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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)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2020**

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

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

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

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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 months ended 30 June 2020, together with the comparative unaudited figures for the corresponding period in year 2019 as follows:

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

For the three months ended 30 June 2020

|  | <i>Note</i> | For the three months<br>ended 30 June  |  |
|--|-------------|--|--|
|  |             | 2020<br>(Unaudited)<br><i>HK\$'000</i> | 2019<br>(Unaudited)<br><i>HK\$'000</i> |
| <b>Revenue</b>   | 3           | <b>13,939</b>                          | 17,277                                 |
| Cost of sales  |             | <u>(2,377)</u>                         | <u>(3,850)</u>                         |
| <b>Gross profit</b>  |             | <b>11,562</b>                          | 13,427                                 |
| Other income   |             | <b>1,611</b>                           | (428)                                  |
| Selling expenses   |             | <b>(4,470)</b>                         | (8,308)                                |
| Administrative and other operating expenses  |             | <b>(5,196)</b>                         | (8,662)                                |
| Finance costs  |             | <b>(268)</b>                           | (11)                                   |
| Share of profit of an associate  |             | <u><b>623</b></u>                      | <u>432</u>                             |
| <b>Profit/(loss) before tax</b>  |             | <b>3,862</b>                           | (3,550)                                |
| Income tax expense   | 4           | <u><b>(274)</b></u>                    | <u>–</u>                               |
| <b>Profit/(loss) for the period attributable to the owners of the Company</b>              |             | <u><b>3,588</b></u>                    | <u>(3,550)</u>                         |
| <b>Other comprehensive income for the period, net of tax:</b>                              |             |  |  |
| Item that may be reclassified to profit or loss:   |             |  |  |
| Exchange differences on translating foreign operations                                     |             | <u><b>(12)</b></u>                     | <u>(123)</u>                           |
| <b>Total comprehensive income for the period attributable to the owners of the Company</b> |             | <u><b>3,576</b></u>                    | <u>(3,673)</u>                         |
| <b>Earnings/(loss) per share</b>   |             |  |  |
| Basic ( <i>HK cents</i> )  | 6(a)        | <u><b>0.75</b></u>                     | (0.74)                                 |
| Diluted ( <i>HK cents</i> )  | 6(b)        | <u><b>0.75</b></u>                     | (0.74)                                 |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the three months ended 30 June 2020*

|  | Share<br>capital<br><i>HK\$'000</i> | Share<br>premium<br>account<br><i>HK\$'000</i> | Capital<br>reserve<br><i>HK\$'000</i> | Foreign<br>currency<br>translation<br>reserve<br><i>HK\$'000</i> | Statutory<br>reserve<br><i>HK\$'000</i> | Accumulated<br>losses<br><i>HK\$'000</i> | Total<br>equity<br><i>HK\$'000</i> |
|--|-------------------------------------|--|---------------------------------------|--|---|--|------------------------------------|
| At 1 April 2019 (audited)  | 4,800                               | 34,250   | (34)                                  | 38   | 525                                     | (23,758)                                 | 15,821                             |
| Loss and total<br>comprehensive income for<br>the period (unaudited) | —                                   | —  | —                                     | (123)  | —                                       | (3,550)                                  | (3,673)                            |
| At 30 June 2019 (unaudited)  | <u>4,800</u>                        | <u>34,250</u>                                  | <u>(34)</u>                           | <u>(85)</u>  | <u>525</u>                              | <u>(27,308)</u>                          | <u>12,148</u>                      |
| At 1 April 2020 (audited)  | <b>4,800</b>                        | <b>34,250</b>                                  | <b>(34)</b>                           | <b>281</b>   | <b>525</b>                              | <b>(72,108)</b>                          | <b>(32,286)</b>                    |
| Profit and total<br>comprehensive income for<br>the period           | —                                   | —  | —                                     | (12)   | —                                       | 3,588                                    | 3,576                              |
| At 30 June 2020 (unaudited)  | <u><b>4,800</b></u>                 | <u><b>34,250</b></u>                           | <u><b>(34)</b></u>                    | <u><b>269</b></u>  | <u><b>525</b></u>                       | <u><b>(68,520)</b></u>                   | <u><b>(28,710)</b></u>             |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 30 June 2020*

## 1. GENERAL INFORMATION

My Heart Bodibra Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 27 May 2016. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business in Hong Kong is 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 (1) designing, manufacturing and sales of lingerie products in Hong Kong, Macau and the People’s Republic of China (the “**PRC**”); (2) carrying out trading of garments business; and (3) provision of beauty services in Hong Kong.

