

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: 08297)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

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*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 2019, together with the comparative unaudited figures for the corresponding period in year 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

	Note	For the three months ended 30 September		For the six months ended 30 September	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Revenue	5	15,664	16,852	32,941	32,829
Cost of sales		<u>(3,137)</u>	<u>(3,170)</u>	<u>(6,987)</u>	<u>(6,040)</u>
Gross profit		12,527	13,682	25,954	26,789
Other income		221	4	284	7
Selling expenses		(5,908)	(8,724)	(14,216)	(18,216)
Administrative, listing and other operating expenses		(8,658)	(10,455)	(17,810)	(20,040)
Finance costs		(559)	(22)	(570)	(39)
Share of profit of an associate		<u>(332)</u>	<u>–</u>	<u>185</u>	<u>–</u>
Loss before tax	6	(2,709)	(5,515)	(6,173)	(11,499)
Income tax expense	7	<u>–</u>	<u>–</u>	<u>–</u>	<u>(32)</u>
Loss for the period attributable to the owners of the Company		<u>(2,709)</u>	<u>(5,515)</u>	<u>(6,173)</u>	<u>(11,531)</u>
Other comprehensive income for the period, net of tax:					
Item that may be reclassified to profit or loss:					
Exchange difference on translating foreign operations		<u>196</u>	<u>(29)</u>	<u>35</u>	<u>(157)</u>
Total comprehensive income for the period attributable to the owners of the Company		<u>(2,513)</u>	<u>(5,544)</u>	<u>(6,138)</u>	<u>(11,688)</u>
Loss per share					
Basic (HK cents)	9(a)	<u>(0.56)</u>	(1.15)	<u>(1.29)</u>	(2.40)
Diluted (HK cents)	9(b)	<u>(0.56)</u>	(1.15)	<u>(1.29)</u>	(2.40)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2019

		At 30 September 2019 (Unaudited) HK\$'000	At 31 March 2019 (Audited) HK\$'000
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	10	9,682	12,493
Right-of-use assets		20,445	–
Investments in associates		33,687	33,501
Goodwill		440	440
Rental deposits		5,452	5,570
		69,706	52,004
CURRENT ASSETS			
Inventories		37,782	36,071
Trade and other receivables	11	8,885	9,957
Amount due from ultimate holding company	12	153	145
Amount due from an associate	12	7,260	7,260
Pledged bank deposits		835	835
Cash and bank balances		5,454	12,234
		60,369	66,502
CURRENT LIABILITIES			
Trade payables and other payables	13	5,278	6,004
Contract liabilities		93,625	95,234
Amount due to a related party	12	–	26
Lease liabilities		22,146	666
Current tax liabilities		131	153
		121,180	102,083
NET CURRENT LIABILITIES		(60,811)	(35,581)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,895	16,423
NON-CURRENT LIABILITIES			
Lease liabilities		257	602
NET ASSETS		8,638	15,821
EQUITY			
Share capital	14	4,800	4,800
Reserves		3,838	11,021
TOTAL EQUITY		8,638	15,821

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

	Share capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Retained profits/ (accumulated losses) <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2018 (audited)	4,800	34,250	(34)	256	243	942	40,457
Loss and total comprehensive income for the period (unaudited)	-	-	-	(157)	-	(11,531)	(11,688)
Appropriations (unaudited)	-	-	-	-	223	(223)	-
At 30 September 2018 (unaudited)	4,800	34,250	(34)	99	466	(10,812)	28,769
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	4,800	34,250	(34)	38	525	(24,803)	14,776
Loss and total comprehensive income for the period (unaudited)	-	-	-	35	-	(6,173)	(6,138)
At 30 September 2019 (unaudited)	4,800	34,250	(34)	73	525	(30,976)	8,638

