

BAR PACIFIC[®]

Bar Pacific Group Holdings Limited

太平洋酒吧集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8432



Third Quarterly Report 2016



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This report, for which the directors (the “Directors”) of Bar Pacific Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on 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 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

Ms. Tse Ying Sin Eva
(Chairlady and chief executive officer)
Mr. Chan Darren Chun-Yeung

Independent Non-Executive Directors

Mr. Tang Wing Lam David
Mr. Chin Chun Wing
Mr. Yung Wai Kei

COMPANY SECRETARY

Mr. Chan Darren Chun-Yeung

COMPLIANCE OFFICER

Mr. Chan Darren Chun-Yeung

AUTHORISED REPRESENTATIVES

Ms. Tse Ying Sin Eva
Mr. Chan Darren Chun-Yeung

AUDIT COMMITTEE

Mr. Yung Wai Kei *(Chairman)*
Mr. Chin Chun Wing
Mr. Tang Wing Lam David

REMUNERATION COMMITTEE

Mr. Chin Chun Wing *(Chairman)*
Ms. Tse Ying Sin Eva
Mr. Yung Wai Kei

NOMINATION COMMITTEE

Ms. Tse Ying Sin Eva *(Chairlady)*
Mr. Chin Chun Wing
Mr. Yung Wai Kei

AUDITORS

Deloitte Touche Tohmatsu

COMPLIANCE ADVISOR

LY Capital Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room D2, 11/F, Phase 2
Hang Fung Industrial Building
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Hung Hom
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPANY'S WEBSITE

www.barpacific.com.hk
(information of this website does not form part of this report)

STOCK CODE

8432

REPORT ON REVIEW OF QUARTERLY FINANCIAL INFORMATION

Deloitte.

德勤

35/F, One Pacific Place
88 Queensway
Hong Kong

**TO THE BOARD OF DIRECTORS OF
BAR PACIFIC GROUP HOLDINGS LIMITED**

太平洋酒吧集團控股有限公司

(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the quarterly financial information of Bar Pacific Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 4 to 9, which comprise the condensed consolidated statement of profit or loss and other comprehensive income and statement of changes in equity for the nine-month period ended 31 December 2016, and other explanatory notes. The directors are responsible for the preparation and presentation of this quarterly financial information. Our responsibility is to express a conclusion on the quarterly 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 Hong Kong Institute of Certified Public Accountants. A review of quarterly 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 quarterly financial information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity for the nine-month period ended 31 December 2015, and the condensed consolidated statement of profit or loss and other comprehensive income for each of the three-month periods ended 31 December 2016 and 2015 and the relevant explanatory notes included in these quarterly financial information have not been reviewed in accordance with HKSRE 2410.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

13 February 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

	NOTES	Three months ended 31 December		Nine months ended 31 December	
		2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Revenue	3	32,290	31,213	96,125	95,593
Other income	4	193	128	703	1,186
Cost of inventories sold		(7,513)	(7,258)	(21,145)	(21,721)
Staff costs		(9,103)	(9,247)	(27,117)	(26,476)
Depreciation		(947)	(1,039)	(2,623)	(2,871)
Property rentals and related expenses		(6,008)	(5,295)	(17,360)	(15,933)
Other operating expenses		(5,746)	(5,483)	(17,865)	(13,897)
Finance costs	5	(2)	(4)	(12)	(13)
Listing expenses		(4,053)	–	(11,693)	–
(Loss) profit before taxation		(889)	3,015	(987)	15,868
Taxation	6	(616)	(860)	(1,908)	(2,273)
(Loss) profit and total comprehensive (expense) income for the period	7	(1,505)	2,155	(2,895)	13,595
(Loss) profit for the period attributable to:					
Owners of the Company		(1,774)	629	(3,718)	8,119
Non-controlling interests		269	1,526	823	5,476
		(1,505)	2,155	(2,895)	13,595
		HK cents	HK cents	HK cents	HK cents
(Loss) earnings per share Basic and diluted	9	(0.28)	0.12	(0.58)	1.67

