

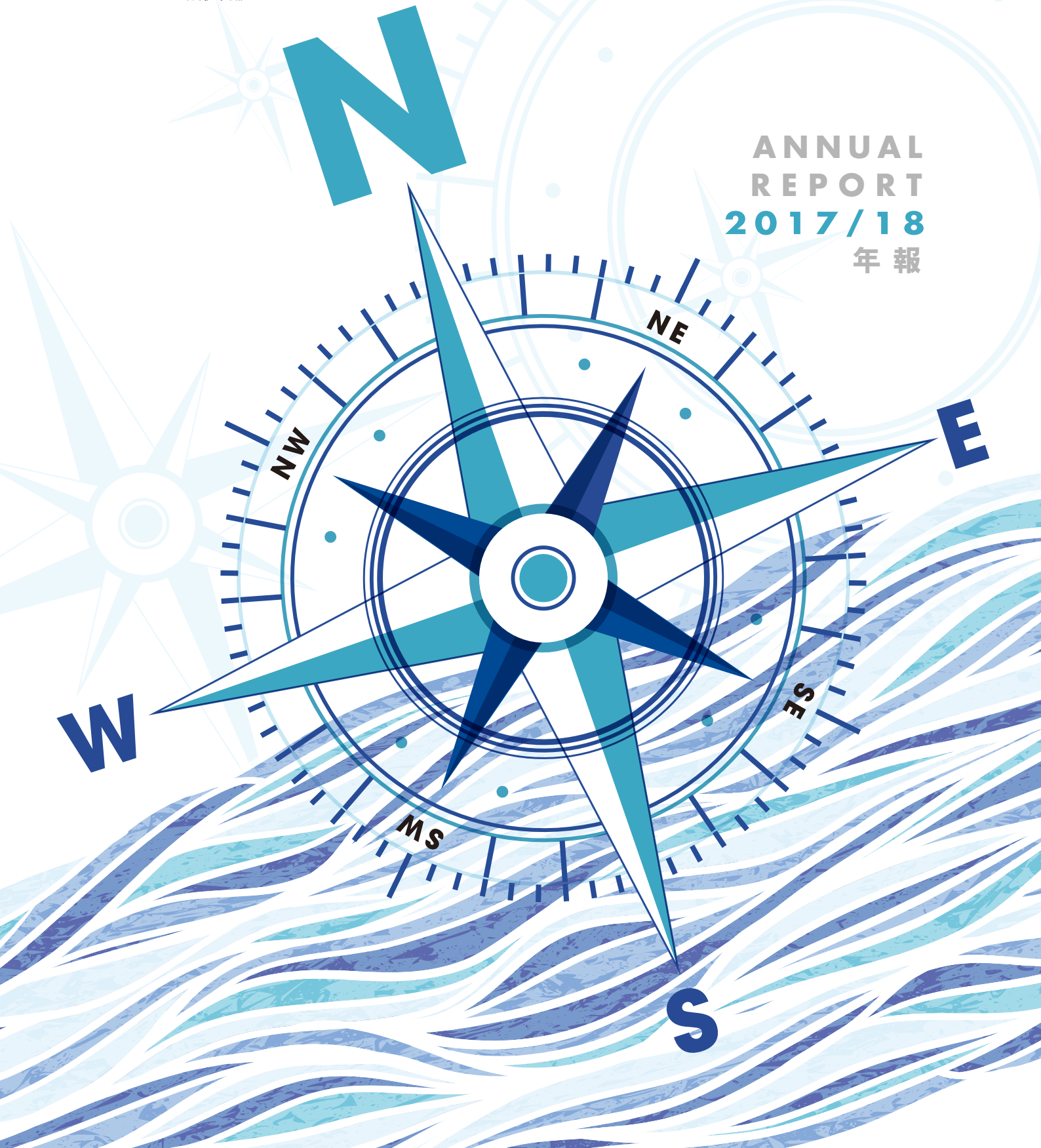
BAR PACIFIC GROUP HOLDINGS LIMITED 太平洋酒吧集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8432

ANNUAL
REPORT
2017/18
年報



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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 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.*

Any announcement, notice or other document published on the GEM website will remain on the “Latest Company Announcements” page for a minimum period of 7 days from the date of publication and on the website to the Company at www.barpacific.com.hk.

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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

BOARD COMMITTEES

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

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

AUDITOR

Deloitte Touche Tohmatsu

COMPLIANCE ADVISER

LY Capital Limited (*ceased with effect from
1 November 2017*)
Red Solar Capital Limited (*appointed with effect from
1 November 2017*)

LEGAL ADVISOR (AS TO HONG KONG LAWS)

King & Wood Mallesons (*ceased with effect from
17 January 2018*)
Victor Chan & Co. (*appointed with effect from
17 January 2018*)

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
2G Hok Yuen Street
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

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited
The Hongkong and Shanghai Banking Corporation
Limited
Bank of China (Hong Kong) Limited

COMPANY'S WEBSITE

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

STOCK CODE

8432

CHAIRLADY'S STATEMENT

To Our Shareholders,

On behalf of the board of Directors (the "**Board**"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2018 (the "**Year Under Review**").

With development over the past 19 years, "Bar Pacific" is one of the largest bar/pub operator in Hong Kong in terms of number of outlets in Hong Kong. Adhering to the motto of "Bringing Joy to Everyone", it operates a chained bar group offering beverages and light refreshments under the brand "Bar Pacific" in Hong Kong and has been committed to providing a joyful, safe, clean and comfortable environment for customers to enjoy with quality beverages and refreshments at reasonable price.

BUSINESS PERFORMANCE

During the Year Under Review, the Group has introduced two new shops in the last quarter of 2017 and one new shop in the first quarter of 2018. During the period from 11 January 2017 (the "**Listing Date**") to 31 March 2018, the Group completed the refurbishments of 16 shops. As at 31 March 2018, we operated a total of 35 shops throughout Hong Kong. As a well-established business underpinned by stable revenue generation and significant capital strength, the Group is well equipped to further expand its network and enhance performance.

Our 2017/18 results demonstrate both the strength and the potential of the Group. An increase in reported revenue, amounted to HK\$134,251,000 for the Year Under Review compared to HK\$126,212,000 for the year ended 31 March 2017 (the "**Previous Year**"), reflected both a healthy business with strong management team and steady flow of customers. Profit for the year recorded a turnaround to HK\$6.5 million.

STRATEGIC REPORT

Over the years, the Group has gained popularity for its quality beverage. By dint of positive image and quality services, "Bar Pacific" has been widely recognized. In addition to "Hong Kong Top Service Brand", it received "Hong Kong Most Valuable Companies Award" from Hong Kong General Chamber of Small and Medium Business, "Best Brand of Bar" of "Yellow Pages Award" and "Hong Kong Most Valuable Companies Award" from Mediazone in 2016; and has been conferred "Quality Bar Label Award" by Hong Kong Bar and Club Association for 6 consecutive years.

Quality lifestyle and socialising become increasingly crucial in today's environment. The value of the Group has been underlined with a host of enhancement initiatives and innovative marketing programmes. Shop image and facilities continued to offer pleasant surprises.

BUSINESS-IN-COMMUNITY

The Group's long-standing mission of "Bringing Joy to Everyone" extends to its "Business-in-Community" pursuit. Our staff members are grouped together to join a wide variety of voluntary works, such as distributing free rice, paying visits to the solitary elderly, visiting students in the remote area in China; and "Charity Sunday" has been organized, whereby a part of revenue on the event day would be donated to local charity organizations. Moreover, "Bar Pacific" was granted "Beat Drugs Fund" by the Narcotics Division of Security Bureau in 2016 for promoting antidrug message and organizing related activities.

CHAIRLADY'S STATEMENT

PROSPECTS

We remain optimistic for the year of 2018 and foresee the Group's business will grow significantly in the coming years. The once-in-four-year FIFA World Cup which is held during June and July of 2018 adds favorable market condition that is expected to lift the revenue of our bar operating business. Leveraging on our business foundation, competitive edge in brand acknowledgement and operating efficiencies, the Group is well positioned to expand our network, further consolidate our leading position in the industry. We intend to open four new shops in each of the two years ending 2020, achieving Group's growth strategies and maximizing our shareholders' value.

Outlook

The Group strategically located our shops at residential and industrial areas responding to the demand of customers and offering entertainment experiences with high accessibility. We are in prime position to provide customers affordable luxury beverage services. Meanwhile, the accelerated pace of technological changes is changing various businesses and the beverage industry is no exception. Digital gaming and smart brewing are triggering new business models.

Competition in the bar industry is more intense, not only from existing operators but also increasingly from a variety of new entrants.

The Group has been a pioneer in embracing changes in entertainment experiences. We stand ready to take on new ideas and seize opportunities in the digital culture and in the age that emphasize ever-changing bar experience.

Supporting our people

It is important not just to achieve good results, but also treating all of our stakeholders in a fair and transparent way. We are committed to be accountable to our stakeholders for our actions. As a part of this commitment, we will continue to promote a culture of honesty and integrity in the Group.

The Group remains a place where all our people have the opportunity to fulfil their potential in a nurturing environment that encourages responsibility and new ideas.

APPRECIATION

Thanks to the continued hard work and dedication of our employees, we were able to accomplish a great deal this past year. We would like to thank our Board of Directors for their leadership through our first complete year as a new listing company. We are honored and feel fortunate each day to work with our team. We strongly believe that we are very well positioned for the future and deliver the optimal returns to our royal shareholders.

Tse Ying Sin Eva

Chairlady and Chief Executive Officer

Hong Kong, 25 June 2018

INDUSTRY REVIEW

Hong Kong's domestic demand picked up notably in 2017, thanks to the strong growth of private consumption expenditure and the rebound in investment spending. Looking ahead, private consumption expenditure is likely to show further solid growth in 2018, underpinned by the tight labour market and solid income growth. The continued momentum in global economic expansion and strength in domestic demand are expected to render solid support to the Hong Kong economy going forward. According to the government forecast, the real GDP in 2018 is expected to grow by 3% to 4%, as compared to the 3.8% growth in 2017.

Hong Kong's consumer demand for quality food service and social gathering venues such as vibrant eateries, we believe that bars and pubs become an indispensable part of the city's lifestyle. The city, with its large western expatriate community and growing influence of local young adults, has nurtured drinking culture for socializing and networking, even a form of relaxation. It is especially true that 2018 FIFA World Cup which to be held in Summer time of 2018 will bring the climax to our bar operating business for the once-in-four year game to attract enthusiastic football-lovers as well as general public. Such trends have continuously encouraged alcoholic beverage consumption and is expected to maintain its rise.

BUSINESS REVIEW

The Group operates a chained bar mainly offering beverages and light refreshments under the brand "Bar Pacific" with locations scattered over Hong Kong.

During the Year Under Review, two new shops were opened in the last quarter of 2017 and one new shop was opened in the first quarter of 2018.

Overall sales performance increase approximately 6% during the Year Under Review. As at 31 March 2018, the Group operated a total of 35 shops at street level throughout Hong Kong. Revenue of the Group is generated from beverages (including beer, other alcoholic drinks and other non-alcoholic beverages), light refreshments and others including electronic dart machines. Sales incentives like bonuses and rewards are applied to all frontline and management staff, while strategic shifting of regional management is in-place to constantly boost the Group's revenue.