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	For the six months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash from/(used in) operating activities	<u>944</u>	<u>(7,248)</u>
Purchases of property, plant and equipment	(1,944)	(3,443)
Net proceeds from disposal of property, plant and equipment	2,052	–
Other investing cash flows	<u>(5)</u>	<u>(3,360)</u>
Net cash from/(used in) investing activities	<u>103</u>	<u>(6,803)</u>
Payment of lease liabilities	(7,623)	–
Repayment of finance lease payables	(329)	–
Other financing cash flows	<u>(21)</u>	<u>(545)</u>
Net cash used in financing activities	<u>(7,973)</u>	<u>(545)</u>
Net decrease in cash and cash equivalents	(6,926)	(14,596)
Cash and cash equivalents at beginning of period	12,234	71,711
Effect of foreign exchange rate changes	<u>146</u>	<u>(206)</u>
Cash and cash equivalents at end of period	<u><u>5,454</u></u>	<u><u>56,909</u></u>
Analysis of cash and cash equivalents:		
Cash and bank balances	<u><u>5,454</u></u>	<u><u>56,909</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

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 Unit 2801-03, 28/F., Paul Y. Centre, 51 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**”); (2) provision of beauty services; and (3) trading of garments.

In the opinion of the directors of the Company, as at 30 September 2019, 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 2019. 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 2019 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 2019.

The Group has initially adopted HKFRS 16 Leases from 1 April 2019. A number of other new standards are effective from 1 January 2019 but they do not have material effect on the Group’s unaudited condensed consolidated financial statements.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases — Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single lessee accounting model.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and IFRIC 4 at the date of initial application. The Group elected to use the practical expedient for not to perform a full review of existing leases and applies HKFRS 16 only to new contracts.

The transition effects arising from the adoption of HKFRS 16 are presented below.

The following tables analyse the impact, net of tax, of transition to HKFRS 16 on the statement of financial position of the Group.

	At 1 April 2019 HK\$'000
Right-of-use assets	
Closing balance under HKAS 17 at 31 March 2019	–
— Recognition of right-of-use assets under HKFRS 16	21,270
	<u>21,270</u>
Opening balance under HKFRS 16 at 1 April 2019	<u>21,270</u>
Lease liabilities	
Closing balance under HKAS 17 at 31 March 2019	–
— Recognition of lease liabilities under HKFRS 16	22,315
	<u>22,315</u>
Opening balance under HKFRS 16 at 1 April 2019	<u>22,315</u>
Accumulated losses	
Closing balance under HKAS 17 at 31 March 2019	(23,758)
— Recognition of right-of-use assets under HKFRS 16	21,270
— Recognition of lease liabilities under HKFRS 16	(22,315)
	<u>(24,803)</u>
Opening balance under HKFRS 16 at 1 April 2019	<u>(24,803)</u>

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of retail outlets and motor vehicles. Before the adoption of HKFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under other assets and other liabilities, respectively.

Upon adoption of HKFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal to the lease assets and liabilities recognised under HKAS 17). The requirements of HKFRS 16 were applied to these leases from 1 April 2019.

Leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term lease recognition exemption to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 April 2019:

- Right-of-use assets of approximately HK\$21,270,000 were recognised and presented separately in the consolidated statement of financial position.
- Additional lease liabilities of approximately HK\$22,315,000 were recognised.
- The net effect of these adjustments had been adjusted to retained profits in the amount of approximately HK\$1,045,000.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	<i>HK\$'000</i>
Operating lease commitments as at 31 March 2019	19,578
Incremental borrowing rate as at 1 April 2019	5.5%
Discounted operating lease commitments as at 1 April 2019	18,557
Adjustments as a result of a difference treatment of extension and termination options	2,490
Finance lease liabilities recognised as at 31 March 2019	1,268
	<hr/>
Lease liabilities as at 1 April 2019	<u>22,315</u>

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of HKFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period during which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification (i.e. a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered as low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise the option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is beyond its control and affects its ability to exercise (or not to exercise) the option (e.g. a change in business strategy).