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

	Attributable to owners of the Company								Total HK\$'000
	Share capital	Share premium	Special reserve	Capital reserve	Other reserves	Retained profits	Total	Non-controlling interests	
	HK\$'000	HK\$'000	HK\$'000 (Note c)	HK\$'000 (Note a)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2016	390	-	-	6,065	(1,331)	6,165	11,289	7,052	18,341
(Loss) profit and total comprehensive expense (income) for the period	-	-	-	-	-	(3,718)	(3,718)	823	(2,895)
Arising from group organisation (Note b)	(389)	8,482	(8,093)	-	-	-	-	-	-
Acquisition of additional interests in subsidiaries	-	-	-	-	(29)	-	(29)	(81)	(110)
At 31 December 2016 (unaudited)	1	8,482	(8,093)	6,065	(1,360)	2,447	7,542	7,794	15,336
At 1 April 2015	-	-	-	-	(152)	5,815	5,663	5,767	11,430
Profit and total comprehensive income for the period	-	-	-	-	-	8,119	8,119	5,476	13,595
Issue of shares to a shareholder	285	-	-	-	-	-	285	-	285
Issue of shares to acquire non-controlling interests of subsidiaries	105	-	-	6,065	(657)	-	5,513	(5,513)	-
Acquisition of additional interests in subsidiaries	-	-	-	-	(1,001)	-	(1,001)	(518)	(1,519)
Capital contribution by non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	2,220	2,220
Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	(1,041)	(1,041)
Dividend (Note 8)	-	-	-	-	-	(9,100)	(9,100)	-	(9,100)
At 31 December 2015 (unaudited)	390	-	-	6,065	(1,810)	4,834	9,479	6,391	15,870

Notes:

- The capital reserve represents the difference between the value of the consideration paid for the acquisition of additional interest in subsidiaries and the nominal value of the issued ordinary shares of Bar Pacific Group Limited, a subsidiary of the Company ("Bar Pacific BVI").
- Pursuant to a group reorganisation (the "Reorganisation") in preparation for the listing of the Company's shares, the Company became the holding company of the Group on 15 December 2016 with the issue of shares of the Company to acquire Bar Pacific BVI from the then shareholders.
- Special reserve represents the difference between the entire issued share capital of Bar Pacific BVI and the consideration for acquiring Bar Pacific BVI by the Company pursuant to the Group Reorganisation completed on 15 December 2016.



QUARTERLY FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands with its shares listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited since 11 January 2017. The Company’s registered office address is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is Room D2, 11/F, Phase 2, Hang Fung Industrial Building, 2G Hok Yuen Street, Hung Hom, Kowloon, Hong Kong.

The principal activity of the Group is the operation of a chain of bars in Hong Kong under the brand name of Bar Pacific.

2. BASIS OF PREPARATION

The quarterly financial information has been prepared in accordance with accounting policies that confirm with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the quarterly financial information for the nine months ended 31 December 2016 are the same as those followed in the preparation of the financial information of the Group for each of the two years ended 31 March 2015 and 31 March 2016 and the three months ended 30 June 2016 reported in the accountant’s report as included in the prospectus of the Company dated 30 December 2016 (the “Prospectus”).

3. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts receivable from operation of bars, net of discounts.

Operating segments are determined with reference to the reports and financial information reviewed by the executive directors of the Company, being the chief operating decision maker of the Group, for assessment of performance and allocation of resources. The Group has only a single operating segment which is operation of a chain of bars in Hong Kong.

For the purpose of resource allocation and performance assessment, the chief operating decision maker reviews the overall results and financial position of the Group.

No geographical information is shown as the revenue and result from operations of the Group are all derived from its activities in Hong Kong.

The Group’s customer base is diversified and no individual customer had transactions which exceeded 10% of the Group’s revenue during the reporting period.