During the Year Under Review, the Group carried out various initiatives to enhance its products and services. Innovative beverages were introduced to individual shops with reference to customer feedback to widen beverages variety and match customer needs in changing trend. On top of this, shops are being renovated to modernize brand image and increase its visibility.

During the period from the Listing Date to 31 March 2018, the Group completed the refurbishment on 16 of its shops. The Group paid efforts in proactively marketing the "Bar Pacific" brand during the Year Under Review with the objective of maintaining its positive brand image and attracting new customers. A myriad of promotion and marketing events were initiated by the Group, in addition to activities co-organized with major suppliers or other parties. The Group devotes increasing efforts in event participation, collaboration and sponsoring to enhance connection with customers and attract more new customers.

The Group puts great emphasis on the staff management, in particular, the frontline staff as they play an essential role in providing quality services to our customers. Thus, it is important to routinely provide professional training for our frontline staff. Standard operating procedures pertaining to service and safety policy are executed to all staff members, while job training is provided to our management to ensure continuous improvement of business operation.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking ahead, the Group will continue to enhance its brand profile and maintain its core business of bar operation and its existing branding strategy, targeting the mass market, to increase market share in Hong Kong. With the existing client base garnered over the years, there is a superiority to leverage network in Hong Kong. Openings of four new shops per year are envisioned in the coming two years ending 31 March 2020.

The Group will explore new and diversified sources of income such as advertising projects with supplying brands and optimal utilization of premises during off-hour session for other food and beverage activities. To conclude, the Group will devote itself to quality control, risk management and personnel development in the course of expanding across the city and maintain its leading position in the industry, yielding better returns and goodwill in the long run.

Events after the balance sheet date

On 29 May 2018, the Company has appointed Mr. Chan Wai (“**Mr. Chan**”) as its consultant of the Company.

Mr. Chan, aged 48, is the founder of the brand of “Bar Pacific”. With his respective background and experience, the Board believes that the appointment of Mr. Chan as a consultant of the Company is in the interests of the Company and the Shareholders of the Company as a whole.

On 7 June 2018, Mr. Chan and Ms. Chan Tsz Tung (“**Ms. Chan**”) become the beneficiaries of Bar Pacific Trust. Both Mr. Chan and Ms. Chan Tsz Tung (“**Ms. Chan**”) becomes interested in 431,543,700 shares held by Moment to Moment and is deemed to be interested in the shares held by Moment to Moment under the Securities and Futures Ordinance (Cap.571) (“**SFO**”).

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS *(Continued)*

Use of proceeds

The Company's shares (the "**Shares**") were successfully listed on GEM of the Stock Exchange on 11 January 2017 by way of placing (the "**Placing**"). 215,000,000 Shares were placed at HK\$0.29 per Share pursuant to the Placing. During the Year Under Review, a portion of the net proceeds from the Placing was utilised and a summary of use of proceeds are set out in the table below:

	Proposed amount to be used HK\$ (million)	Proposed amount used up to 31 March 2018 HK\$ (million)	Actual approximate amount utilized up to 31 March 2018 HK\$ (million)	Changes and explanation
Expand our brand	35.5	17.8	10.8	The expansion plan was delayed as the Group could not find suitable shops for expansion. Two new shops were opened in the last quarter of 2017 and one new shop was opened in the first quarter of 2018.
Continue to upgrade our shops' facilities	3.4	2.0	3.4	Renovation was speeded up to boost revenue of existing shops. During the period from the Listing Date to 31 March 2018, the Group completed the refurbishment of 16 shops. As proposed amount was used up, the Group will continue refurbishment on existing shops by using internal generated capital.
Continue our promotion and marketing efforts	3.5	2.2	2.1	Marketing events during the Year Under Review were co-organised with our major suppliers. Major costs of such events were borne by our suppliers. Therefore, costs on marketing activities were less than proposed amount.
Total	42.4	22.0	16.3	

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue increased approximately 6% to approximately HK\$134.3 million for the Year Under Review, comparing to approximately HK\$126.2 million for the Previous Year. This was primarily due to increased number of shops as well as increased attraction from refurbished shops as a whole – three shops were opened and 14 existing shops had been completed refurbishment during the Year Under Review.

Profit for the Year Under Review

Profit of approximately HK\$6.5 million (2017: loss of HK\$3.4 million) was recorded for the Year Under Review, which was mainly due to one-off listing expenses were booked for the Previous Year.

Cost of inventories sold

Cost of inventories sold consists of the cost of beverages and light refreshments products sold in our shops. Our cost of inventories sold increased from approximately HK\$27.8 million for the Previous Year to approximately HK\$32.1 million for the Year Under Review, representing an increase of approximately 15%. This was primarily due to increasing in purchase price of beverages.

Other income

Other income recorded an increase of approximately 140% from approximately HK\$1.0 million for the Previous Year to approximately HK\$2.4 million for the Year Under Review. This was primarily due to significant increase of sponsorship income for the Year Under Review.

Staff costs

Our staff costs comprise salaries and benefits, including wages, salaries, bonuses, retirement benefit cost and other allowances to all our employees and staff, including our Directors, head office and shop staff. Staff costs increased to approximately HK\$40.4 million for the Year Under Review from approximately HK\$37.0 million for the Previous Year representing an increase of approximately 9%. Such increase was primarily attributable to increase in number of staff.

Share Option Scheme

The Group adopted a share option scheme on 17 December 2016. Since its adoption, no options have been granted or agreed to be granted, and therefore, there were no outstanding options as at 31 March 2018 (as at 31 March 2017: Nil).

Depreciation

Depreciation represents depreciation charges on its property, plant and equipment, as in leasehold improvements, computer equipment, furniture and fixtures and motor vehicles. The Group's depreciation charges increased to approximately HK\$6.3 million for the Year Under Review from approximately HK\$3.6 million for the Previous Year, representing an increase of approximately 75%. Such increase was primarily attributable to depreciation for new leasehold improvement for the opening of three new shops and completion of 14 shops refurbishment in the Year Under Review.

Property rentals and related expenses

The Group's property rentals and related expenses consist of operating lease payments, property management fee and government rate of our shops, storage and office premises. For the Year Under Review, property rentals and related expenses amounted to approximately HK\$26.5 million from approximately HK\$23.5 million for the Previous Year, representing an increase of approximately 13%. The increase was primarily attributable to the opening of three shops in the Year Under Review and the general increase in the rental for some of our renewed leases.

FINANCIAL REVIEW *(Continued)*

Other operating expenses

Other operating expenses recorded a decrease from approximately HK\$24.4 million for the Previous Year to approximately HK\$23.4 million for the Year Under Review, representing a decrease of approximately 4%. Such decrease was mainly attributable to decrease of professional fee after the listing exercise.

Finance costs

Finance costs for the Year Under Review amounted to HK\$42,000 which remained stable compared to HK\$21,000 for the Previous Year.

Taxation

Taxation for the Year Under Review amounted to HK\$1.2 million, indicating a decrease of approximately 25% from the Previous Year amounted to HK\$1.6 million. Such decrease was mainly attributable to tax effect of other temporary difference which has not been recognised.

Dividend

No final dividend was paid or proposed by the Company for Year Under Review (2017: Nil), but an interim dividend of HK0.55 cents per ordinary share was declared for the nine months ended 31 December 2017 (Previous Year: Nil).

Capital commitments

The Group did not have any capital commitments as at 31 March 2018 (as at 31 March 2017: Nil).

Contingent liabilities

As at 31 March 2018, the Group did not have any significant contingent liabilities (as at 31 March 2017: Nil).

Charges on the Group's assets

The Group did not have any charges on its assets as at 31 March 2018 (as at 31 March 2017: Nil).

Significant Investments

The Group did not hold any significant investments during the Year Under Review.

Bank and other borrowing

The Group did not have any bank and other borrowing as at 31 March 2018 (as at 31 March 2017: Nil).

Gearing ratios

Gearing ratio is calculated based on the total debt at the end of the year divided by total equity at the end of the year. As at 31 March 2018, gearing ratio was 0% (as at 31 March 2017: 0%).

Foreign currency exposure

Since the Group's business activities are operated in Hong Kong only and all relevant transactions are denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant. There is no significant event subsequent to 31 March 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Employee information

As at 31 March 2018, the Group had 350 employees (as at 31 March 2017: 283 employees). Total staff costs (including Directors' remuneration) were approximately HK\$40.4 million for the Year Under Review (the Previous Year: HK\$37.0 million).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk, credit risk, and liquidity risk. The risk management policies and practices of the Group are shown in note 27 to the consolidated financial statements in this annual report.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Ms. Tse Ying Sin Eva (謝熒倩) (“Ms. Tse”), aged 46, is the Chairlady, Chief Executive Officer, Executive Director of Bar Pacific Group Holdings Limited and Director of Bar Pacific Group Limited, Hacienda International Corporation Limited (希斯達國際有限公司), Tank Success International Limited (騰昇國際有限公司), Bar Pacific Entertainment Limited (太平洋娛樂有限公司) and operating subsidiaries of the Group.

Ms. Tse joined the Group in August 1999 and previously spent 19 years with the Group where she held senior corporate management positions in development and operations, including as a Director of a number of subsidiaries of the Group.

Ms. Tse is responsible for formulating the overall business strategy and planning, leading business development, overseeing the Group’s performance and representing the Group in negotiation with potential business partners.

Mr. Chan Darren Chun-Yeung (陳振洋) (“Mr. D Chan”), aged 36, is our executive Director and joined our company in 14 October 2014. Mr. D Chan is responsible for overseeing the management of the Group with primary focus on the Group’s finance, accounting, company secretarial matters and compliances to the various laws, rules and regulations.

Mr. D Chan graduated in May 2006 from Sauder School of Business, University of British Columbia, Canada with a Bachelor of Commerce degree. Mr. D Chan is qualified as a Practising Member of the Hong Kong Institute of Certified Public Accountant.

Mr. D Chan has over 10 years of experience in the accounting profession. Before joining the Group, Mr. D Chan worked for Deloitte Touche Tohmatsu (“**Deloitte**”) as an auditor from September 2006 to September 2008 and as a senior auditor from October 2008 to January 2013. During his tenure at Deloitte, Mr. D Chan has worked on various mega projects involving certain multi-national listed companies on which Mr. D Chan received merits and awards for his outstanding personal achievements. In April 2013, Mr. D Chan joined Royal Orchid Wine (Hong Kong) Company Limited (formerly known as Milon Wine (Hong Kong) Company Limited), a subsidiary of Midea Group, as finance manager.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tang Wing Lam David (鄧榮林) (“Mr. Tang”), aged 61, is our independent non-executive Director appointed by the Company on 17 December 2016. Mr. Tang obtained a diploma in Sociology from Hong Kong Baptist College in June 1983. Mr. Tang obtained a Master degree of Arts in Management Systems from University of Hull in the United Kingdom in December 1988. Mr. Tang subsequently obtained a Bachelor degree of laws from University of Wolverhampton in United Kingdom in October 1994 by attending the Distance Learning Program and the Postgraduate Certificate in Laws from City University of Hong Kong in August 1996. Mr. Tang is currently a practicing solicitor in Hong Kong. Mr. Tang joined Fung, Wong & Ha as a trainee solicitor from 1996 to 1998. From April 1999 to March 2016, Mr. Tang worked in Fung, Wong, Ng & Lam, Solicitors & Notaries as consultant. Since April 2016, Mr. Tang became a limited liability partner of Fung, Wong, Ng & Lam LLP Solicitors (formerly known as “Fung, Wong, Ng & Lam, Solicitors & Notaries”). Mr. Tang has about 19 years of legal experience in Hong Kong.