Amounts recognised in the consolidated statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use <i>HK\$'000</i>	Lease liabilities <i>HK\$'000</i>
At 1 April 2019	21,270	23,583
Commencement of new tenancy agreement	6,222	6,222
Depreciation	(7,047)	–
Interest expenses	–	549
Payments	–	(7,952)
	<hr/>	<hr/>
At 30 September 2019	<u>20,445</u>	<u>22,402</u>

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

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 30 September		For the six months ended 30 September	
	2019 (Unaudited) <i>HK\$'000</i>	2018 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>	2018 (Unaudited) <i>HK\$'000</i>
Products and services transferred at a point in time:				
Sales of lingerie products and other complementary and ancillary products	14,829	14,635	31,556	29,573
Trading of garments	90	–	90	–
Provision of beauty services	318	–	643	–
Income from unused credit packages	427	2,217	652	3,256
	15,664	16,852	32,941	32,829

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the three months ended 30 September		For the six months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Directors' emoluments	345	528	655	1,168
Other staff costs:				
Salaries, bonuses and allowances	6,517	7,237	13,808	13,609
Retirement benefit scheme contributions	396	460	852	962
Total staff costs	<u>7,258</u>	<u>8,225</u>	<u>15,315</u>	<u>15,739</u>
Cost of inventories recognised as an expense	3,137	3,170	6,987	6,040
Depreciation:				
— Property, plant and equipment	1,106	1,179	2,282	2,234
— Right-of-use of assets	3,524	2,898	7,047	5,682
Net foreign exchange loss	627	332	807	455
Operating lease charges:				
— retail stores				
— contingent rentals	21	325	86	763

7. INCOME TAX EXPENSE

	For the three months ended 30 September		For the six months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Current tax:				
Hong Kong Profits Tax	—	—	—	—
Macao Complementary Tax	—	—	—	—
PRC Enterprise Income Tax (“EIT”)	—	—	—	32
	<u>—</u>	<u>—</u>	<u>—</u>	<u>32</u>
Overprovision in prior year:				
Hong Kong Profits Tax	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>32</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (for the three and six months ended 30 September 2018: 16.5%) on the estimated assessable profits for the three and six months ended 30 September 2019.

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 2019.

PRC EIT has been provided at a rate of 25% (for the three and six months ended 30 September 2018: 25%) on the estimated assessable profit of those subsidiaries established in the PRC for the three and six months ended 30 September 2019.

8. DIVIDENDS

The Directors do not recommend the payment of a dividend for the three and six months ended 30 September 2019 (for the three and six months ended 30 September 2018: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the following:

	For the three months ended 30 September		For the six months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Loss				
Loss for the purpose of calculating basic loss per share	<u>(2,709)</u>	<u>(5,515)</u>	<u>(6,173)</u>	<u>(11,531)</u>
	For the three months ended 30 September		For the six months ended 30 September	
Number of shares	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
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 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 loss per share

No diluted 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 2019, the Group acquired property, plant and equipment of approximately HK\$1,800,000 (six months ended 30 September 2018: approximately HK\$3,443,000). On 19 April 2019, Excellent Goldenfield Limited, an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party to dispose a vessel with a carrying value of approximately HK\$2,400,000 for a consideration of HK\$2,300,000.

11. TRADE AND OTHER RECEIVABLES

	At 30 September 2019 (Unaudited) <i>HK\$'000</i>	At 31 March 2019 (Audited) <i>HK\$'000</i>
Trade receivables	584	1,006
Other receivables, prepayment and deposits	<u>8,301</u>	<u>8,951</u>
	<u><u>8,885</u></u>	<u><u>9,957</u></u>

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

	At 30 September 2019 (Unaudited) <i>HK\$'000</i>	At 31 March 2019 (Audited) <i>HK\$'000</i>
0–30 days	<u>584</u>	<u>1,006</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 2019 (Unaudited) <i>HK\$'000</i>	At 31 March 2019 (Audited) <i>HK\$'000</i>
Trade payables	154	524
Accruals and other payables	<u>5,124</u>	<u>5,480</u>
	<u><u>5,278</u></u>	<u><u>6,004</u></u>

