



BODIBra[®]
心心功能內衣

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

2018

Interim Report

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This report, 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 of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yeung Man Sun
Mr. Fok Wai Hung
Mr. Lam Ka Yuen
(retired on 14 August 2018)
Ms. Luk Mo Yan
(retired on 14 August 2018)
Mr. Wong Wai Kit
(appointed on 12 October 2018)

Independent Non-Executive Directors

Mr. Lam Tat Fung
Mr. Ong King Keung
Mr. Cai Chun Fai

BOARD COMMITTEES

Audit Committee

Mr. Lam Tat Fung (*Chairman*)
Mr. Ong King Keung
Mr. Cai Chun Fai

Remuneration Committee

Mr. Lam Tat Fung (*Chairman*)
Mr. Cai Chun Fai
Mr. Fok Wai Hung

Nomination Committee

Mr. Lam Tat Fung (*Chairman*)
Mr. Cai Chun Fai
Mr. Fok Wai Hung

COMPLIANCE OFFICER

Mr. Yeung Man Sun

COMPANY SECRETARY

Ms. Lai Wai Ha of Akron Advisory Limited,
external service provider

COMPLIANCE ADVISER

Central China International Capital Limited

REGISTERED OFFICE

P.O. Box 1350, Clifton House
75 Fort Street, Grand Cayman
KY1-1108, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 2801-03, 28/F
Paul Y. Centre
51 Hung To Road, Kwun Tong
Kowloon, Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B
21/F, 148 Electric Road
North Point
Hong Kong

GEM STOCK CODE

8297

WEBSITE

www.bodibra.com

AUDITOR

World Link CPA Limited

INDEPENDENT REVIEW REPORT

World Link CPA Limited

TO THE BOARD OF DIRECTORS OF

MY HEART BODIBRA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 5 to 23 which comprises the condensed consolidated statement of financial position of the Company and its subsidiaries (collectively referred to as the “**Group**”) as at 30 September 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“**HKSRE 2410**”) issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

Without modifying our review conclusion, we draw to your attention that (i) the condensed consolidated statement of profit or loss and other comprehensive income for each of the three months ended 30 September 2018 and 2017, and the relevant explanatory notes; and (ii) the comparative condensed consolidated statement of profit or loss and other comprehensive income, comparative condensed consolidated statement of changes in equity, comparative condensed consolidated statement of cash flows and relevant comparative notes to the condensed consolidated financial statements for the six months ended 30 September 2017 disclosed in the interim financial information have not been reviewed in accordance with HKSRE 2410 issued by the HKICPA.

World Link CPA Limited

Certified Public Accountants

5th Floor,
Far East Consortium Building,
121 Des Voeux Road Central,
Hong Kong

Hong Kong, 9 November 2018

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 2018, together with the comparative unaudited figures for the corresponding period in year 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	Note	For the three months ended 30 September		For the six months ended 30 September	
		2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Revenue	5	16,852	18,968	32,829	40,334
Cost of sales		(3,170)	(3,328)	(6,040)	(7,343)
Gross profit		13,682	15,640	26,789	32,991
Other income		4	18	7	21
Selling expenses		(8,724)	(7,485)	(18,216)	(16,286)
Administrative and listing expenses		(10,455)	(10,515)	(20,040)	(21,994)
Finance costs		(22)	(19)	(39)	(37)
Loss before tax	6	(5,515)	(2,361)	(11,499)	(5,305)
Income tax credit/(expense)	7	-	(157)	(32)	5,387
(Loss)/profit for the period attributable to the owners of the Company		(5,515)	(2,518)	(11,531)	82
Other comprehensive income for the period, net of tax:					
Item that may be reclassified to profit or loss:					
Exchange difference on translating foreign operations		(29)	36	(157)	57
Total comprehensive income for the period attributable to the owners of the Company		(5,544)	(2,482)	(11,688)	139
(Loss)/earnings per share					
Basic (cents)	9(a)	(1.15)	(0.54)	(2.40)	0.02
Diluted (cents)	9(b)	(1.15)	(0.54)	(2.40)	0.02