Mr. Chin Chun Wing (錢雋永) (“Mr. Chin”), aged 39, is our independent non-executive Director appointed by the Company on 17 December 2016. Mr. Chin completed secondary education in Hong Kong in 1995. From September 1997 to July 2005, Mr. Chin worked in Tom Lee Music Co., Ltd. as salesman. From August 2006 to August 2009, Mr. Chin worked in Grand Bar & Lounge as director. Since March 2007, Mr. Chin has been and is the director of Hong Kong Cocktail School. Since November 2008, Mr. Chin is the vice chairman of Hong Kong Bar & Club Association. Mr. Chin has about 10 years of experience in the beverage industry in Hong Kong.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. Yung Wai Kei (容偉基) (“Mr. Yung”), aged 36, is our independent non-executive Director appointed by the Company on 17 December 2016. Mr. Yung obtained a Bachelor degree of Business Administration from Hong Kong Baptist University (香港浸會大學) in Hong Kong in November 2004, majoring in Applied Economics. Mr. Yung is currently a full member of the Association of Chartered Certified Accountants. From June 2004 to September 2005, Mr. Yung worked in AIP Partners C.P.A. Limited as audit junior. From October 2005 to January 2008, Mr. Yung was employed by Jimmy C.H. Cheung & Co., CPA as audit intermediate. From July 2008 to November 2008, Mr. Yung worked in Ronald Ng & Company Limited, CPA as audit senior. After his departure from Ronald Ng & Company Limited, Mr. Yung worked in W.Y. Lam & Co., CPA (formerly known as W.Y. Lam & Dominic Chan & Co.) as assistant manager from December 2008 to January 2012. Since December 2012 till now, Mr. Yung joined Alpha Partners, CPA as audit manager. Mr. Yung has over 10 years of external audit experience in Hong Kong.

SENIOR MANAGEMENT

Ms. Pan Mui Lie (范美麗), aged 41, joined the Group since August 2003 for more than 9 years and subsequently rejoined the Group in October 2015. Ms. Pan is currently appointed as chief operation manager of the Group, responsible for overseeing the day-to-day operation; assessing the performance of frontline staff and formulating training standard and guidance to frontline staff of the Group. From August 2003 to March 2013, Ms. Pan worked in Tank Success International Limited (騰昇國際有限公司) as district manager. In October 2015, Ms. Pan rejoined the Group as chief operation manager. Ms. Pan has over 10 years of experience in the food and beverage industry.

Mr. Au Siu Lun (區兆倫), aged 40, joined the Group since April 2005 and was appointed as shop manager, responsible for the daily operation of the shops, handling enquiries and complaints of customers, coordinating staff, providing training for staff and planning and executing sales proposal of the bars. Mr. Au has over 10 years of experience in the bar industry. Currently, Mr. Au is one of the district managers of the Group.

Ms. Chan Ting (陳婷), aged 29, was appointed as part-time waitress in April 2009, and as fulltime waitress in July 2009, responsible for daily operation of the shops. Ms. Chan obtained a certificate in hosting and broadcasting from Communication University of China in January 2008. In September 2011, Ms. Chan was appointed as district manager of the Group, responsible for the daily operation of the shops, handling enquiries and complaints of customers, coordinating staff, providing training for staff and planning and executing sales proposal of the bars. Ms. Chan has more than 8 years of experience in the bar industry. Currently, Ms. Chan is one of the district managers of the Group.

Ms. Poon Suet Hung (潘雪紅), aged 40, joined the Group since January 2007 and was appointed as waitress responsible for the daily operation of the shops, handling enquiries and complaints of customers, coordinating staff, providing training for staff and planning and executing sales proposal of the bars. Ms. Poon has over 10 years of experience in the food and beverage industry. Currently, Ms. Poon is one of the district managers of the Group.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT *(Continued)*

Ms. Leung Ching Ming (梁靜明), aged 35, joined the Group since March 2014 and was appointed as Operation Clerk of the Group. Ms. Leung obtained the Certificate in Food Hygiene for Hygiene Supervisor from the Hong Kong Productivity Council in July 2006. In January 2011, Ms. Leung obtained the Level 2 Award in Food Safety in Catering from the Chartered Institute of Environmental Health. Ms. Leung obtained Basic Food Hygiene Certificate for Hygiene Managers in March 2011 from the School of Continuing and Professional Education of the City University of Hong Kong in Hong Kong. From March 2006 to May 2008, Ms. Leung worked in Baab Limited as server, senior server and supervisor, and as a Manager Candidate from August 2008 to April 2009. From May 2009 to December 2009, Ms. Leung worked in Pizza Box as associate manager. Ms. Leung returned to Baab Limited and performed various roles, including supervisor, assistant manager, restaurant manager and area manager during the period between December 2009 and September 2013. After that, Ms. Leung joined the Group in March 2014. Currently, Ms. Leung is the operation supervisor of the Group.

COMPANY SECRETARY

Mr. Chan Darren Chun-Yeung is the company secretary of the Company. For his biographical details, please refer to the paragraph headed "Executive Directors" in this section.

COMPLIANCE OFFICER

Mr. Chan Darren Chun-Yeung is the compliance officer of the Company. For his biographical details, please refer to the paragraph headed "Executive Directors" in this section.

CORPORATE GOVERNANCE REPORT

The Company is committed to fulfilling its responsibilities to its shareholders (the “**Shareholders**”) and protecting and enhancing Shareholders’ value through good corporate governance.

The Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the important roles of its Board in providing effective leadership and direction to the Group’s business, and ensuring transparency and accountability of the Company’s operations. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group’s business.

During the Year Under Review, the Company complied with the principles and code provisions as set out in the Appendix 15, “Corporate Governance Code and Corporate Governance Report” to the GEM Listing Rules with the exception that the roles of the Chairlady and the Chief Executive Officer of the Company have not been segregated as required by paragraph A.2.1 of the Corporate Governance Code. The Company is of the view that it is in the best interest of the Company that Ms. Tse Ying Sin Eva, with her profound expertise in bar business, shall continue in her dual capacity as the Chairlady and Chief Executive Officer.

BOARD OF DIRECTORS

A. Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group’s values and standards and ensures that the requisite financial and operational support is in place for the Group to achieve its objectives. The functions performed by the Board include but not limited to formulating the Group’s business plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group’s corporate governance practices and all other functions reserved to the Board under the Company’s memorandum and articles of association (the “**M&A**”). The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of the Stock Exchange and the Company. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

The Directors have full access to information on the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company’s expense.

BOARD OF DIRECTORS *(Continued)*

B. Composition

The Company is committed to the view that the Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

As at the date of this annual report, the Board comprises the following five Directors:

Executive Directors

Ms. Tse Ying Sin Eva (*Chairlady*)

Mr. Chan Darren Chun-Yeung

Independent Non-executive Directors (the “INEDs”)

Mr. Tang Wing Lam David

Mr. Chin Chun Wing

Mr. Yung Wai Kei

The biographical details of each of the Directors are set out in the section headed “Profile of Directors and Senior Management” of this annual report.

There was no financial, business, family or other material relationship among the Directors.

The INEDs have brought in a wide range of business and financial expertise and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will make various contributions to the Company.

The composition of the Board is in accordance with the requirement of Rules 5.05 and 5.05A of the GEM Listing Rules. There are three independent non-executive Directors and one of them has accounting professional qualification. More than one-third of the members of the Board are independent non-executive Directors, which brings a fairly strong independence element in its composition.

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules up to the date of 25 June 2018.

Appropriate insurance coverage in respect of legal actions against the Directors and senior management’s liability has been arranged by the Company.

CORPORATE GOVERNANCE REPORT

DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

All Directors received induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is sufficiently aware of his/her responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

All Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities.

All Directors confirmed that they have complied with the paragraph A.6.5 of the Corporate Governance Code. According to the records maintained by the Company, the Directors received the following training regarding roles, function and duties of a director of a listed company or professional skills in compliance with the requirement of the Corporate Governance Code on continuous professional development during the Year Under Review:

Name of Directors	Type of Trainings
Ms. Tse Ying Sin Eva	A, B
Mr. Chan Darren Chun-Yeung	A, B
Mr. Tang Wing Lam David	A, B
Mr. Chin Chun Wing	A, B
Mr. Yung Wai Kei	A, B

A: attending seminars/conference/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

MEETINGS OF BOARD AND DIRECTORS' ATTENDANCE RECORDS

Schedules for regular Board meetings are normally agreed with the Directors in advance. In addition to the above, notice of at least 14 days is given for a regular Board meeting. For other Board meetings, reasonable notice is generally given.

Draft agenda of each Board meeting is usually sent to all Directors together with the notice in order to give them an opportunity to include any other matters in the agenda for discussion in the meeting.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting to provide them with materials relating to the transactions to be discussed in the meeting in order to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The Chairlady, other Directors and other relevant senior management normally attend regular Board meetings and, where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group.

CORPORATE GOVERNANCE REPORT

MEETINGS OF BOARD AND DIRECTORS' ATTENDANCE RECORDS *(Continued)*

The Company Secretary is responsible to keep minutes of all Board and committee meetings. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interest for substantial shareholders or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The M&A contains provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

The following table summarises the attendance record of individual directors and committee members for the year:

Name of Directors	Number of Attendance/number of meeting				Annual General Meeting
	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	
Number of meeting held	6	4	1	1	1
Executive Directors					
Ms. Tse Ying Sin Eva	6/6	–	1/1	1/1	1/1
Mr. Chan Darren Chun-Yeung	6/6	–	–	–	1/1
Independent non-executive Directors					
Mr. Tang Wing Lam David	5/6	4/4	–	–	1/1
Mr. Chin Chun Wing	6/6	4/4	1/1	1/1	1/1
Mr. Yung Wai Kei	6/6	4/4	1/1	1/1	1/1

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

Remuneration Committee

The Company established the Remuneration Committee on 17 December 2016 pursuant to a resolution in compliance with Rule 5.34 of the GEM Listing Rules with written terms of reference in compliance with paragraph B.1.2 of the Corporate Governance Code. The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors, senior management and general staff of the Group and ensure that none of the Directors or any of their associates determine their own remuneration. The Remuneration Committee consists of three members, namely Mr. Chin Chun Wing, Ms. Tse Ying Sin Eva and Mr. Yung Wai Kei. Mr. Chin Chun Wing is the chairman of the Remuneration Committee.

For the Year Under Review, the remuneration of Directors was determined by their experience, responsibility, workload and the time devoted to the Group. Executive Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statement.

Attendance record of meetings during the year is set on the above of this page.