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

	At 30 September 2019 (Unaudited) HK\$'000	At 31 March 2019 (Audited) HK\$'000
0–30 days	<u>154</u>	<u>524</u>

14. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each At 1 April 2017, 31 March 2018, 1 April 2018 (audited) and 30 September 2019 (unaudited)	<u>4,000,000,000</u>	<u>40,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each At 1 April 2017 (audited)	10,000	–*
Share capitalisation (unaudited) (note (a))	359,990,000	3,600
Issue of new shares under public offer (unaudited) (note (b))	<u>120,000,000</u>	<u>1,200</u>
At 31 March 2018, 1 April 2018 (audited) and 30 September 2019 (unaudited)	<u>480,000,000</u>	<u>4,800</u>

* Represents amount less than HK\$1,000

Notes:

- (a) On 19 June 2017, written resolutions of the shareholders of the Company were passed, conditional on the share premium account of the Company having sufficient balance, or otherwise being credited pursuant to the placing of shares of the Company; the directors of the Company were authorised to capitalise the sum of HK\$3,599,900 standing to the credit of the share premium account of the Company by issuing 359,990,000 shares of HK\$0.01 each, credited as fully paid at par.
- (b) On the date of the Listing, the Company issued 120,000,000 ordinary shares of HK\$0.01 each at a price of HK\$0.4 each upon completion of the public offer of the Company's shares in relation to the Listing. The premium on the issue of shares, amounting to approximately HK\$37,850,000, net of share issue expenses, was credited to the Company's share premium account.

15. RELATED PARTY TRANSACTIONS

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

	For the three months ended		For the six months ended	
	30 September	2018	30 September	2018
	2019	(Unaudited)	2019	(Unaudited)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Consultancy and advisory fees paid to a related party	<u>114</u>	<u>114</u>	<u>228</u>	<u>228</u>

16. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2019 (31 March 2019: Nil).

17. CAPITAL COMMITMENTS

	At	At
	30 September	31 March
	2019	2019
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted but not provided for: Property, plant and equipment	<u>-</u>	<u>477</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is one of the leading retailers of lingerie specialised in shaping functions in Hong Kong, with production facilities in both 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 sells ancillary products included but not limited to breast cream, panties, nude bras, swimwear, bras straps and pads, and waist bands.

During the period under review, the Group has maintained its focus on Hong Kong market and has leased new retail outlets at (1) Shop No. 253 on level 2 of East Point City, 8 Chung Wa Road, Tseung Kwan O, which has commenced operation from 19 April 2019 and (2) 1/F., 14-B Cameron Road, Kowloon, which has commenced operation from 7 June 2019. On the other hand, the Group has ceased operation of retail outlet at (1) 4/F., Mao Ye Bai Huo, HuaQiang Bei, Futian Qu, Shenzhen, Guangdong Province, the PRC, since 20 May 2019; (2) 3/F., Dong Peng Long Shang Ye Cheng (Hai Ya Bin Fen, Guang Chang) Nan Hai Da Dao, Yue Hai Jie Dao, Nan Shan, Shenzhen, Guangdong Province, the PRC, since 30 August 2019; and (3) Rua Norte do Mercado de S. Domingos No. 2–4A, B R/C, Macau, since 15 August 2019.

The Group raised the net proceeds from the public offer of its shares of approximately HK\$16.7 million after deducting commission and expenses borne by the Company in connection with the public offer. During the period from 13 July 2017, the date of which the shares of the Company were listed on the GEM (the “**Listing Date**”), to 30 September 2019, approximately HK\$13.1 million of the net proceeds was utilized in accordance with the proposed implementation plans as disclosed under the section headed “FUTURE PLANS AND USE OF PROCEEDS” in the prospectus of the Company dated 26 June 2017 (the “**Prospectus**”) and the announcement of the Company dated 11 January 2019. Further details are set out in the section headed “USE OF PROCEEDS FROM THE LISTING” in this announcement.