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Note	At 30 September 2018 (Unaudited) HK\$'000	At 31 March 2018 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	12,071	10,604
Investment in an associate		–	–
Rental deposits		5,144	4,781
		17,215	15,385
CURRENT ASSETS			
Inventories		39,926	35,427
Trade receivables	11	1,185	1,384
Prepayments, deposits and other receivables		8,023	7,778
Amount due from a related party	12	2	–
Amount due from an associate	12	7,500	7,500
Amount due from ultimate holding company	12	145	130
Pledged bank deposits		835	–
Cash and bank balances		56,909	71,711
		114,525	123,930
CURRENT LIABILITIES			
Trade payables	13	526	334
Accruals and other payables		5,247	5,097
Deferred revenue		94,621	88,213
Amount due to a related party	12	–	1,883
Bank borrowings		–	129
Finance lease payables		890	818
Current tax liabilities		700	947
		101,984	97,421
NET CURRENT ASSETS		12,541	26,509

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Note	At 30 September 2018 (Unaudited) HK\$'000	At 31 March 2018 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		29,756	41,894
NON-CURRENT LIABILITIES			
Finance lease payables		987	1,437
NET ASSETS		28,769	40,457
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	4,800	4,800
Reserves		23,969	35,657
TOTAL EQUITY		28,769	40,457

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

Attributable to owners of the Company

	Share capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Statutory reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
At 1 April 2017 (audited)	-	-	(34)	56	27	2,482	2,531
Share capitalisation (unaudited)	3,600	(3,600)	-	-	-	-	-
Issue of new shares under public offer (unaudited)	1,200	46,800	-	-	-	-	48,000
Expenses incurred in connection with issue of new shares (unaudited)	-	(8,950)	-	-	-	-	(8,950)
Total comprehensive income for the period (unaudited)	-	-	-	57	-	82	139
Appropriations (unaudited)	-	-	-	-	201	(201)	-
At 30 September 2017 (unaudited)	4,800	34,250	(34)	113	228	2,363	41,720
At 1 April 2018 (audited)	4,800	34,250	(34)	256	243	942	40,457
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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	For the six months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Net cash used in operating activities	(7,248)	(1,255)
Purchases of property, plant and equipment	(3,443)	(6,302)
Other investing cash flows	(3,360)	(12,510)
Net cash used in investing activities	(6,803)	(18,812)
Proceeds from issue of new shares under public offer	–	48,000
Expenses incurred in connection with issue of new shares	–	(8,950)
Other financing cash flows	(545)	(976)
Net cash (used in)/from financing activities	(545)	38,074
Net (decrease)/increase in cash and cash equivalents	(14,596)	18,007
Cash and cash equivalents at beginning of period	71,711	48,268
Effect of foreign exchange rate changes	(206)	12
Cash and cash equivalents at end of period	56,909	66,287
Analysis of cash and cash equivalents:		
Cash and bank balances	56,909	66,287

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

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 manufacturing and retail sales of lingerie products in Hong Kong, Macau and the People’s Republic of China (the “**PRC**”).

In the opinion of the directors of the Company, as at 30 September 2018, 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 2018. 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 2018 except as stated below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2018. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations.

The Group has initially adopted HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers from 1 April 2018. A number of other new standards are effective from 1 April 2018 but they do not have a material effect on the Group’s consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. As permitted by the transitional provisions of HKFRS 9, the Group was elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained profits of the current period.

The adoption of HKFRS 9 resulted in the following changes to the Group’s accounting policies.

(a) *Classification*

From 1 April 2018, the Group classified its financial assets to be measured at amortised costs.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) *Measurement*

At initial recognition, the Group measures financial assets at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments to be measured at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or administrative expenses, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(c) *Impairment*

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Set out below is the impact of the adoption of HKFRS 9 on the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

With respect to the financial assets classified as “loans and receivables” (which were measured at amortised cost) under HKAS 39, the Group have assessed the business model under which the financial assets are managed and its contractual cash flow characteristics, and these financial assets will continue with their respective classification and measurements upon the adoption of HKFRS 9, and the carrying amounts of these financial assets as at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

No additional impairment for trade and other receivables as at 1 April 2018 is recognised as the amount of additional impairment measured under the expected credit losses model was immaterial.

The measurement categories for all financial liabilities of the Group remain the same and the carrying amounts for all financial liabilities of the Group as at 1 April 2018 have not been significantly impacted by the initial application of HKFRS 9.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 Financial Instruments (Continued)

The following table summaries the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 of the Group's financial assets as at 1 April 2018.