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

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated results of the Group for the three months ended 30 June 2020 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated results are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company, and have been prepared under historical cost convention.

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

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operation and effective for its accounting period beginning on 1 January 2020. The Group has not early applied the new and revised HKFRSs that have been issued by HKICPA but are yet to be effective.

### 3. REVENUE

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

|  | For the three months<br>ended 30 June |                                 |
|--|---------------------------------------|---------------------------------|
|  | 2020<br>(Unaudited)<br>HK\$'000       | 2019<br>(Unaudited)<br>HK\$'000 |
| Products and services transferred at a point of time:                        |                                       |                                 |
| Sales of lingerie products and other complementary<br>and ancillary products | 11,250                                | 16,286                          |
| Income from unused credit packages   | 2,411                                 | 666                             |
| Provision of beauty services   | 278                                   | 325                             |
|  | <u>13,939</u>                         | <u>17,277</u>                   |

### 4. INCOME TAX EXPENSE

|  | For the three months<br>ended 30 June |                                 |
|--|---------------------------------------|---------------------------------|
|  | 2020<br>(Unaudited)<br>HK\$'000       | 2019<br>(Unaudited)<br>HK\$'000 |
| Current tax:                                   |                                       |                                 |
| Hong Kong Profits Tax                          | (130)                                 | –                               |
| PRC Enterprise Income Tax (“ <b>PRC EIT</b> ”) | (132)                                 | –                               |
| Macao Complementary Tax                        | (12)                                  | –                               |
|  | <u>(274)</u>                          | <u>–</u>                        |

Hong Kong Profits Tax has been provided at the two-tiered profits tax rates of 8.25% on the first HK\$2 million and 16.5% for the remainder (for the three months ended 30 June 2019: 16.5%) on the estimated assessable profits for the three months ended 30 June 2020. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

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 months ended 30 June 2020.

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

### 5. DIVIDENDS

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

**6. EARNINGS/(LOSS) PER SHARE**

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

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

|  | <b>For the three months<br/>ended 30 June</b> |                    |
|--|---|--------------------|
|  | <b>2020</b>                                   | <b>2019</b>        |
| <b>Earnings/(loss)</b>   | <b>(Unaudited)</b>                            | <b>(Unaudited)</b> |
|  | <b>HK\$'000</b>                               | <b>HK\$'000</b>    |
| Earnings/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share | <b>3,588</b>                                  | <b>(3,550)</b>     |

|   | <b>For the three months<br/>ended 30 June</b> |                    |
|---|---|--------------------|
|   | <b>2020</b>                                   | <b>2019</b>        |
| <b>Number of shares</b>   | <b>(Unaudited)</b>                            | <b>(Unaudited)</b> |
| Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/(loss) per share | <b>480,000,000</b>                            | <b>480,000,000</b> |

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

No diluted earnings/(loss) per share is presented as the Company did not have any dilutive potential ordinary share during the three months ended 30 June 2020 and 2019 respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is one of the leading retailers of lingerie with shaping functions in Hong Kong, with production facilities in the PRC and Hong Kong. The Group principally offers a wide range of its own branded lingerie that are designed with shaping functions which aim to achieve better body appearances, including bras and panties, body shaping underwear and chest support vests. The Group also (1) sells other products without shaping functions, which primarily include breast cream, panties, nude bras, swimwear, bras straps and pads, and waist bands; (2) carries out trading of garments business; and (3) provides beauty services.

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

## REVENUE

During the period under review, the Group recorded a revenue of approximately HK\$13.9 million, which principally represents income derived from (1) the sale of lingerie products and other complementary and ancillary products; (2) provision of beauty services; and (3) income from unused credit packages, representing a decrease of approximately 19.7% compared with the revenue of approximately HK\$17.3 million recorded for the corresponding period in 2019 as a result of the decrease in sales volume due to weak retail sales caused by the COVID-19 pandemic and the pandemic preventive measures imposed by the Hong Kong Government.

## GROSS PROFIT MARGIN

Gross profit margin of the Group has increased by approximately 5.2% from approximately 77.7% for the three months ended 30 June 2019 to approximately 82.9% for the three months ended 30 June 2020. This is mainly due to effective cost control on the production costs and the inventory management enhancement and the decrease in rental expenses pursuant to HKFRS 16 during the period under review.