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\$32.9 million, representing an increase of approximately 0.3% compared with the revenue of approximately HK\$32.8 million for the corresponding period in year 2018 as a result of the slight increase in sales volume and raise of the retail price of the lingerie products.

COST OF SALES AND GROSS PROFIT

Cost of sales recorded approximately HK\$7.0 million for the six months ended 30 September 2019, (2018: approximately HK\$6.0 million) representing an increase of approximately 16.7% as compared to the corresponding period in year 2018. The gross profit decreased by approximately 3.0% from approximately HK\$26.8 million for the six months ended 30 September 2018 to approximately HK\$26.0 million for the corresponding period in year 2019. The increase in cost of sales was approximately 16.7%, which was mainly attributable to the increase in cost of production overheads.

EXPENSES

Selling expenses during the reporting period decreased by approximately HK\$4.0 million from approximately HK\$18.2 million for the six months ended 30 September 2018 to approximately HK\$14.2 million for the corresponding period in year 2019, which was mainly attributable to decrease in staff costs and marketing expenses for promotional activities.

Administrative expenses decreased by approximately HK\$2.2 million from approximately HK\$20.0 million for the six months ended 30 September 2018 to approximately HK\$17.8 million for the corresponding period in year 2019, primarily due to decrease in legal and professional fees, staff cost and other general operating expenses.

INCOME TAX EXPENSE

Income tax expense decreased by approximately HK\$31,900 from an expense of approximately HK\$32,000 for the six months ended 30 September 2018 to an expense of approximately HK\$100 for the corresponding period in 2019.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss attributable to owners of the Company for the six months ended 30 September 2019 amounted to approximately HK\$6.2 million, whereas there was a loss attributable to owners of the Company of approximately HK\$11.5 million recorded for the corresponding period in year 2018. The decrease in loss was primarily attributable to implement the cost control measures in selling expenses, administrative and other operating expenses of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2019, the Group had net current liabilities of approximately HK\$60.8 million (31 March 2019: approximately HK\$35.6 million). Such increase was due to the adoption of HKFRS16 to recognise the operating lease commitments as lease liabilities. The Group had cash and cash equivalents of approximately HK\$5.5 million (31 March 2019: approximately HK\$12.2 million).

CAPITAL STRUCTURE

The shares of the Company were successfully listed on the GEM on the Listing Date. 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 2019, the Group's gearing ratio was approximately 259%, while it was 8.0% as at 31 March 2019. Such increase in gearing ratio was mainly due to the decrease in equity and increase in the lease liabilities as a result of adopting HKFRS16.

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

Except for the note 10, there was no significant investment held by the Company or material acquisition and disposal made by the Company.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 September 2019, the Group had 144 (31 March 2019: 174) 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

No assets of the Group were pledged as security for bank borrowings as at 30 September 2019 and 31 March 2019.

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 2019 and consider that the foreign currency risk is minimal.

CONTINGENT LIABILITIES

As at 30 September 2019, the Group did not have any material contingent liabilities or guarantees.

COMPARISON OF BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS

The following table is a comparison between the business objectives of the Group as set out in the Prospectus with its actual business progress from the Listing Date to 30 September 2019.

Business objectives as set out in the Prospectus	Actual business progress up to 30 September 2019
Expand the Group's retail network	The Group has opened two retail stores in Hong Kong, including one-off renovation and rental deposits
Further strengthen the Group's brand awareness and reputation	The Group kept on placing advertisements in social media and online video sharing platform
Increase the Group's production capacity and product development capability	The Group is in the process of identifying a suitable new factory and a warehouse in the PRC
Strengthen the Group's operational efficiency	The Group is in the process of formulating the plan for upgrading the POS and VIP system to improve the efficiency of the Group's operation. The Group is creating a VIP mobile application that allows VIP members to login to obtain VIP account information

USE OF PROCEEDS FROM THE LISTING

The net proceeds (the “**Net Proceeds**”) from the public offer were approximately HK\$16.7 million, which was based on the final offer price of HK\$0.4 after deducting commission and expenses borne by the Company in connection with the public offer.