Financial assets	Classification under HKAS 39	Classification under HKFRS 9	Carrying	Carrying
			amount under HKAS 39	amount under HKFRS 9
			HK\$'000	HK\$'000
Trade receivables	Loan and receivables	Amortised cost	1,384	1,384
Prepayments, deposits and other receivables	Loan and receivables	Amortised cost	7,778	7,778
Amount due from an associate	Loan and receivables	Amortised cost	7,500	7,500
Amount due from ultimate holding company	Loan and receivables	Amortised cost	130	130
Cash and bank balances	Loan and receivables	Amortised cost	71,711	71,711

Notes:

Trade receivables, prepayments, other deposits and other receivables and amounts due from an associate and ultimate holding company of the Company that were classified as loans and receivables under HKAS 39 are now classified at amortised cost under HKFRS 9. No additional impairment over these financial assets was recognised in the opening retained profits at 1 April 2018 on transition to HKFRS 9 as the amount of additional impairment measured under the expected credit losses model was immaterial.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The Group has adopted HKFRS 15 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application. Accordingly, the information presented for 2017 has not been restated, i.e. it is presented, as previously reported, under HKAS 18, HKAS 11 and related interpretations.

The adoption of HKFRS 15 has no material effect on the adjustments to the opening balance of the retained profits at 1 April 2018 in the unaudited condensed consolidated statement of changes in equity and unaudited condensed consolidated statement of profit or loss and other comprehensive income.

4. OPERATING SEGMENT INFORMATION

The Directors have determined that the Group has only one operating and reportable segment, as the Group is principally engaged in the manufacture and sales of lingerie products through its retail stores.

Since this is the only one operating segment of the Group, no segment information is presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

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	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Sales of lingerie products and other complementary and ancillary products	14,635	18,226	29,573	38,585
Income from unused credit packages	2,217	742	3,256	1,749
	16,852	18,968	32,829	40,334

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

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	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Directors' emoluments	528	371	1,168	671
Other staff costs:				
Salaries, bonuses and allowances	7,237	5,008	13,609	11,444
Retirement benefit scheme contributions	460	441	962	825
Total staff costs	8,225	5,820	15,739	12,940
Cost of inventories recognised as an expense	3,170	3,328	6,040	7,343
Depreciation of property, plant and equipment	1,179	356	2,234	709
Listing expenses	–	2,904	–	9,059
Net foreign exchange loss	332	32	455	34
Operating lease charges:				
— office premise, factories and warehouses	1,281	937	2,574	1,761
— retail stores				
— minimum lease payments	2,898	2,240	5,682	4,458
— contingent rentals	325	830	763	1,675

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

7. INCOME TAX (CREDIT)/EXPENSE

	For the three months ended 30 September		For the six months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Current tax:				
Hong Kong Profits Tax	-	-	-	-
PRC Enterprise Income Tax ("EIT")	-	157	32	255
	-	157	32	255
Overprovision in prior year:				
Hong Kong Profits Tax	-	-	-	(5,642)
	-	157	32	(5,387)

Hong Kong Profits Tax has been provided at a rate of 16.5% (for the three and six months ended 30 September 2017: 16.5%) on the estimated assessable profits for the three and six months ended 30 September 2018.

PRC EIT has been provided at a rate of 25% (for the three and six months ended 30 September 2017: 25%) on the estimated assessable profit of those subsidiaries established in the PRC for the three and six months ended 30 September 2018.

8. DIVIDENDS

The Directors do not recommend the payment of a dividend for the three and six months ended 30 September 2018 (for the three and six months ended 30 September 2017: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

9. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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

	For the three months ended 30 September		For the six months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
(Loss)/earnings				
(Loss)/earnings for the purpose of calculating basic (loss)/earnings per share	(5,515)	(2,518)	(11,531)	82

	For the three months ended 30 September		For the six months ended 30 September	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Number of shares				
Issued ordinary shares at the beginning of period (note)	480,000,000	360,000,000	480,000,000	360,000,000
Effect of public offer of shares upon the Listing	–	104,347,826	–	52,459,016
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss)/earnings per share	480,000,000	464,347,826	480,000,000	412,459,016

Note:

Issued ordinary shares of the Company at the beginning of period is on the assumption that 360,000,000 ordinary shares, being the number of shares in issue immediately after the completion of the share capitalisation, deemed to have been issued throughout the period from 1 April 2017 and up to 13 July 2017, immediately before the completion of public offer upon the Listing.