BOARD COMMITTEES *(Continued)*

Nomination Committee

The Company established the Nomination Committee on 17 December 2016 with written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code. The nomination committee schedules to hold at least one meeting a year. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to appointment or reappointment of Directors. The Nomination Committee consists of three members, namely Mr. Chin Chun Wing, Ms. Tse Ying Sin Eva and Mr. Yung Wai Kei. Ms. Tse Ying Sin Eva is the chairlady of the Nomination Committee.

During the year end 31 March 2018, the Nomination Committee convened one committee meeting. It had assessed the independence of INEDs, considered the re-appointment of retired Directors and discussed matters relating to procedure of nomination of director candidate by shareholders, Directors' evaluation and succession plan etc. Attendance record of meeting during the year is set out on page 18.

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 Corporate Governance 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 judgments in respect of financial reporting; and oversee the effectiveness of the procedures of the internal control of our 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.

During the Year Under Review, the Audit Committee has reviewed and ensured the independence and objectivity of the external auditor, Deloitte. Details of the fees paid or payable to Deloitte for the Year Under Review are set out under the paragraph headed "Auditors' Remuneration" on page 20 in this annual report.

During the Year Under Review, four Audit Committee meetings were held and the attendance record of meeting during the year is set on page 18.

The Audit Committee performed the following work during the year ended 31 March 2018:

- (a) reviewed the Group's annual audited financial statements for the year ended 31 March 2018, the unaudited first quarterly financial statement for the 3 months ended 30 June 2017, the interim financial statements for the six months ended 30 September 2017 and the third quarterly financial statement for the nine months ended 31 December 2017 including the accounting principles and accounting standards adopted with recommendations made to the Board for approval;
- (b) reviewed the changes in accounting standards and assessed their potential impacts on the Group's financial statements;
- (c) reviewed the Group's internal control system and related matters; and
- (d) considered and made recommendations on the re-appointment of the independent auditor of the Group, and the terms of engagement.

AUDITOR'S REMUNERATION

The Audit Committee has reviewed and ensured the independence and objectivity of the external auditor, Deloitte. Details of the fees paid or payable to Deloitte for the Year Under Review are as follows:

	HK\$'000
2018 annual audit	950
Other audit related services	1,000
	1,950

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for the Group's risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute assurance against misstatement or loss.

Given the relatively simple corporate and operation structure, the Group currently does not have an internal audit function.

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management as well as overseeing the formation, implementation and monitoring of the risk management and internal control systems.

In addition, the Group engages independent professional advisor to conduct an annual review of the effectiveness of the Group's risk management and internal control system in various material aspects including financial, operational and compliance controls. The risk management report and internal control report are submitted and reviewed by the Audit Committee at least once a year. Summary of findings and recommendations are discussed at the Audit Committee meeting with a view to improve the Group's operations.

For the Year Under Review, the Board is satisfied that the Group's risk management and internal control systems (i) are adequate to meet the needs of the Group in its current business environment; and (ii) comply with the code provisions on internal control as set out in the GEM Listing Rules.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to Convene an Extraordinary General Meeting ("EGM")

Pursuant to the M&A, an EGM may be convened by the Board upon requisition by any Shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The Shareholder shall make a written requisition to the Board or the Company Secretary at the head office of the Company at Room D2, 11/F, Phase 2, Hang Fung Industrial Building, 2G Hok Yuen Street, Hung Hom, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. Pursuant to the Article of Association, the Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business.

If within twenty-one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such EGM, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

Procedures for putting forward Proposals at a General Meeting

A Shareholder shall make a written requisition to the Board or the company secretary of the Company at the head office of the Company at Room D2, 11/F, Phase 2, Hang Fung Industrial Building, 2G Hok Yuen Street, Hung Hom, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board in writing through the Company Secretary at the head office of the Company at Room D2, 11/F, Phase 2, Hang Fung Industrial Building, 2G Hok Yuen Street, Hung Hom, Kowloon, Hong Kong, or send email to info@barpacific.com.hk. Shareholders may also make enquiries with the Board at the general meetings of the Company.

Constitutional Documents

There are no significant changes in constitutional documents of the Company during the year ended 31 March 2018.

Directors' Securities Transactions

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiries with all Directors, all of them confirmed that they have complied with the required standard of dealings throughout the period from the Listing Date to the date of this annual report. The Company has not been notified of any incident of non-compliance during such period.

Company Secretary

Mr. Chan Darren Chun-Yeung is the company secretary of the Company. The biographical details of Mr. D Chan are set out in the section headed "Profile of Directors and Senior Management" of this annual report. In accordance with Rule 5.15 of the GEM Listing Rules, Mr. D Chan had taken no less than 15 hours of relevant professional training during the Year Under Review.

The Directors are pleased to present this annual report and the audited consolidated financial statements for the Year Under Review.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its subsidiaries is the operation of a chained bar group offering beverages and light refreshments in Hong Kong. Details of the Company's principal subsidiaries are set out in note 29 to the audited consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the Year Under Review.

BUSINESS REVIEW

A review of the business of the Group during the Year Under Review and a discussion on the Group's future business development are set out in the section headed "Chairlady's Statement" on pages 4 to 5 and section headed "Management Discussion and Analysis" on pages 6 to 11 of this annual report. No important events affecting the Group occurred since the end of the financial year ended 31 March 2018. In addition, discussions on the Group's environmental, social and governance practices, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the section headed "Environmental, Social and Governance Report" on pages 31 to 41 and the section headed "Corporate Governance Report" on pages 15 to 21 of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the Year Under Review are set out in the consolidated statement of profit or loss and other comprehensive income on page 46 of this annual report.

An interim dividend of HK0.55 cents per share for the nine months ended 31 December 2017 (2017: nil) was declared by the Board.

The Board does not recommend the payment of final dividend and propose that the remaining profit for the year be retained.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last four financial years, as set out on page 78 of this annual report, are extracted from this annual report and the prospectus of the Company dated 30 December 2016.

DIRECTORS' REPORT

USE OF PROCEEDS

As at 31 March 2018, all of the unused proceeds were deposited in a licensed bank in Hong Kong. During the Year Under Review, a portion of the net proceeds from the Placing was utilised and the corresponding explanations are set out in the table below:

Proposed use of proceeds	Proposed amount to be used	Proposed amount used up to 31 March 2018	Approximate actual amount utilized up to 31 March 2018	Amount proposed to be used in the next 12 months	Changes and explanation
Expand our "Bar Pacific" brand to different locations	HK\$35.5 million	HK\$17.8 million	HK\$10.8 million	HK\$11.8 million will be used to open four new shops	The proposed use of proceeds will be used as intended.
Continue to upgrade our shops' facilities	HK\$3.4 million	HK\$2.0 million	HK\$3.4 million	Nil	Renovation was speeded up to boost revenue of existing shops. During the period from the Listing Date to 31 March 2018, the Group completed the refurbishment of 16 shops. As proposed amount was used up, the Group will continue refurbishment on existing shops using internal generated capital.
Continue our promotion and marketing efforts	HK\$3.5 million	HK\$2.2 million	HK\$2.1 million	HK\$1.4 million	The proposed use of proceeds will be used as intended.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year Under Review are set out in note 13 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2018, the Company's reserves available for distribution to the Shareholders are approximately HK\$59 million (as at 31 March 2017: HK\$44 million) as calculated in accordance with statutory provisions applicable in the Cayman Islands.

PRE-EMPTIVE RIGHT

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 19 to the consolidated financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the Year Under Review and up to the date of this annual reports are:

Executive Directors:

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

Independent non-executive Directors ("INEDs"):

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

In accordance with Article 84 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. At the forthcoming annual general meeting of the Company (the "**2018 AGM**"), Mr. Tang and Mr. Chin will retire from office as Director by rotation and, being eligible, will offer themselves for re-election at the 2018 AGM.

The Company has received from each of the INEDs an annual confirmation of his independence pursuant to the GEM Listing Rules, and the Company considers the INEDs to be independent pursuant to Rule 5.09 of the GEM Listing Rules as at the date of 25 June 2018 are independent.

Profile of the Directors and senior management of the Group as at the date of this annual report are set out on pages 12 to 14.

On 17 December 2016, the Company entered into a service contract with each of Ms. Tse and Mr. D. Chan, being Executive Directors and Mr. Tang, Mr. Chin and Mr. Yung, being INED for a term of three years, commencing from the Listing Date and shall continue thereafter unless terminated by either party giving to the other not less than three months' notice in writing.

No Directors being proposed for re-election at the forthcoming annual general meeting has any service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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 March 2018, 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	Capacity/Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital in the Company
Ms. Tse (Note)	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	12,094	0.00%

Note: Moment to Moment Company Limited ("Moment to Moment") holds 431,543,700 Shares, representing approximately 50.18% of the share capital in the Company. The sole shareholder of Moment to Moment 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 Moment to Moment under the SFO.

On 7 June 2018, Mr. Chan and Ms. Chan became the beneficiaries of Bar Pacific Trust. Both Mr. Chan and Ms. Chan become interested in 431,543,700 Shares held by Moment to Moment and is deemed to be interested in the shares held by Moment to Moment under the SFO. Mr. Chan originally owns 4,725,038 Shares directly.

Save as disclosed above, as at 31 March 2018, 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.

DISCLOSURE OF INTERESTS *(Continued)*

(B) Substantial shareholders' and other persons' interests and short positions in Shares and underlying shares of the Company

So far as the Directors are aware of, as at 31 March 2018, 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	Capacity/Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital in the Company
Moment to Moment <i>(Note 1)</i>	Beneficial owner	431,543,700	50.18%
Harneys Trustees Limited <i>(Note 1)</i>	Trustee (other than a bare trustee)	431,543,700	50.18%
Ms. Tse <i>(Note 2)</i>	Beneficiary of a trust/ Beneficial owner	431,555,794	50.18%
Ms. Chan Tsz Kiu Teresa <i>(Note 1)</i>	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Ching Mandy <i>(Note 1)</i>	Interest of controlled corporation	431,543,700	50.18%

Note 1: Moment to Moment holds 431,543,700 Shares, representing approximately 50.18% of the share capital of the Company. The sole shareholder of Moment to Moment 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 Moment to Moment under the SFO.

Note 2: On 17 November 2017, BP Sharing Limited ("**BP Sharing**") declared and distributed a dividend by distribution in specie of all its shares in the Company ("**the Distribution**") to its shareholders on the same day. Ms. Tse is one of the shareholders of BP Sharing and was distributed a total of 12,094 Shares pursuant to the Distribution. Ms. Tse becomes interested in 431,555,794 Shares (comprising (i) 431,543,700 Shares held by Moment to Moment ; and (ii) 12,094 Shares directly held by Ms. Tse as a result of the Distribution).

On 7 June 2018, Mr. Chan and Ms. Chan became the beneficiaries of Bar Pacific Trust. Both Mr. Chan and Ms. Chan become interested in 431,543,700 Shares held by Moment to Moment and is deemed to be interested in the shares held by Moment to Moment under the SFO. Mr. Chan originally owns 4,725,038 Shares directly.

Save as disclosed above, as at 31 March 2018, 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.

INTERESTS OF COMPLIANCE ADVISER

As at 31 March 2018, as notified by the Company's compliance adviser, Red Solar Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement dated 27 October 2017 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.