## **EXPENSES**

Selling expenses during the period under review decreased by approximately HK\$3.8 million from approximately HK\$8.3 million for the three months ended 30 June 2019 to approximately HK\$4.5 million for the corresponding period in 2020, which was mainly attributable to the decrease in marketing expenses for the promotional activities and the net effect of the decrease in rental expenses and the increase in depreciation of right-of-use assets recorded pursuant to HKFRS 16.

Administrative expenses decreased by approximately HK\$3.5 million from approximately HK\$8.7 million for the three months ended 30 June 2019 to approximately HK\$5.2 million for the corresponding period in 2020, which is primarily due to the decrease in legal and professional fees, staff costs and other general expenses.

## **INCOME TAX EXPENSE**

Income tax expense increased by approximately HK\$273,900 from an expense of approximately HK\$100 for the three months ended 30 June 2019 to an expense of approximately HK\$274,000 for the corresponding period in 2020.

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

Profit attributable to owners of the Company for the three months ended 30 June 2020 amounted to approximately HK\$3.6 million, compared to the loss attributable to owners of the Company of approximately HK\$3.6 million recorded for the corresponding period in 2019. This was primarily due to the effective cost control measures on the selling expenses and administrative and other operating expenses of the Group.

## **SIGNIFICANT ACQUISITIONS AND DISPOSALS**

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

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

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

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

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

*Long positions in the shares of the Company*

| <b>Name of Shareholder</b>   | <b>Nature of interest/<br/>holding capacity</b> | <b>Number of<br/>shares</b> | <b>Percentage of<br/>issued share<br/>capital of<br/>the Company</b> |
|------------------------------|---|-----------------------------|--|
| Global Succeed Group Limited | Beneficial owner ( <i>Note 1</i> )              | 250,000,000                 | 52.08%   |
| Mr. Chan Lin So Alan         | Interest in a controlled corporation            | 250,000,000                 | 52.08%   |
| Mr. Yiu Koon Pong            | Interest in a controlled corporation            | 250,000,000                 | 52.08%   |

| <b>Name of Shareholder</b>           | <b>Nature of interest/<br/>holding capacity</b> | <b>Number of shares</b> | <b>Percentage of issued share capital of the Company</b> |
|--------------------------------------|---|-------------------------|--|
| Waichun Logistics Technology Limited | Beneficial owner ( <i>Note 2</i> )              | 110,000,000             | 22.92%   |
| Mr. Li Zhi                           | Interest in a controlled corporation            | 110,000,000             | 22.92%   |
| Mr. Xian Hui                         | Interest in a controlled corporation            | 110,000,000             | 22.92%   |

*Notes:*

- (1) Global Succeed Group Limited is the direct shareholder of the Company. According to the information available to the Company, Global Succeed Group Limited is beneficially owned as to 50% by Mr. Chan Lin So Alan and 50% by Mr. Yiu Koon Pong. By virtue of the SFO, each of Mr. Chan Lin So Alan and Mr. Yiu Koon Pong is deemed to be interested in the 250,000,000 shares held by Global Succeed Group Limited. Mr. Chan Lin So Alan is a consultant of the Company as at 30 June 2020 and up to the date of this announcement.
- (2) Global Succeed Group Limited disposed of 110,000,000 shares of the Company to Waichun Logistics Technology Limited on 21 April 2020. Details of the Disposal were stated in the announcement dated 27 April 2020. Waichun Logistics Technology Limited is another direct shareholder of the Company. According to the information available to the Company, Waichun Logistics Technology Limited is beneficially owned as to 50% by Mr. Xian Hui and 50% by Mr. Li Zhi. By virtue of the SFO, each of Mr. Xian Hui and Mr. Li Zhi is deemed to be interested in the 110,000,000 shares held by Waichun Logistics Technology Limited.

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

## **SHARE OPTION SCHEME**

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

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

## **COMPETING INTERESTS**

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

## **CODE OF CORPORATE GOVERNANCE PRACTICES**

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

## **OTHER INFORMATION**

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 three months ended 30 June 2020. Further, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors for the three months ended 30 June 2020.

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

Saved as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2020.

## **AUDIT COMMITTEE**

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

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the three months ended 30 June 2020 and is of the opinion that the preparation of 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, 10 August 2020

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

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