QUARTERLY FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

4. OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Sponsorship income	–	–	92	686
Interest income	3	1	12	1
Others	190	127	599	499
	193	128	703	1,186

5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Interest on obligations under finance leases	2	4	8	13
Interest on bank borrowings	–	–	4	–
	2	4	12	13

6. TAXATION

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
The taxation charge comprises:				
Hong Kong Profits Tax				
— Current period	618	860	1,910	2,273
— Overprovision in prior periods	(2)	–	(2)	–
	616	860	1,908	2,273

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the period.

QUARTERLY FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

7. (LOSS) PROFIT FOR THE PERIOD

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
(Loss) profit for the period has been arrived at after charging:				
Directors' remuneration	234	208	651	587
Other staff's salaries and other benefits	8,470	8,640	25,424	24,888
Other staff's retirements benefits scheme contributions	399	399	1,042	1,001
Total staff costs	9,103	9,247	27,117	26,476
Depreciation of property, plant and equipment				
— Owned assets	928	999	2,513	2,749
— Assets under finance lease	19	40	110	122
	947	1,039	2,623	2,871
Operating lease payments	5,645	4,949	16,296	14,934
Auditor's remuneration	265	150	715	450

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2016.

The HK\$9,100,000 dividend paid during the period ended 31 December 2015, represent the dividend paid to then shareholder of Bar Pacific BVI.

QUARTERLY FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

9. (LOSS) EARNINGS PER SHARE

	Three months ended 31 December		Nine months ended 31 December	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
(Loss) earnings for the purpose of calculating basic (loss) earnings per share	(1,774)	629	(3,718)	8,119
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	645,000	511,378	645,000	485,078
Basic (loss) earnings per share (HK cents)	(0.28)	0.12	(0.58)	1.67

The weighted average number of shares has been determined on the assumption that the capitalisation issue (as defined in the Prospectus), had been completed on 1 April 2015.

No diluted (loss) earnings per share is presented as there were no potential ordinary shares in issue during the periods.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a chained bar group offering beverages and light refreshments under the brand “Bar Pacific” in Hong Kong. During the nine months ended 31 December 2016 (the “**Review Period**”), Shop LXX was opened in October 2016 and Shop XXIII ceased operation in December 2016. In December 2016, we have renewed the lease of Shop XXI and hence, we can continue the operation of this shop. As at the date of this report, we operated 32 shops at street level throughout Hong Kong.

The Company’s shares (the “**Shares**”) were successfully listed on the GEM Board of the Stock Exchange on 11 January 2017 (the “**Listing Date**”) by way of placing (the “**Placing**”). 215,000,000 Shares were placed at HK\$0.29 per Share pursuant to the Placing. The net proceeds from the Placing were about HK\$45.2 million after deduction of listing related expenses. As at the date of this report, we have not utilised any net proceeds from the Placing.

PROSPECTS

Looking forward, we will continue to pursue the following key business strategies: (i) to expand our “Bar Pacific” brand to different locations; (ii) to continue our promotion and marketing efforts; (iii) to continue to upgrade our shops’ facilities; and (iv) to diversify our product mix offered in our shops.

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately HK\$95.6 million for the nine months ended 31 December 2015 to approximately HK\$96.1 million for the Review Period, representing a slight growth of approximately 0.6%. Such growth was primarily attributable to the opening of Shop LXX in October 2016.

Cost of inventories sold

Cost of inventories sold consists of the cost of beverages, light refreshments and tobacco products sold in our shops. Our cost of inventories decreased from approximately HK\$21.7 million for the nine months ended 31 December 2015 to approximately HK\$21.1 million for the Review Period, representing a slight decrease of 2.7%. Such decrease was primarily attributable to the increase in suppliers’ rebates received during the Review Period.

Other income

Our other income decreased from approximately HK\$1.2 million for the nine months ended 31 December 2015 to approximately HK\$0.7 million for the Review Period, representing a decrease of approximately 40.7%. Such decrease was primarily attributable to the decrease in sponsorship income from suppliers.

Staff costs

Our staff costs comprise salaries and benefits, including wages, salaries, bonuses, retirement benefit cost and other allowances to all our staff, including our directors, head office and shop staff. Our staff costs increased from approximately HK\$26.5 million for the nine months ended 31 December 2015 to approximately HK\$27.1 million for the Review Period, representing a slight increase of approximately 2.4%. Such increase was primarily attributable to staff hiring for the expansion of our headquarter during the Review Period.