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 under the Scheme since its adoption and up to 31 March 2018 and there was no share option outstanding as at 31 March 2018.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year Under Review was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors or their associates (as defined under the GEM Listing Rules) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme as disclosed in the paragraph headed "Share Option Scheme", no equity-linked agreements that (i) will or may result in the Company issuing shares; or (ii) require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year Under Review or subsisted at the end of the Year Under Review.

RELATED PARTY TRANSACTIONS

The significant related party transactions entered into by the Group during the Year Under Review are set out in note 22 to the consolidated financial statements.

During the Year Under Review, the Group has entered into the two transactions with connected persons and will continue to carry out such transactions. Both transactions constitute de minimis transaction which are fully exempt from the Shareholders' approval, annual review and all disclosure requirements under Rule 20.74 of the GEM Listing Rules.

EMOLUMENT POLICY

The Board has delegated the Remuneration Committee with assisting the Board on formulating remuneration policy and reviewing the emoluments of senior management and Directors of the Company.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Article of Association, subject to relevant laws, every Director shall be indemnified out of the assets of the Company against all losses and liabilities which the Directors may sustain or incur in or about the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors of the Company.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31 March 2018.

MAJOR CUSTOMERS AND SUPPLIERS

The Group had no major customer due to the nature of principal activities of the Group.

During the Year Under Review, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 87% of the Group's total purchases while the purchases attributable to the Group's largest supplier accounted for approximately 33% of the Group's total purchases.

None of the Directors, their respective close associates (as defined under the GEM Listing Rules) or any Shareholder, to the best knowledge of the Directors, owns more than 5% of the Company's issued shares, had any interest in any of the five largest suppliers of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year Under Review, none of the Directors of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those businesses of which the Director were appointed as Directors to represent the interests of the Company and/or the Group.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of any business of the Group were entered into or existed during the Year Under Review.

AUDITOR

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu ("**Deloitte**"). A resolution will be submitted to the annual general meeting of the Company to re-appoint Deloitte as auditor of the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within its knowledge, as at the date of this annual report, there is sufficient public float of 25% of the Company's issued shares as required under the GEM Listing Rules.

NON-COMPETITION UNDERTAKING

Each of Ms. Chan Ching, Mandy, Ms. Tse and Moment to Moment (each a "**Covenantor**", collectively, "**Covenantors**") entered into a deed of non-competition in favour of the Company (the "**Deed of Non-competition**") on 17 December 2016.

A summary of the major terms of the Deed of Non-competition was disclosed in the section headed "Relationship with our Controlling Shareholders" of the prospectus of the Company dated 30 December 2016.

The Company received from each of the Covenantors an annual confirmation in June 2018 on each of their compliance of the non-competition undertaking under the Deed of Non-competition. The independent non-executive Directors have reviewed the compliance of each of these undertakings and evaluated the effectiveness of the implementation of the Deed of Non-competition, and were satisfied that each of the Covenantors has complied with their undertaking during the Year Under Review.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for those disclosed under Note 22 to the consolidated financial statements, during the Year Under Review, there was no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of that Director has or had, directly or indirectly, a material interest.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed "Directors' and Chief Executives' Interests and Short Position in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" on page 25 in this annual report, at no time during the Year Under Review and as at the end of the Year Under Review was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or any of its associated corporation.

CORPORATE GOVERNANCE

The principal corporate governance practices as adopted by the Company are set out in the section headed "CORPORATE GOVERNANCE REPORT" from pages 15 to 21 of this annual report.

CHARITY AND DONATION

The Group's charitable and other donations during the Year Under Review amounted to approximately HK\$187,342. No donations were made to political parties during the Year Under Review.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Directors are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year Under Review, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

As at 31 March 2018, the Group had no circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules.

ENVIRONMENTAL POLICIES AND PERFORMANCES

The Group is committed to support for environmental protection by adopting green office practices to reduce consumption of energy and natural resources. The green office practices include use of energy-efficient LED lights and duplex printing, reuse of single-side printed paper envelopes and stationery, using e-clearing, turning off idle electrical appliances and setting optimal temperature on the air-conditioning. Employees have been following the green office practices whenever possible during the day-to-day operation.

The Environmental, Social and Governance Report is set out on pages 31 to 41 of this annual report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND BUSINESS PARTNERS

The Group is committed to establish and maintain long term and harmonious relationships with its employees, customers and business partners. The Group provides a pleasant and healthy working environment to employees. During the Year Under Review, the Group organised various activities to promote the friendship, bonding and healthiness of employees including overseas trip, barbecue and annual dinner. In addition, continuous professional training is provided to employees to update and strengthen their professional knowledge. Instead of mass communication, employees of the Group communicate with his/her customers and/or business partners on an ongoing and promptly basis through email, telephone or face-to-face meeting. The Group was able to retain its customers and business partners during the Year Under Review and no complaints were received.

DEBENTURES

The Company did not issue any debentures during the Year Under Review.

RESERVES

Details of the movement in the reserves of the Group and the Company during the Year Under Review are set out in the consolidated statement of changes in equity and in note 30 to the audited consolidated financial statements, respectively.

On behalf of the Board

Bar Pacific Group Holdings Limited

Tse Ying Sin Eva

Chairlady

25 June 2018

APPROACH

Bar Pacific Group Holdings Limited (hereafter called “**the Company**” or “**Bar Pacific**”) and its subsidiaries (collectively, “**the Group**”) are a chained bar group offering beverages and light refreshments under the brand “Bar Pacific” in Hong Kong. Various factors, including business-related challenges, work ethics, global trends, applicable laws and regulations, etc., are taken into account by the Group in order to constantly promote its network expansion and achieve its long-term sustainability. The Group is constantly seeking opportunities to grow its businesses that will be beneficial not only to its shareholders, but also to its suppliers, customers and the environment in which it operates.

The Group recognizes its responsibilities and accountability to all its stakeholders, including customers, existing shareholders and potential investors, employees, suppliers, non-governmental organizations (NGOs) and local community. Understanding the needs and expectations of the stakeholders is the key to the Group’s success. As each stakeholder requires a different engagement approach, at Bar Pacific, we have established tailor-made communication methods in order to better meet each stakeholder’s needs and expectations.

Within the Group, we often keep a close eye on monitoring the risks and exploring potential opportunities. For the sake of striking a balance among business needs, social demands and environmental impacts, we are committed to continuously monitoring the risks and opportunities which exist in our daily operations, and at the same time, embracing transparent corporate culture to ensure that our sustainability strategies are well communicated to our employees, customers, the communities and other stakeholders.

To implement sustainability strategies which apply to all levels of the Group, the top-down approach is adopted for the following sustainability strategies:

1. To achieve environmental sustainability
2. To respect human rights and social culture
3. To engage with stakeholders
4. To support our employees
5. To sustain local communities

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPROACH *(Continued)*

Bar Pacific is pleased to present its Environmental, Social and Governance (“**ESG**”) Report. The content contained herein focuses on providing an overview of the environmental, social and governance performance of its major operations in Hong Kong from 1 April 2017 to 31 March 2018. This also facilitates the Group to conduct thorough performance review and evaluation to enhance the overall performance results in the future. The reporting period is consistent with its financial year.

Scope of the Report

This report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 20 to the GEM Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The report summarizes our ESG performance from 1 April 2017 to 31 March 2018, and describes our policies that were designed to fulfil the Group’s obligations with respect to sustainable development and social responsibilities areas, as required by the ESG Guide.

Feedback

For details of our ESG performance, corporate governance as well as financial performance, please refer to our Annual Reports. We treasure your feedback and comments on our sustainability performance. Please call our Customer Hotline at 2356 1126 or email info@barpacific.com.hk for any feedback and enquiries.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR STAKEHOLDERS

Bar Pacific actively strives to better understand its stakeholders and engage them to ensure that improvements are implemented to its products and services. We strongly believe that our stakeholders would play a crucial role in sustaining the success of our business in the challenging market.

Stakeholders	Point(s) of concern	Communication and responses
HKEx	Compliance of listing rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
Government	Compliance of laws and regulations, preventing tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns, application and other information.
Suppliers	Payment schedule, stable demand.	Site visits.
Shareholders/Investors	Corporate governance system, business strategies and performance, investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, financial reports or operation reports for investors, media and analysts.
Media & Public	Corporate governance, environmental protection, human right.	Issue of newsletters on the Company's website.
Customers	Product quality, delivery times, reasonable prices, service value.	Customer feedbacks and comments by verbal, phone, email or messages.
Employees	Rights and benefits, employee compensation, training and development, work hours, working environment.	Conducting union activities, trainings, interviews for employees, issuing employee handbooks, internal memos, employee suggestion boxes.
Community	Community environment, employment and community development, social welfare.	Developing community activities, employee voluntary activities and community welfare subsidies and donations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Section A: Environmental

To demonstrate the Group's commitment to sustainable development and compliance with laws and regulations relating to environmental protection, the Group endeavors to minimize the environmental impact of its business activities and maintain green operations and green office practices. Our dedicated efforts were proven effective as there was no material non-compliance in laws and regulations related to environmental protection throughout the year ended 31 March 2018.

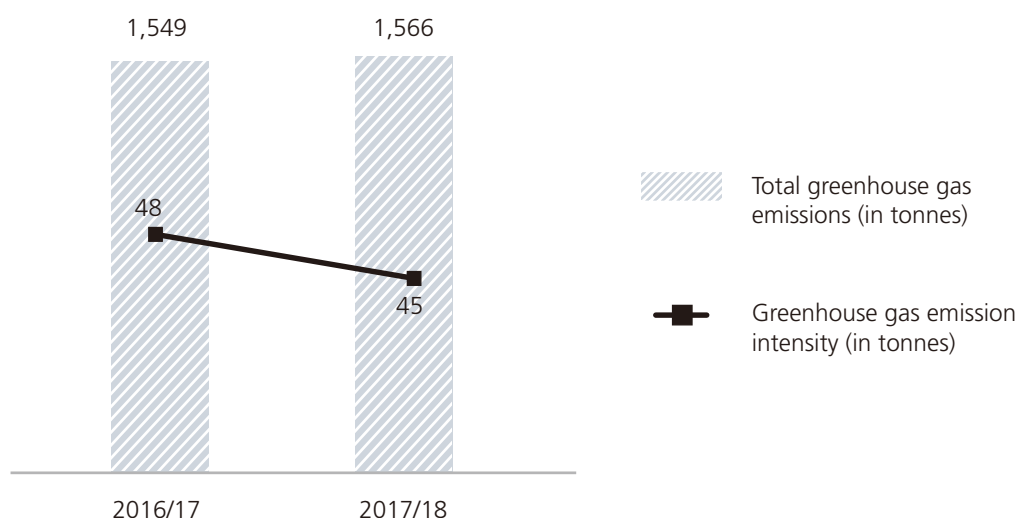
Emissions

The Group's operations mainly focus on providing beverage and light refreshment to customers, and do not involve gaseous fuel consumption or vehicles usage. Therefore, no material emissions of air pollutants, which include nitrogen oxides ("NO_x"), sulphur oxides ("SO_x"), etc., were identified. Yet, the Group's consumption of electricity and water, and production of paper waste still contribute to the emissions of greenhouse gases.