(b) Diluted (loss)/earnings per share

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2018, the Group acquired property, plant and equipment of approximately HK\$3,443,000 (six months ended 30 September 2017: approximately HK\$6,302,000).

11. TRADE RECEIVABLES

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

	At 30 September 2018 (Unaudited) HK\$'000	At 31 March 2018 (Audited) HK\$'000
0–30 days	1,185	1,384

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 PAYABLES

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

	At 30 September 2018 (Unaudited) HK\$'000	At 31 March 2018 (Audited) HK\$'000
0–30 days	240	146
31–60 days	71	88
61–90 days	116	100
Over 90 days	99	–
	526	334

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

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 2018 (unaudited)	4,000,000,000	40,000
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))	120,000,000	1,200
At 31 March 2018, 1 April 2018 (audited) and 30 September 2018 (unaudited)	480,000,000	4,800

* 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

15. RELATED PARTY TRANSACTIONS

The Group had the following transactions with its related parties during the period:

	For the three months ended 30 September		For the six months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Consultancy and advisory fees paid to a related party	114	-	228	-

16. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 September 2018 (31 March 2018: Nil).

17. CAPITAL COMMITMENTS

	At 30 September 2018 (Unaudited) HK\$'000	At 31 March 2018 (Audited) HK\$'000
Contracted but not provided for: Property, plant and equipment	-	131

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

18. NEW AND REVISED HKFRSS IN ISSUE BUT NOT YET EFFECTIVE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2018 and earlier application is permitted. The Group has not early adopted any new or amended standards that has been issued but is not yet effective.

The Group has the following updates to the information provided in the last annual financial statements about the possible impacts of the new standards issued but not yet effective which may have a significant impact on the Group's consolidated financial statements.

The Group's future minimum lease payments under non-cancellable operating leases for its office properties amounted to approximately HK\$20,600,000 as at 30 September 2018. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

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 sells other products without shaping functions, which primarily include breast cream, panties, nude bras, swimwear, bras straps and pads, and waist bands.

During the period, the Group took steps to develop the lingerie market in Macau and the PRC. A new retail outlet at Rua de Francisco Xavier Pereira No.103A, EDF. TAK KENG A, B R/C, Macau has commenced operation from 14 June 2018. On the other hand, shop at 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 has commenced operation from 1 September 2018.

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 2018, approximately HK\$4.8 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**”). Further details are set out in the section headed “USE OF PROCEEDS FROM THE LISTING” in this report.

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\$32.8 million, representing a decrease of approximately 18.6% compared with the revenue of approximately HK\$40.3 million for the corresponding period in year 2017 as a result of the decrease in sales volume.

MANAGEMENT DISCUSSION AND ANALYSIS

COST OF SALES AND GROSS PROFIT

Cost of sales comprised of approximately HK\$6 million for the six months ended 30 September 2018, (2017: approximately HK\$7.3 million) representing a decrease of approximately 17.8% as compared to the corresponding period in year 2017. The gross profit decreased by approximately 18.8% from approximately HK\$33 million for the six months ended 30 September 2017 to approximately HK\$26.8 million for the corresponding period in year 2018. The decrease in cost of sales and revenue of approximately 17.8% and 18.6% respectively, which was mainly attributable to the decrease in sales and demands for the products due to ongoing keen competition in the market.

EXPENSES

Selling expenses during the reporting period increased by approximately HK\$1.9 million from approximately HK\$16.3 million for the six months ended 30 September 2017 to approximately HK\$18.2 million for the corresponding period in year 2018, which was mainly attributable to increase in rental and related expenses, staff costs and marketing expenses for the promotional activities.

Administrative and listing expenses decreased by approximately HK\$2 million from approximately HK\$22 million for the six months ended 30 September 2017 to approximately HK\$20 million for the corresponding period in year 2018, primarily due to the net effects of the increase in staff costs, depreciation, rental and related expenses and the professional fees in connection with the resumption of the trading of the shares of the Company and the decrease in the listing expenses.