Depreciation

Depreciation represents depreciation charges on its property, plant and equipment, as in leasehold improvements, dart machines, computer equipment, furniture and fixtures and motor vehicles. Our depreciation charges decreased from approximately HK\$2.9 million for the nine months ended 31 December 2015 to approximately HK\$2.6 million for the Review Period, representing a decrease of approximately 8.6%. Such decrease was primarily attributable to the increase in fully depreciated assets used in bar operations.

Property rentals and related expenses

Our property rentals and related expenses consist of operating lease payments, property management fee and government rate on our shops, storage and office premises. Our property rentals and related expenses increased from approximately HK\$15.9 million for the nine months ended 31 December 2015 to approximately HK\$17.4 million for the Review Period, representing an increase of approximately 9.0%. Such increase was primarily attributable to the opening of two new shops in August 2015 and October 2016 and the general increase in the rental expenses of some of our leased properties upon renewal of leases.

Other operating expenses

Our other operating expenses recorded an increase from approximately HK\$13.9 million for the nine months ended 31 December 2015 to approximately HK\$17.9 million for the Review Period, representing an increase of approximately 28.6%. Such increase was mainly attributable to the increase in advertising and promotion expenses to build brand awareness.

Finance costs

Our finance costs remained relatively stable, amounting to HK\$13,000 and HK\$12,000 for the nine months ended 31 December 2015 and the Review Period, respectively.

Listing expenses

During the Review Period, the Group incurred listing expenses of approximately HK\$11.7 million for the purpose of listing on GEM Board on 11 January 2017. No listing expenses was incurred for the nine months ended 31 December 2015 as listing process had not started.

Taxation

Our taxation decreased from approximately HK\$2.3 million for the nine months ended 31 December 2015 to approximately HK\$1.9 million for the Review Period, representing a decrease of approximately 16.1%. Such decrease was mainly attributable to the decrease in profit before taxation and listing expenses as discussed above which was in turn mainly due to (i) the increase in advertising and promotion expenses; and (ii) the increase in property rentals and related expenses.

Loss for the Review Period

As a result of the above and in particular, (i) the non-recurring listing expenses incurred during the Review Period; (ii) the increase in advertising and promotion expenses to build our brand awareness; and (iii) the increase in property rentals and related expenses as discussed above, we recorded a loss of approximately HK\$2.9 million for the Review Period, as compared to the profit of approximately HK\$13.6 million recorded for the nine months ended 31 December 2015.



MANAGEMENT DISCUSSION AND ANALYSIS

Dividend

No dividend was declared and paid to the shareholder of the Company during the Review Period (for the nine months ended 31 December 2015: HK\$9.1 million).

Contingent liabilities

As at 31 December 2015 and 2016, the Group did not have any significant contingent liabilities.

Foreign currency exposure

Since the Group's business activities are solely operated in Hong Kong and the relevant transactions are denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

Events after the balance sheet date

Apart for the listing of Shares by way of Placing, as described in the Business Review section, there is no other significant event subsequent to 31 December 2016.

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 31 December 2016, the Shares were not listed on the Stock Exchange. The respective Divisions 7 and 8 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), section 352 of the SFO and Rules 5.46 to 5.67 of the GEM Listing Rules were not applicable.

As at the date of this report, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in 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 (the "Register"), or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors), to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company
Ms. Tse Ying Sin Eva ("Ms. Tse") (Note)	Beneficiary of a trust	431,543,700	50.18%

Note: Moment to Moment Company Limited ("BVI Holdco") holds 431,543,700 Shares, representing approximately 50.18% of the share capital of the Company. The sole shareholder of BVI Holdco is Harneys Trustees Limited, the trustee of the Bar Pacific Trust, of which Ms. Tse and her daughter, namely Ms. Chan Tsz Kiu Teresa, are beneficiaries. Ms. Tse is deemed to be interested in the Shares held by BVI Holdco under the SFO.