Greenhouse Gas Emissions

Greenhouse gas emissions are the main culprits of global warming. For the sake of reducing greenhouse gas emissions, we embrace in driving green practices in our day-to-day operations. We uphold reduction of usage of paper, electricity and water. Reminders were posted next to the switch of appliances, encouraging employees to switch all idle appliances off. A recycle paper box was placed next to the printer for collecting single-side-printed paper for reuse.

With the above resources saving measures, the total greenhouse gas emissions of the Group was approximately 1,566 tonnes in the year ended 31 March 2018, which has increased by approximately 1% when compared to last year. The increase was mainly result of the opening of the three new bar outlets during the year. When considering the greenhouse gas emissions per bar outlet, it decreased by approximately 8%.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Continued)*

Section A: Environmental *(Continued)*

Emissions (Continued)

Waste Management

The Group's operations of bar outlets, serving customers with beverage and light refreshment, produce no hazardous waste, e.g. chemical wastes, clinical wastes and hazardous chemicals.

On the other hand, the Group promotes repairs and maintenance for reducing non-hazardous waste. With decreasing availability of suitable land for landfill and increasing environmental impacts of waste disposal, waste reduction has always been one of the objectives of the Group. However, due to the limitation of available information for estimating the weight data of wastes produced, the only measurable output of our non-hazardous waste in the financial year 2018 was mainly paper waste, which amounted to approximately 543 kg. With a total of 350 employees, the paper waste produced by each of our employees was approximately 1.6 kg during the year. We encouraged double-sided printing, and so, single-side-printed paper was collected for re-use. With our waste reduction efforts, we recorded an approximately 46% reduction and 56% reduction in the total paper wastes produced and the paper waste intensity, respectively. Apart from our waste reduction efforts, the great reduction in paper wastes produced was also attributable to the start of e-clearing in our bar outlets' operations. Before, our operation department has to print at least 10 to 15 sheets of paper for each of our bar outlet per day. The commencement of e-clearing during the Year Under Review has in return saved around 130,000 sheets of paper. We would continue saving the woods by the e-clearing practice.

Use of Resources

The Group is committed to becoming a resource-saving and environment-friendly enterprise to promote environmental protection.

Energy Consumption

The total energy consumption for the Year Under Review was 2,349 MWh. The electricity consumed by the Group was the largest contributor to the greenhouse gas footprint, compared to other resource consumption. To reduce the Group's carbon and energy footprints, the Group has posted some energy conservation reminders in place, and continued to upgrade the office hardware into one with more energy efficient options, e.g. LED lightings in our office and bar outlets.

The electricity consumption intensity, which is calculated as the total electricity consumption divided by the number of bar outlets, was 67 MWh per bar outlet in the year ended 31 March 2018. The electricity consumption intensity decreased by 7% when comparing with last year.

Water Consumption

Water consumption is essential for our operations of offering beverage to customers. Yet, we still encourage reduction unnecessary water consumption. As processing fresh water and sewage both involve electricity usage, reduction of water consumption is key for reducing our adverse impact on the environment. For the year ended 31 March 2018, our water consumption was 18,123 m³, which was 14% higher than our consumption last year. When considering the water consumption intensity, which is calculated by dividing the total water consumption by the number of bar outlets, the figure was 518 m³ per bar outlet, still increased by 4% when comparing with the figure last year. The increase was mainly due to the expansion of business scope, which includes, catering for breakfast, lunch and afternoon tea at our bar outlets. Nevertheless, the Group is going to provide more training to employees educating them the importance of water conservation. Apart from posting water saving reminders next to the water tap, the Group would encourage employees to do the washing in bulk to further reduce unnecessary water consumption.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Continued)*

Section A: Environmental *(Continued)*

Use of Resources (Continued)

Packaging Materials

As the Group's operations mainly focus on providing beverage and light refreshment, packaging material consumption of the Group is not seen as having material impacts on the environment.

The Environment and Natural Resources

The Group believes that corporate development should not come at the expense of the environment. Therefore, we have been adopting environmental friendly practice in various aspects. For example, we posted reminders of switching off all idle appliances, and have been adopting paperless working environment to reduce unnecessary paper wastage.

With the Group's determination in minimizing the impacts of our operations on the environment, we have successfully achieved the followings:

Aspects	Targets
Greenhouse Gas Emission Intensity	Reduce greenhouse gas emissions per bar outlet by 8%
Paper Waste Production	Reduce paper wastes by 46%
Paper Waste Intensity	Reduce paper wastes per employee by 56%
Electricity Consumption Intensity	Reduce electricity consumption per bar outlet by 7%

Looking ahead, more attention would be paid on reducing our water consumption. And building on the success this year, we would strive to further reduce our adverse impacts on the environment in the coming years.

Section B: Social – Employment and Labour Practices

Employment

Our employees are always treasured as the most valuable assets to our Group. We take pride in the dedication and effort of all our employees contributing to our success. Our employees do not only serve our customers, but also build up our brand image. Only with their continued commitment and contribution can our Group be able to achieve our corporate goals.

Our Employees

Our headcounts consisted of 350 members as at 31 March 2018. We believe that maintaining a diverse and inclusive workforce with due respect given to our employees is so critical to running a sustainable and successful business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Continued)*

Section B: Social – Employment and Labour Practices *(Continued)*

Employment (Continued)

Employee Benefits

The Group offers a comprehensive employee benefits package for all its dedicated, talented staff. They are compensated fairly according to their contributions, with reference to the market practice. Bonuses may be awarded based on employees' and the Group's performance. In addition, the Group has also adopted various bonus schemes for its staff in order to motivate them to achieve certain pre-set targets, such as a certain amount of revenue per shop during a period of time. Once the staff of a shop achieved the target for three consecutive months, extra bonus will be paid to them.

Staff's performance is reviewed and assessed annually, in the light of enhancing the strengths and addressing the development needs of each of them, so that employees can not only succeed in their job, but also build a career with us at Bar Pacific. A transparent mechanism takes into account various factors, including but not limited to, employees' attendance performance, capability, attitude, team spirit, communication skills and contributions to the Group, for incentives of and promotion. Employees earn higher subsidies and bonuses as they are promoted to higher ranks.

In addition, we contribute to the Mandatory Provident Fund and employees' compensation insurance with reference to the Employment Ordinance of Hong Kong.

Harmonious Workspace

The Group strives for building a harmonious and inclusive working environment, free from any harassment and discrimination. The Group respects human rights, providing equal opportunities for its staff, regardless of their age, sex, marital status, pregnancy, family status, disability, race, nationality, religion and/or sexual orientation. The equal opportunities philosophy is applicable towards its recruitment, training and development, recognition and reward, and termination and dismissal.

In case any staff member feels that he/she has been harassed or discriminated, he/she should immediately inform the Supervisors, Assistant Manager or the Manager for investigation and follow-up.

Work-life Balance of Employees

The Group understands that taking a break by its staff from time to time is necessary for accomplishing the long-term goals of the Group, and so, it strives to strike a proper work-life balance of its employees, providing them from 7 to 15 days of annual leave, and 25 days' work per month with nine working hours per day. Employees are also entitled special leaves to meet their families' needs, such as marriage leave, funeral leave and maternity leave, etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Continued)*

Section B: Social – Employment and Labour Practices *(Continued)*

Health and Safety

The Group is committed to providing a safe working environment for its employees. The Group aims not only to meet the minimum occupational health and safety standards required by law, but to exceed them. In every bar outlet, there is one Hygiene Supervisor monitoring the hygiene quality of the outlet, all Hygiene Supervisors have joined the training course held on behalf of Food and Environmental Hygiene Department and been awarded the Certificate in Food Hygiene for Hygiene Supervisor. Their daily monitor and irregular surprise checks performed by the District Manager ensure a clean and tidy working environment for employees, and thus the risk of occupational hazards is minimized.

To ensure alcoholic beverages are only sold to legitimate customers, employees are educated to check the identity document of any customers suspected to be below 18 years old. All the shops of the Group are equipped with security system such as CCTV to monitor the shop operation. The Group has strict guidelines issued to the staff, instructing them to report to the police if they suspect that there are illegal activities or disorderly behaviour taking place in the bar outlets. Moreover, in case of emergency, employees are guided to protect themselves first, and call the police if necessary. In addition, if the customer appears to be intoxicated, the Group will cease to supply any alcoholic beverages. The District Manager checks every bar outlet randomly to ensure a safe working environment.

The labour insurance is closely monitored and adjusted according to the headcounts. In case of injuries, employees' interests are protected by the insurance.

Development and Training

The Group provided a wide variety of training to its staff to encourage positive behaviour of the employees, and to equip employees with the work-related skills. Standardized operation manual and training are provided to newly joined employees and the existing staff from time to time. In general, induction training is provided to all newly joined staff. Regular trainings and briefings are also provided to the existing staff to update on any new industry regulations and the Group's new marketing events.

Labour Standards

Respecting human rights has been an integral part of the Group's approach to sustainability. The Group fully complies with labour laws and other relevant legislations that prohibit child labour and forced labour. Identification documents of the candidates would be checked during interview to ensure they have reached the legal working age. Supervisors, Assistant Manager, Manager and Human Resources Department will communicate with the employees on work arrangement based on the actual situation of different bars. Employees are not required to work overtime against their will. Flexible working hours might apply for some positions based on the operation needs.

For the year ended 31 March 2018, there was no material non-compliance with applicable laws and regulations in relation to labour standards.

Communication with Employees

The Group strives to create an open environment in which employees are able to speak up with ideas and issues. Employees are welcome to provide comments and feedback directly to the Supervisors, Assistant Manager or the Manager. Every week, an office meeting is held to update the employees with the Group's news. Employees are welcome to freely express their opinion in the meetings. In case of any complaint received from employees, an independent investigation and the appropriate follow-up actions would be taken, if necessary. Through both top-down and bottom-up communication, the Group is confident that harmonious relationship with its employees is achieved.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Continued)*

Section B: Social – Operating Practices

Supply Chain Management

To maintain long-term relationship with suppliers, the Group has entered into annual master purchase agreement, with most of its major suppliers.

The Group recognizes that proper management of its supply chain could bring positive impacts to the social environment. The Group implements rigorous management of its suppliers. In this regard, a list of approved suppliers has been established. When there is new supplier, the Group conducts an initial supplier assessment, verifying its business registration certification. The Group also conducts a half-yearly evaluation on the performance of its suppliers based on a set of criteria including product range, delivery schedule, service quality, and price and credit terms.

The suppliers are encouraged to demonstrate their corporate social responsibilities by complying with corporate social responsibility codes as well as business ethics, with respect to workplace operations, marketing activities, social contacts and environmental responsibilities. High standards of morality which include prohibition of provision and acceptance of bribes and/or other unfair benefits are adopted by the Group. Information of business activities, business structure, financial status and financial performance, etc. should be disclosed only in accordance with applicable laws and regulations.

Currently, the Group is working with 26 major suppliers, who are all located in Hong Kong. When making purchase order, price comparison is performed if applicable, so as to protect not only the interests of the Group, but also interests of our stakeholders.

Product Responsibility

Adhering to the motto of “bringing joy to everyone”, the Group commits to providing a joyful, safe, clean and comfortable environment for customers to enjoy with the beverage and/or refreshments. To guarantee the product quality, the Group’s procurement policy is to select only suppliers from its approved supplier list, in order to ensure that they have passed selection procedures. The Bar Managers and Operation Team check the outer appearance of the beverage products regularly for identifying if there is any abnormality upon beverage delivery to the bar outlets and head office, respectively. Any beverage products which show signs of abnormality are returned to the supplier for replacement or refund. The Group’s inventory mainly comprises beverages. The Bar Managers and Operation Team are also responsible for inventory management, ensuring the turnover rate of beverage is shorter than the beverage shelf life.