INCOME TAX (CREDIT)/EXPENSE

Income tax expense increased by approximately HK\$5.4 million from approximately credit HK\$(5.4) million for the six months ended 30 September 2017 to approximately expense HK\$32,000 for the corresponding period in year 2018. The increase was mainly due to a one-off tax refund made by the Hong Kong Inland Revenue Department (the "IRD") during the last corresponding period.

MANAGEMENT DISCUSSION AND ANALYSIS

(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss attributable to owners of the Company for the six months ended 30 September 2018 amounted to approximately HK\$11.5 million, whereas there was a profit attributable to owners of the Company of approximately HK\$82,000 recorded for the corresponding period in year 2017. The decrease in profitability was primarily attributable to (1) the decrease in revenue of the Group; (2) the increase in selling expenses of the Group; and (3) a one-off tax refund from the IRD in the last corresponding period did not incur during the period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2018, the Group had net current assets of approximately HK\$12.5 million (31 March 2018: approximately HK\$26.5 million of net current assets). The Group had cash and cash equivalents of approximately HK\$56.9 million (31 March 2018: approximately HK\$71.7 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 report.

GEARING RATIO

Gearing ratio is calculated based on the total debts divided by total equity at the respective reporting date. As at 30 September 2018, the Group's gearing ratio was approximately 6.5%, while it was 5.9% as at 31 March 2018. Such increase in gearing ratio was mainly due to the decrease in equity.

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

During the period, there was no significant investment held by the Company or material acquisition and disposal made by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE AND REMUNERATION POLICIES

As at 30 September 2018, the Group had 184 (31 March 2018: 157) 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 the PRC for its employees in 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 2018 and 31 March 2018.

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 2018 and considered the foreign currency risk is minimal.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 30 September 2018, 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 2018.

Business objectives as set out in the Prospectus	Actual business progress up to 30 September 2018
Expand the Group's retail network	The Group has opened one retail store in Hong Kong, one retail store in Macau and two retail stores in Shenzhen, the PRC, including one-off renovation and rental deposits
Further strengthen the Group's brand awareness and reputation	The Group has placed more advertisements in social media and online video sharing platform and engaged famous Hong Kong artist as spokesperson
Increase the Group's production capacity and product development capability	The Group is in the process of finding 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

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM THE LISTING

The net proceeds from the public offer were approximately HK\$16.7 million after deducting commission and expenses borne by the Company in connection with the public offer. During the period from the Listing Date to 30 September 2018, approximately HK\$4.8 million of the net proceeds was utilised in accordance with the proposed implementation plans as disclosed under the section headed "FUTURE PLAN AND USE OF PROCEEDS" in the Prospectus with details as follows:

	Actual net proceeds HK\$ million	Amount utilised up to 30 September 2018 HK\$ million	Balance as at 30 September 2018 HK\$ million
Expand the Group's retail network	13.4	3.2	10.2
Strengthen the Group's brand awareness and reputation	0.5	0.5	–
Increase the Group's production capacity and product development capabilities	1.2	–	1.2
Strengthen the Group's operational efficiency	1.4	1.1	0.3
Working capital and other general corporate purposes	0.2	–	0.2
Total	16.7	4.8	11.9

The Group will use the remaining net proceeds from the public offering of the share of the Company in accordance with the purpose stated in the Prospectus.

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 2018, 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 2018, 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:

OTHER INFORMATION

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 2018 and up to the date of this report.

Save as disclosed above, as at 30 September 2018, 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.

OTHER INFORMATION

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 report, no share option had been granted by the Company under the Share Option Scheme.

UPDATE ON DIRECTOR'S INFORMATION

Mr. Cai Chun Fai, an independent non-executive Director, ceased to be the (1) chief operation officer of Well Link Securities Limited; and (2) company secretary and chief operation officer of Enriched Goldenroad Financial Holdings Limited (formerly known as Hui's Finance Group Holdings Limited) during the reporting period. He is currently a director of a professional audit firm in Hong Kong.

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 2018.

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 the date of this report.

OTHER INFORMATION

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavors to adopt prevailing best corporate governance practices. For the six months ended 30 September 2018, 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 2018. 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 2018.

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 2018.

OTHER INFORMATION

AUDIT COMMITTEE

The financial information in this report 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 report, the Audit Committee comprises Mr. Lam Tat Fung, 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 2018 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.

The interim financial information for the six months ended 30 September 2018 have been reviewed by World Link CPA Limited, auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

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

Hong Kong, 9 November 2018