2018, Mr. Chan will continue to act as an advisor to the Group in relation to the business development and marketing activities of the Group. The Company has entered into a consultancy agreement with Mr. Chan pursuant to which, Mr. Chan will be entitled to HK\$38,000 per month (the “**Consultancy Fee**”) for a contract which lasts for a period of 3 years (the “**Consultancy Agreement**”). The scope of the consultancy work will be as follows:

- (1) advise or recommend to the Board on major decisions and matters in respect of operation and management of the operating entities of the Group; and
- (2) support and advice to the strategic planning, business expansion and brand building of the Group.

Either party to the Consultancy Agreement can provide to the other party 1-month' notice to terminate the Consultancy Agreement. Save for the Consultancy Fee, there is no other benefits provided by the Company to Mr. Chan and his associates.

No significant influence of Mr. Chan over the business affairs of the Company

The Directors (including the non-executive Directors) are of the view that the Company is capable of carrying on its business independently and will not be subject to the influence of Mr. Chan for the reasons below:

Management independence

The management and operational decisions are made by the Board and a team of senior management staff. Mr. Chan will provide suggestions and advices to the operation and marketing activities of the Group and report to the Board while it will be the responsibility and decisions by the Board and/or the senior management of the Group in terms of whether those advices or recommendations will be adopted by the Group. Mr. Chan does not attend the meetings of the Board as he is no longer a Director.

Operational independence

The Group has established operational structure comprising individual teams, each with specific areas of responsibilities including sales and marketing, administrative and human resources, accounting and production.

Financial independence

The Company has its own accounting and finance team and makes financial decisions according to the Company's business needs. The Company does not rely on Mr. Chan for financing as the working capital of the Group will be funded by operating income and bank borrowings.

View from the Directors in relation to the Consultancy Agreement

After taking into account, among other things, the duties and responsibilities set out in the Consultancy Agreement, the prevailing market conditions and the experience of Mr. Chan, the Company considered that the business development advice provided by Mr. Chan will strengthen the competitiveness in relation to the current business and any other business that may be developed by the Group.

The Directors (including the independent non-executive Directors) consider the Consultancy Agreement has been entered into (1) on normal commercial terms and in the ordinary and usual course of business of the Company; (2) are no less favourable than terms available from the Independent Third Parties; and (3) fair and reasonable as far as the independent Shareholders are concerned.

The GEM Listing Rules implications on the Consultancy Agreement

Mr. Chan was an executive Director in the last 12 months prior to the date of this announcement and he is also one of the controlling shareholders of the Company (has the meaning as ascribed to it under the GEM Listing Rules). As such, Mr. Chan is a connected person and thus the entering into the Consultancy Agreement constitutes a continuing connected transaction under Chapter 20 of the GEM Listing Rules. As the consultancy fee payable under the Consultancy Agreement on an annual basis for each of the three years ending 31 March 2020 is less than HK\$3,000,000 and all the applicable percentage ratios are less than 5%, the transactions contemplated under the Consultancy Agreement are fully exempt from reporting, announcement requirements and no independent Shareholders' approval is required under Rule 20.74 of the GEM Listing Rules.

11. INSIDE INFORMATION

Save as disclosed in this announcement, the Company confirms that there is no inside information which is required to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

12. RESUMPTION OF TRADING

At the request of the Company, trading of the Shares was halted with effect from 9:42 a.m. on 3 October 2017 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on 23 April 2018.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“2017 Interim Report”	means the interim report for the six months ended 30 September 2017 of the Group;
“Articles”	means the articles of association of the Company;
“associate(s)”	has the same meaning as ascribed to it under the GEM Listing Rules;
“Board”	means the board of directors of the Company from time to time;
“CCB”	means the Commercial Crime Bureau of the Hong Kong Police Force;
“Central China”	means Central China International Capital Limited, the compliance adviser of the Company;
“Company”	means My Heart Bodibra Group Limited 心心芭迪貝伊集團有限公司 (stock code: 8297), a company incorporated in the Cayman Islands with limited liability whose shares of which are listed on the GEM;
“connected person(s)”	has the meaning as ascribed to it under the GEM Listing Rules;
“Director(s)”	means the director(s) of the Company from time to time;
“Directors’ Loans”	means Mr. Chan’s Loan and Mr. Yiu’s Loan;
“Ever Hero”	means Ever Hero Licensing (HK) Limited, a company incorporated in Hong Kong, the previous owner of the First Vessel;
“Excellent Goldenfield”	means Excellent Goldenfield Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company;
“First Vessel”	means a cruiser vessel named as “Graceful Place” acquired by Excellent Goldenfield on 20 September 2017;
“Food Idea Property”	means Food Idea Property Limited, a company incorporated in Hong Kong;