The Group is committed to providing beverage and light refreshment with high standards of quality and reliability, as well as protecting the personal information of its customers. Employees are required to sign the non-disclosure agreement when they join the Group to ensure proper maintenance of confidentiality of the Group’s business strategies and protect customers’ data privacy. Directors and staff should avoid any conflicts of interest situation, at which their private interest conflicts with the Group’s interest.

In addition, the customer service team is responsible for handling customers’ complaints and enquiries. Various channels have been set up for customers to express their comments and recommendations, such as customer service hotline, email and social networking tools. Any customer complaint is recorded in a customer complaint register, in order to ensure the complaint is properly handled and settled. We strive to improve our quality of products and services by taking into consideration every comment or feedback received from customers.

For the year ended 31 March 2018, there was no material non-compliance with applicable laws and regulations relating to product responsibility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Continued)*

Section B: Social – Operating Practices *(Continued)*

Anti-corruption

We prohibit all forms of bribery and corruption. Employees should not solicit or accept any advantage for themselves. In particular, the Group centralized the purchase of all beverages, so as to prevent any possible kickback arrangement between individual bar outlet and the suppliers.

Whistleblowing policies are in place for employees to report suspected misconduct of their colleagues, subordinates, senior management or even suppliers. They are welcome to express their concern through face-to-face conversation, email or telephone with the Supervisors, Assistant Manager, Manager, or even the Executive Director in serious case. Our management will review and take follow-up actions to investigate for every single possible misconduct case.

For the year ended 31 March 2018, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

Section B: Social – Community

Community Investment

The Group is actively involved in a variety of community initiatives. Leveraging the uniqueness of the bar business, the company aligns the resources of the company with the needs of communities, motivating our staffs to serve the community in different areas.

Awards

The Group is committed mainly to serving the community by spreading happiness to everyone, providing a relaxing and comfortable atmosphere with quality beverages and refreshments at reasonable price. With the Group's dedication, the Group was awarded by a few authoritative organizations for its outstanding performance.

The Group was consecutively awarded the Quality Bar Label Award by the Hong Kong Bar and Club Association, and the Best Brand of Bar Award by Pacific Century Cyber Works ("**PCCW**") Limited, for its high quality of services, management, beverage and light refreshment, and environment.

With the Group's outstanding sales performance and efforts to serve its shareholders, the Group was awarded the Best Investment Value Award for Listed Companies ("**BIVA Award**"), Quam IR Award (The Most Remarkable Investor Relations Recognition) and the Listed Enterprise Excellence Award 2017. The Group was also honored as one of the Most Valuable Companies in Hong Kong and one of the Customer's Most Favorable Hong Kong Brands.

The Best of the Best: Social Caring Organization Award awarded upon the recommendation of the Board of Directors of Social Enterprise Research Academy had proven the Group's engagement in Corporate Social Responsibility ("**CSI**"), protecting human right, upholding labour standard, protecting the environment and fighting against corruption.

REGULATORY COMPLIANCE

The Group was not aware of any non-compliance with laws and regulations that has a significant impact on the Group relating to emissions, employment, health and safety, labour standards, product responsibility and anti-corruption during the reporting period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL DATA

Emissions	Year ended 31 March 2017	Year ended 31 March 2018	Unit
Greenhouse Gas Emissions			
Total greenhouse gas emissions	1,549	1,566	tonnes
Scope 2 Emissions from Electricity Consumption	1,536	1,554	tonnes
Scope 3 Emissions from Water and Sewage Processing	9	10	tonnes
Scope 3 Emissions from Disposal of Paper Waste	5	3	tonnes
Greenhouse gas emission intensity	48	45	tonnes/ bar outlet
Waste Management			
Paper Waste	1,008	543	kilogram
Paper Waste Intensity	3.6	1.6	kilogram/ employee
Use of Resources	Year ended 31 March 2017	Year ended 31 March 2018	Unit
Electricity Consumption			
Total Electricity Consumption	2,310	2,349	MWh
Electricity Consumption Intensity	72	67	MWh/bar outlet
Water Consumption			
Water Consumption	15,920	18,123	m ³
Water Consumption Intensity	498	518	m ³ /bar outlet



To the Members of Bar Pacific Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Bar Pacific Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**”) set out on pages 46 to 77, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition	
<p>We identified revenue recognition as a key audit matter, due to the significance of revenue of the Group to the consolidated statement of profit or loss and other comprehensive income.</p>	<p>Our procedures in relation to revenue recognition included:</p>
<p>Revenue of the Group is recognised at the point of sales to customers. The accounting policy for revenue recognition is disclosed in note 3 to the consolidated financial statements. For the year ended 31 March 2018, revenue of the Group amounted to HK\$134,251,000, which is set out in the consolidated statement of profit or loss and other comprehensive income and note 4 to the consolidated financial statements.</p>	<ul style="list-style-type: none">• Obtaining an understanding of the Group's revenue recognition policy;• Obtaining an understanding of the revenue business processes, and testing key information technology controls over the Group's point of sales system for capturing and recording of revenue transactions;• Verifying revenue transactions of the Group by tracing revenue recognised to daily sales reports and reconciliations to cash receipts and credit card settlements, on a sample basis;• Applying regression analysis technique to investigate any unusual patterns of revenue of the Group, and obtaining and assessing management's explanations for any unusual fluctuations in revenue; and• Analysing monthly revenue of each bar and assessing the reasonableness of management's explanations for any unusual fluctuations.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chu, Johnny Chun Yin.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 June 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	NOTES	2018 HK\$'000	2017 HK\$'000
Revenue	4	134,251	126,212
Other income	5	2,359	1,000
Cost of inventories sold		(32,058)	(27,750)
Staff costs		(40,425)	(37,000)
Depreciation		(6,347)	(3,635)
Property rentals and related expenses		(26,537)	(23,532)
Other operating expenses		(23,435)	(24,370)
Finance costs	6	(42)	(21)
Listing expenses		–	(12,694)
Profit (loss) before taxation	7	7,766	(1,790)
Taxation	10	(1,229)	(1,590)
Profit (loss) and total comprehensive income (expense) for the year		6,537	(3,380)
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		5,698	(4,275)
Non-controlling interests		839	895
		6,537	(3,380)
		HK cents	HK cents
Earnings (loss) per share – Basic	12	0.66	(0.62)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2018

	NOTES	2018 HK\$'000	2017 HK\$'000
Non-current assets			
Property, plant and equipment	13	20,112	8,757
Rental deposits	15	3,068	3,991
		23,180	12,748
Current assets			
Inventories	14	1,435	1,252
Trade and other receivables	15	7,991	6,331
Tax recoverable		1,037	1,117
Bank balances and cash	16	48,826	58,632
		59,289	67,332
Current liabilities			
Trade and other payables	17	9,573	7,605
Obligations under finance leases – amount due within one year	18	297	407
		9,870	8,012
Net current assets		49,419	59,320
Total assets less current liabilities		72,599	72,068
Non-current liability			
Obligations under finance leases – amount due over one year	18	783	1,141
Net assets		71,816	70,927
Share capital and reserves			
Share capital	19	8,600	8,600
Reserves		56,638	55,562
		65,238	64,162
Non-controlling interests		6,578	6,765
Total equity		71,816	70,927

The consolidated financial statements on pages 46 to 77 were approved and authorised for issue by the Board of Directors on 25 June 2018 and are signed on its behalf by:

TSE YING SIN EVA
DIRECTOR

CHAN DARREN CHUN-YEUNG
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Attributable to owners of the Company						Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note a)	Special reserve HK\$'000 (Note c)	Other reserves HK\$'000	Retained profits 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 year	–	–	–	–	–	(4,275)	(4,275)	895	(3,380)
Arising from group reorganisation (note b)	(389)	8,482	–	(8,093)	–	–	–	–	–
Capitalisation issue (see note 19d)	6,449	(6,449)	–	–	–	–	–	–	–
Issue of shares by way of placing (see note 19e)	2,150	60,200	–	–	–	–	62,350	–	62,350
Transaction costs directly attributable to issue of shares	–	(5,173)	–	–	–	–	(5,173)	–	(5,173)
Acquisition of additional interests in subsidiaries	–	–	–	–	(29)	–	(29)	(81)	(110)
Dividends paid to non- controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(1,101)	(1,101)
At 31 March 2017	8,600	57,060	6,065	(8,093)	(1,360)	1,890	64,162	6,765	70,927
Profit and total comprehensive income for the year	–	–	–	–	–	5,698	5,698	839	6,537
Acquisition of additional interests in subsidiaries	–	–	–	–	108	–	108	(251)	(143)
Dividends paid to non- controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(775)	(775)
Dividend (see note 11)	–	–	–	–	–	(4,730)	(4,730)	–	(4,730)
At 31 March 2018	8,600	57,060	6,065	(8,093)	(1,252)	2,858	65,238	6,578	71,816

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 (“**Bar Pacific BVI**”), a subsidiary of Bar Pacific Group Holdings Limited (the “**Company**”).
- Pursuant to a group reorganisation (the “**Reorganisation**”) in preparation for the listing of the Company’s shares on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”), the Company became the holding company of the companies now comprising 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 Reorganisation completed on 15 December 2016.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	2018 HK\$'000	2017 HK\$'000
OPERATING ACTIVITIES		
Profit (loss) before taxation	7,766	(1,790)
Adjustments for:		
Depreciation on property, plant and equipment	6,347	3,635
Loss on disposal of property, plant and equipment	123	5
Interest expenses	42	21
Interest income	(185)	(37)
Operating cash flows before movements in working capital	14,093	1,834
Increase in trade and other receivables and rental deposits	(737)	(2,622)
Increase in inventories	(183)	(335)
Increase in trade and other payables	1,968	65
Cash generated from (used in) operations	15,141	(1,058)
Hong Kong Profits Tax paid	(1,397)	(3,278)
Hong Kong Profits Tax refunded	248	88
NET CASH FROM (USED IN) OPERATING ACTIVITIES	13,992	(4,248)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,831)	(4,396)
Interest income	185	37
Proceeds from disposal of property, plant and equipment	6	–
NET CASH USED IN INVESTING ACTIVITIES	(17,640)	(4,359)
FINANCING ACTIVITIES		
Dividend paid	(4,730)	–
Dividends paid to non-controlling shareholders of subsidiaries	(775)	(1,101)
Principal payments for obligations under finance leases	(468)	(222)
Acquisition of additional interests in subsidiaries	(143)	(110)
Interest paid	(42)	(21)
Proceeds from issue of shares	–	62,350
Transaction costs directly attributable to issue of shares	–	(5,173)
Bank borrowing raised	–	4,500
Repayment of bank borrowing	–	(4,500)
Repayment to a director	–	(3,726)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(6,158)	51,997
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,806)	43,390
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	58,632	15,242
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, representing bank balances and cash	48,826	58,632

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. GENERAL AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of the Stock Exchange. The addresses of the Company's registered office and principal place of business are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and Room D2, 11/F, Phase 2, Hang Fung Industrial Building, 2G Hok Yuen Street, Hung Hom, Kowloon, Hong Kong, respectively. The Company's immediate holding company and ultimate holding company are Moment to Moment Company Limited and Harneys Trustees Limited, respectively, both companies are incorporated in the British Virgin Islands ("**BVI**").