As disclosed in the announcement of the Company dated 11 January 2019, the Board on 11 January 2019 resolved to reallocate certain unutilized amount of the Net Proceeds, being approximately HK\$8 million which was originally intended for expanding the Group’s retail network to the working capital of the Group and other general corporate purposes (the “**Reallocation**”). Save for the Reallocation, the Company intends to allocate the remaining Net Proceeds as originally intended. The reasons and relevant details for the change in use of proceeds are set out in the announcement of the Company dated 11 January 2019.

The details of the original allocation of the Net Proceeds, the utilised amount of the Net Proceeds (taking into account of the Reallocation) up to 30 September 2019 and the remaining balance of the Net Proceeds (taking into account of the Reallocation) are set out as follows:

	Original allocation of the Net Proceeds <i>HK\$ million</i>	Utilised amount of the Net Proceeds (taking into account of the Reallocation) up to 30 September 2019 <i>HK\$ million</i>	Balance (taking into account of the Reallocation) as at 30 September 2019 <i>HK\$ million</i>
Expand the Group’s retail network	13.4	5.4	–
Strengthen the Group’s brand awareness and reputation	0.5	0.5	–
Increase the Group’s production capacity and product development capabilities	1.2	0.6	0.6
Strengthen the Group’s operational efficiency	1.4	1.4	–
Working capital and other general corporate purposes	0.2	5.2	3.0
	<u>16.7</u>	<u>13.1</u>	<u>3.6</u>

The Group will use the remaining net proceeds from the public offering of the shares of the Company in accordance with the purposes stated in the Prospectus and the announcement of the Company dated 11 January 2019.

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 2019, 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 2019, 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

Name of Shareholder	Nature of interest/ holding capacity	Number of shares	Percentage of issued share capital of the Company
Global Succeed Group Limited	Beneficial owner (Note)	360,000,000	75%
Mr. Chan Lin So Alan	Interest in a controlled corporation	360,000,000	75%
Mr. Yiu Koon Pong	Interest in a controlled corporation	360,000,000	75%

Note: 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 360,000,000 shares held by Global Succeed Group Limited. Mr. Chan Lin So Alan is a consultant of the Company as at 30 September 2019 and up to the date of this announcement.

Save as disclosed above, as at 30 September 2019, 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.

UPDATE ON DIRECTOR’S INFORMATION

Mr. Tam Chak Chi, an executive Director, has been appointed as an independent non-executive Director, the Chairman of the Audit Committee, a member of the Remuneration Committee and Nomination Committee of Hong Kong Finance Investment Holding Group Limited (stock code: 00007) with effect from 19 August 2019, which is listed on the Main Board of the Stock Exchange. Further, he is currently an independent non-executive Director of Wealth Glory Holdings Limited (stock code: 8269) and AL Group Limited (stock code: 8360), which are listed on the GEM of the Stock Exchange.

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 2019.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Central China International Capital Limited (“**CCIC**”) as the compliance adviser. CCIC has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. None of CCIC or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company or in the share capital of any member of the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 28 October 2019.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavors to adopt prevailing best corporate governance practices. For the six months ended 30 September 2019, 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 2019. 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 2019.

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 2019.

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 Ms. Chan Ka Ming, Mr. Ong King Keung and Mr. Cai Chun Fai, being the independent non-executive Directors.

REVIEW OF INTERIM FINANCIAL RESULTS

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the six months ended 30 September 2019 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

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

Hong Kong, 12 November 2019

As at the date of this announcement, the executive Directors are Mr. Tam Chak Chi and Mr. Wong Wai Kit; and the independent non-executive Directors are Ms. Chan Ka Ming, Mr. Cai Chun Fai and Mr. Ong King Keung.

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 posting and on the Company’s website at www.bodibra.com.