“Food Idea”	means Food Idea Holdings Limited (stock code: 8179), whose shares of which are listed on the GEM and it is principally engaged in catering services and the production, sales and distribution of food products to supermarket chains in Hong Kong;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
“GEM”	means the GEM;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“ICAC”	means the Hong Kong Independent Commission Against Corruption;
“IC”	means World Link Corporate Finance Limited, the internal control consultant engaged by the Company in relation to the IC Review;
“IC Manual”	means the internal control policy currently adopted by the Company;
“IC Review”	means a review on the internal control systems and procedures of the Group and recommendations made by the IC;
“Independent Third Party(ies)”	means independent third party(ies) not connected to the Company and its connected persons;
“Lego”	Lego Corporate Finance Limited, the compliance adviser of the Company between 19 July 2016 to 20 November 2017 and also a sponsor of the Company in relation to the Listing;
“Listing”	means the listing of the Shares on the GEM on 13 July 2017;
“Ms. Chow”	means Ms. Chow Ting Hei Hailey Josephine, the then-independent non-executive Director between the period from 16 January 2017 to 6 November 2017;
“Mr. Chan’s Loan”	means the loan granted by the Company to Mr. Chan which was fully repaid by Mr. Chan on 9 November 2017;

“Mr. Chan”	means Mr. Chan Lin So Alan, the then-executive Director and chairman of the Company between the period from 16 January 2017 to 6 February 2018;
“Mr. Fok”	means Mr. Fok Wai Hung, the financial controller of the Company and an executive Director;
“Mr. Li”	means Mr. Li Fu Yeung, the then-independent non-executive Director between the period from 16 January 2017 to 29 December 2017;
“Mr. Wong”	Means Mr. Wong Ting King, Richard, the then-independent non-executive Director between the period from 16 January 2017 to 29 December 2017;
“Mr. Yiu’s Loan”	means the loan granted by the Company to Mr. Yiu which was fully repaid by Mr. Yiu on 9 November 2017;
“Mr. Yiu”	means Mr. Yiu Koon Pong, the then-executive Director between the period from 16 January 2017 to 27 October 2017;
“Ocean Trader”	means Ocean Trader Limited, a company incorporated in Hong Kong with limited liability and as at the date of this announcement, 25% of the interest in the issued share capital of Ocean Trader are held by Excellent Goldenfield;
“percentage ratio(s)”	has the meaning as ascribed to it under the GEM Listing Rules;
“Previous Announcement”	means the announcement of the Company dated 25 October 2017;
“Prospectus”	means the initial public offering prospectus of the Company dated 26 June 2017;
“Second Vessel”	means a cruiser vessel named as “Sunseeker 88” acquired by Ocean Trader on 16 August 2017;
“Share(s)”	means the ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	means the shareholder(s) of the Company;
“Shareholders’ Agreement”	means the shareholders’ agreement entered into between Excellent Goldenfield, Winning Cycle, Food Idea Property and Ocean Trader on 3 November 2017 to govern the management and affairs of Ocean Trader;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;

“ Subscription ”	means the subscription of 25% of the interest in the issued share capital of Ocean Trader by Excellent Goldenfield on 11 August 2017;
“ Winning Cycle ”	means Winning Cycle Limited, a company incorporated in the British Virgin Islands; and
“%”	means per cent.

By order of the Board
My Heart Bodibra Group Limited
Fok Wai Hung
Executive Director

Hong Kong, 20 April 2018

As at the date of this announcement, the executive Directors are Mr. Fok Wai Hung, Mr. Lam Ka Yuen, Mr. Yeung Man Sun and Ms. Luk Mo Yan; and the independent non-executive Directors are Mr. Lam Tat Fung, Mr. Ong King Keung and Mr. Cai Chun Fai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and will also be published on the Company’s website at www.bodibra.com.