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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)**

### **INSIDE INFORMATION CLARIFICATION ANNOUNCEMENT**

This announcement is made by My Heart Bodibra Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) and Rule 17.26A of the Rules Governing the Listing of Securities on Growth Enterprise Market (“**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company noted an article was published on the website of Apple Daily on 2 October 2017 (the “**Article**”) containing allegations against the Group and Mr. Chan Lin So Alan (“**Mr. Chan**”), executive director and chairman of the Company. The Board hereby wishes to clarify that parts of the information in the Article were made with no factual basis and the allegations contained therein are inaccurate and misleading.

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

The following transactions referred to in the Article were entered into by the Company (together, the “**Alleged Transactions**”):

- (1) on 25 July 2017, Excellent Goldenfield Limited (“**Excellent Goldenfield**”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Ever Hero Licensing (HK) Limited (“**Ever Hero**”), an independent third party, pursuant to which Excellent Goldenfield agreed to acquire a vessel (the “**First Vessel**”) from Ever Hero for the consideration of HK\$5,000,000, which was financed by the internal resources of the Group and was determined with reference to a valuation report prepared by an independent valuer which opined that the total fair value of the First Vessel to be HK\$5,000,000 as at 24 July 2017. The completion of the transaction took place on 20 September 2017;
- (2) on 16 August 2017, Excellent Goldenfield through a joint venture company, namely, Ocean Trader Limited (“**Ocean Trader**”), which 25% of its shareholding is held by Excellent Goldenfield, indirectly acquired 25% ownership rights and interest of a vessel (the “**Second Vessel**”). A shareholder’s loan of HK\$7,500,000 has been provided by Excellent Goldenfield to Ocean Trader for the purpose of the acquisition and the total consideration paid by Ocean Trader in relation to the acquisition of the Second Vessel was HK\$20,800,000. The consideration was arrived at based on the assessment of

similar transactions and the Company later reconfirmed that the fair value of the Second Vessel was HK\$30,500,000 as at 7 September 2017 based on a valuation report prepared by an independent valuer; and

- (3) on 29 August 2017, the Company purchased numerous coupons for the consideration of HK\$50,000 from Spera Beauty Company Limited (“**Spera Beauty**”), which was paid by the Company’s credit card. On 15 September 2017, the Company purchased further coupons for the consideration of HK\$38,000 authorised to be used by Mr. Chan for business purposes.

The Company confirms that all the Alleged Transactions were financed by the internal resources of the Group and no part of the net proceeds from the public offer of the Company conducted in July 2017 has been used for the Alleged Transactions.

### **Purpose of the Alleged Transactions:**

The Company intended to acquire a vessel to treat business partners hospitably and conduct more marketing activities, such as products photo shooting and press events in future. In addition, the vessel may also be used to provide benefits for employees to encourage and reward their continued good performance as staff benefit.

Subsequent to the Company having entered into the sale and purchase agreement for the First Vessel, the Company was presented with an opportunity to acquire the Second Vessel which the Company considered would be better suited to its intended purpose. Notwithstanding, having already entered into the sale and purchase agreement in respect of the First Vessel, the Company could not withdraw from that transaction and so acquired both the First Vessel and Second Vessel. In a Board meeting held on 29 September 2017, the Company resolved to dispose of the First Vessel, being that the Second Vessel is more luxurious and would present the Company in a better light.

The purpose of acquiring the coupons from Spera Beauty was to provide general benefit and encouragement to employees of the Company who have performed well.

The consideration for the Alleged Transactions were arrived at after arm’s length negotiations between the Company and the relevant parties and with reference to relevant valuation reports (if applicable). Having considered the above purposes and factors, the Board is of the opinion that the terms of the Alleged Transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Company confirms that appropriate approvals were obtained in respect of the Alleged Transactions and considers that the Alleged Transactions were conducted in compliance with the Group’s internal control policy.

### **Listing Rules Implications**

To the best of the Board’s knowledge, information and belief, having made all reasonable enquiries, none of the Alleged Transactions are connected transactions or notifiable transactions and are exempted from announcement, reporting and shareholders’ approval requirements under Chapters 19 and 20 of the GEM Listing Rules.

## **Incident on 29 September 2017**

On 29 September 2017, the Company convened a Board meeting at its office, and it came to the attention of the Board that a group of unknown persons entered into the office of the Company, attempted to interfere with the Board meeting and threatened certain Directors. Several persons, including Mr. Chan, were arrested by the Hong Kong Police Force in relation to a case of common assault alleged to have occurred (the “**Incident**”).

In relation to the Incident, the Company would like to set out the following:

- (1) Mr. Chan has been released on bail of HK\$1,000 and reports his duties to the Company as usual;
- (2) all the resolutions in relation to the Alleged Transactions have been duly rectified and approved by the Board at the Board meeting on 29 September 2017;
- (3) as at the date of this announcement, none of the Directors have been charged with offence by the Hong Kong Police Force in connection with the Alleged Transactions or the Incident. The Incident is still under investigation by the Hong Kong Police Force. The Company does not possess any further information about this Incident and will not further comment on the Incident; and
- (4) the Company is seeking legal advice and reserves the right to take any further legal actions and pursue any other available legal remedies as it may think fit.

Based on the information currently available information to the Board, the Board considers that the arrest of Mr. Chan has no material adverse impact to the Company or affect his suitability as the Director, and the operations of the Group remain normal.

## **Continued Suspension of Trading**

At the request of the Company, trading of shares in the Company was halted with effect from 9:42 a.m. on 3 October 2017. Trading in the Shares on the Stock Exchange will remain suspended pending the release of clarification announcement on articles in Next Magazine and the EastWeek which constitutes inside information to the Company. Further announcements will be made as and when appropriate.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**My Heart Bodibra Group Limited**  
**Chan Lin So Alan**  
*Chairman and Executive Director*

Hong Kong, 25 October 2017

*As at the date of this announcement, the executive Directors are Mr. Chan Lin So Alan and Mr. Yiu Koon Pong; and the independent non-executive Directors are Mr. Wong Tin King Richard, Mr. Li Fu Yeung and Ms. Chow Ting Hei Haily Josephine.*

*The content of this announcement was approved by all the directors of the Company save and except Mr. Yiu Koon Pong and Ms. Chow Ting Hei Haily Josephine. Accordingly, the meaning of the “members of the Board” or the “Board” in this announcement shall be construed as all the directors of the Company to the exclusion of Mr. Yiu Koon Pong and Ms. Chow Ting Hei Haily Josephine.*

*This announcement, for which the members of the Board collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM for the purpose of giving information with regard to the Company. The members of the Board, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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