Save as disclosed above, as at the date of this report, none of the Directors and the chief executives of the Company had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the Register, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

OTHER INFORMATION

DISCLOSURE OF INTERESTS *(Continued)*

(B) SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2016, the Shares were not listed on the Stock Exchange. The respective Division 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable.

So far as the Directors are aware of, as at the date of this report, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO (the "Substantial Shareholders' Register"), or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Long position in the Shares

Name	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company
BVI Holdco <i>(Note)</i>	Beneficial owner	431,543,700	50.18%
Harneys Trustees Limited <i>(Note)</i>	Trustee (other than a bare trustee)	431,543,700	50.18%
Ms. Tse <i>(Note)</i>	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Tsz Kiu Teresa <i>(Note)</i>	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Ching Mandy <i>(Note)</i>	Interest of controlled corporation	431,543,700	50.18%
BP Sharing Limited	Beneficial owner	173,143,800	20.13%

Note: BVI Holdco holds 431,543,700 Shares, representing approximately 50.18% of the share capital of the Company. The sole shareholder of BVI Holdco is Harneys Trustees Limited, the trustee of the Bar Pacific Trust, of which Ms. Tse and her daughter, namely Ms. Chan Tsz Kiu Teresa, are beneficiaries. Pursuant to the deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. Chan Ching Mandy is the protector of the Bar Pacific Trust, and Harneys Trustees Limited is required to exercise the voting rights in any company the fund of the Bar Pacific Trust is invested in accordance with the joint written instruction from the protector (i.e. Ms. Chan Ching Mandy) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Each of Harneys Trustees Limited, Ms. Tse, Ms. Chan Tsz Kiu Teresa and Ms. Chan Ching Mandy is deemed to be interested in the Shares held by BVI Holdco under the SFO.

Save as disclosed above, as at the date of this report, the Directors were not aware of any persons who/entities which had any interest or short position in the Shares or underlying Shares that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the Substantial Shareholders' Register required to be kept under section 336 of the SFO.

OTHER INFORMATION



COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the nine months ended 31 December 2016.

CORPORATE GOVERNANCE CODE

The Company adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance and save for the deviation from paragraph A.2.1 of the CG Code, the Board is satisfied that the Company had complied with the code provisions of the CG Code since the Listing Date to the date of this report.

Paragraph A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Ms. Tse is the chairlady and the chief executive officer of the Company. Considering that Ms. Tse has been operating and managing the Group since its incorporation, the Board believes that it is in the best interest of the Group to have Ms. Tse taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from paragraph A.2.1 of the CG Code is appropriate in such circumstance.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the “Code of Conduct”) regarding securities transactions by the Directors 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 Company had also made specific enquiry of all the Directors and all Directors have confirmed that they had complied with the required standards as set out in the Code of Conduct since the Listing Date to the date of this report.

INTERESTS OF COMPLIANCE ADVISER

As at 31 December 2016, as notified by the Company’s compliance adviser, LY Capital Limited (the “Compliance Adviser”), except for the compliance adviser agreement dated 29 December 2016 and entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Since the Listing Date to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Scheme”) on 17 December 2016. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2016.



OTHER INFORMATION

AUDIT COMMITTEE

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 17 December 2016 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with paragraph C.3.3 of the CG Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of external auditor; review financial statements of the Company and judgements in respect of financial reporting; and oversee the effectiveness of the procedures of the internal control of the Group.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Tang Wing Lam David, Mr. Chin Chun Wing and Mr. Yung Wai Kei. Mr. Yung Wai Kei is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2016 and this quarterly report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

By order of the Board
Bar Pacific Group Holdings Limited
Tse Ying Sin Eva
Chairlady

Hong Kong, 13 February 2017

As at the date of this quarterly report, the executive Directors are Ms. Tse Ying Sin Eva and Mr. Chan Darren Chun-Yeung; and the independent non-executive Directors are Mr. Tang Wing Lam David, Mr. Chin Chun Wing and Mr. Yung Wai Kei.