The principal activity of the Company and its subsidiaries (collectively referred to as the "**Group**") is operation of chain of bars in Hong Kong under the brand name of Bar Pacific.

The consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is also the same as the functional currency of the Company.

In preparation for the Listing, the Group underwent the Reorganisation.

Pursuant to the Reorganisation as set out in the section headed "History, Development and Reorganisation" in the prospectus dated 30 December 2016 issued by the Company, which involved interspersing the Company, and certain companies between the then shareholders and the group entities, the Company became the holding company of the companies now comprising the Group on 15 December 2016.

The consolidated financial statements for the year ended 31 March 2017 has been prepared under the principles of merger accounting in accordance with the Accounting Guideline 5 "Merger Accounting For Common Control Combinations" issued by the HKICPA. The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the year ended 31 March 2017 has been prepared as if the group structure upon completion of the Reorganisation had been in existence throughout the year, or since their date of incorporation, where there is a shorter period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 “Disclosure Initiative”

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 28. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 28, the application of these amendments has had no impact on the Group’s consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ²
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2021

HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 "Leases" *(Continued)*

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2018, the Group has non-cancellable operating lease commitments of HK\$34,241,000 as disclosed in note 23. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$6,818,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosures as indicated above.

Except as described above, the directors of the Company anticipate that the application of the other new and amendments to HKFRSs and interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in other reserves and attributed to owners of the Company.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. It represents amounts receivable from operation of bars and net of discounts, if any.

Revenue from bar operations is recognised at the point of sales to customers.

Sponsorship income is recognised when the relevant services have been rendered and the amount can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment held for use in the operation of the bars, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Borrowing costs

Borrowing costs are recognised in profit and loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value is the estimated selling price for inventories less all costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are loans and receivables. The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimate future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date of the impairment loss is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Retirement benefits costs

Payments to defined contribution retirement benefits schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

4. REVENUE AND SEGMENT INFORMATION

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

Operating segments are determined with reference to the reports and financial information reviewed by the executive directors of the Company and the officers responsible for finance and accounting matters, being the chief operating decision maker (“**CODM**”) 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 CODM reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in note 3.

No geographical information is shown as the revenue and profit 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 in both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

5. OTHER INCOME

	2018 HK\$'000	2017 HK\$'000
Sponsorship income	1,198	258
Interest income	185	37
Others	976	705
	2,359	1,000

6. FINANCE COSTS

	2018 HK\$'000	2017 HK\$'000
Interests on:		
bank borrowings	–	4
obligations under finance leases	42	17
	42	21

7. PROFIT (LOSS) BEFORE TAXATION

	2018 HK\$'000	2017 HK\$'000
Profit (loss) before taxation has been arrived at after charging:		
Director's remuneration (<i>note 8</i>)	1,812	1,090
Other staff's salaries and other benefits	36,910	34,303
Other staff's retirement benefits scheme contributions	1,703	1,607
Total staff costs	40,425	37,000
Depreciation of property, plant and equipment		
– owned assets	6,042	3,468
– assets under finance lease	305	167
	6,347	3,635
Operating lease payments	24,915	22,142
Auditor's remuneration	950	950
Loss on disposal of property, plant and equipment	123	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

8. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company during the year were as follows:

	Year ended 31 March 2018			
	Fees HK\$'000	Salaries and other benefits HK\$'000	Retirement benefits scheme contributions HK\$'000	Total HK\$'000
Executive directors				
Tse Ying Sin Eva ("Ms. Tse")	–	660	18	678
Chan Darren Chun-Yeung	–	756	18	774
Independent non-executive directors				
Tang Wing Lam David	120	–	–	120
Chin Chun Wing	120	–	–	120
Yung Wai Kei	120	–	–	120
	360	1,416	36	1,812

	Year ended 31 March 2017			
	Fees HK\$'000	Salaries and other benefits HK\$'000	Retirement benefits scheme contributions HK\$'000	Total HK\$'000
Executive directors				
Ms. Tse [#]	223	147	5	375
Chan Darren Chun-Yeung [#]	–	616	18	634
Independent non-executive directors				
Tang Wing Lam David [*]	27	–	–	27
Chin Chun Wing [*]	27	–	–	27
Yung Wai Kei [*]	27	–	–	27
	304	763	23	1,090

[#] Ms. Tse and Chan Darren Chun-Yeung were appointed as executive directors of the Company on 2 June 2016. The emoluments disclosed above include those for their services as employees or directors of the group entities prior to becoming the directors of the Company.

^{*} Tang Wing Lam David, Chin Chun Wing and Yung Wai Kei were appointed as independent non-executive directors of the Company on 17 December 2016.

Note: Ms. Tse is also the Chief Executive of the Company and her emoluments above includes those for services rendered by her as Chief Executive.

During both years, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals, as set out in note 9, as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors, have waived any emoluments during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two directors (2017: two directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2017: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2018 HK\$'000	2017 HK\$'000
Salaries, allowances and benefits in kind	1,316	1,223
Performance related bonuses (<i>note</i>)	92	86
Retirement benefits scheme contributions	54	54
	1,462	1,363

The number of the highest paid employees who are not the directors of the Company has their remuneration falling within the following band:

	2018 Number of employees	2017 Number of employees
Nil to HK\$1,000,000	3	3

Note: The performance-based bonus is discretionary determined with reference to the Group's financial results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

10. TAXATION

	2018 HK\$'000	2017 HK\$'000
The taxation charge comprises:		
Hong Kong Profits Tax		
– Current year	1,228	1,698
– Under (over) provision in prior years	1	(108)
	1,229	1,590

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

Taxation charge for the year can be reconciled to the profit (loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2018 HK\$'000	2017 HK\$'000
Profit (loss) before taxation	7,766	(1,790)
Tax charge (credit) at the applicable income tax rate at 16.5%	1,281	(295)
Tax effect of expenses not deductible for tax purposes	61	2,159
Tax effect of income not taxable for tax purposes	(34)	(7)
Tax effect of tax losses not recognised	980	297
Utilisation of tax losses previously not recognised	(167)	(164)
Under (over) provision in prior years	1	(108)
Tax reduction	(462)	(449)
Others	(431)	157
Taxation charge for the year	1,229	1,590

As at 31 March 2018, the Group has unused tax losses of approximately HK\$9,832,000 (2017: HK\$4,904,000) available for offset against future profit. No deferred tax asset has been recognised in respect of such unused tax loss due to unpredictability of future profit streams.

During the year ended 31 March 2018, the subsidiaries of the Group were entitled to a tax reduction of 75% (2017: 75%) of Hong Kong Profits Tax subject of a ceiling of HK\$30,000 (2017: HK\$20,000) of each subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

11. DIVIDEND

Dividend recognised as distribution during the year:

	2018 HK\$'000	2017 HK\$'000
2018 interim dividend of HK 0.55 cents (2017: nil) per share	4,730	–

No final dividend has been proposed since the end of the reporting period (2017: nil).

12. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the following data:

	2018 HK\$'000	2017 HK\$'000
Profit (loss) for the year attributable to owners of the Company for the purpose of calculating basic earnings (loss) per share	5,698	(4,275)

	2018 HK\$'000	2017 HK\$'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share	860,000	692,123

The weighted average number of shares has been determined on the assumption that the capitalisation issue, see note 19(d), had been completed on 1 April 2015.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Computer equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST					
At 1 April 2016	17,266	1,286	17,184	1,577	37,313
Additions	2,884	1,434	1,225	–	5,543
Disposals	(485)	–	(466)	–	(951)
At 31 March 2017	19,665	2,720	17,943	1,577	41,905
Additions	9,049	1,007	7,775	–	17,831
Disposals	(2,461)	(118)	(354)	–	(2,933)
At 31 March 2018	26,253	3,609	25,364	1,577	56,803
ACCUMULATED DEPRECIATION					
At 1 April 2016	14,531	159	14,246	1,523	30,459
Provided for the year	1,757	334	1,490	54	3,635
Eliminated upon disposal	(485)	–	(461)	–	(946)
At 31 March 2017	15,803	493	15,275	1,577	33,148
Provided for the year	3,997	696	1,654	–	6,347
Eliminated upon disposal	(2,460)	(50)	(294)	–	(2,804)
At 31 March 2018	17,340	1,139	16,635	1,577	36,691
CARRYING VALUE					
At 31 March 2018	8,913	2,470	8,729	–	20,112
At 31 March 2017	3,862	2,227	2,668	–	8,757

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Computer equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

Leasehold improvements are depreciated over 3 years or the term of the lease whichever is shorter.

As at 31 March 2018, the carrying value of property, plant and equipment includes an amount of HK\$1,099,000 (2017: HK\$1,404,000) in respect of assets held under finance leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

14. INVENTORIES

	2018 HK\$'000	2017 HK\$'000
Beverages and other items for bar operations	1,435	1,252

15. TRADE AND OTHER RECEIVABLES

	2018 HK\$'000	2017 HK\$'000
Trade receivables	426	286
Other receivables	325	246
Prepayments	2,201	2,205
Rental deposits	6,818	6,143
Utilities deposits	1,289	1,442
	11,059	10,322
Less: Rental deposits receivable over one year shown under non-current assets	(3,068)	(3,991)
	7,991	6,331

The Group's sales are mainly on cash or credit card settlement. As at 31 March 2018 and 2017, the Group's trade receivables mainly represents credit card sales receivable from financial institutions. None of the Group's trade receivables was individually or collectively considered to be impaired. The Group does not hold any collateral over these balances.

Based on transaction date, all trade receivables are aged within 30 days as at the end of each of the reporting date.

16. BANK BALANCES AND CASH

Bank balances carry interest at prevailing market rates and are denominated in HK\$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

17. TRADE AND OTHER PAYABLES

	2018 HK\$'000	2017 HK\$'000
Trade payables	3,411	3,057
Salary payables	1,444	1,238
Accruals and other payables	4,718	3,310
	9,573	7,605

The credit period on purchases of goods is within 60 days. The following is an aged analysis of trade payables presented based on invoice date at the end of each reporting period:

	2018 HK\$'000	2017 HK\$'000
0 to 30 days	2,854	2,469
31 to 60 days	529	486
61 to 90 days	19	–
91 to 120 days	5	6
Over 120 days	4	96
	3,411	3,057

18. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Amount payable under finance leases				
– within one year	327	449	297	407
– in more than one year but not more than two years	327	388	306	358
– in more than two years but not more than five years	494	820	477	783
	1,148	1,657	1,080	1,548
Less: Future finance charges	(68)	(109)		
Present value of lease obligations	1,080	1,548		
Less: Amount due within one year shown under current liabilities			(297)	(407)
Amount due after one year			783	1,141

The Group had entered into lease agreements for a term of five years to acquire certain property, plant and equipment. The directors of the Company considers that the carrying amount of obligations under finance leases approximate to its fair value. As at 31 March 2018, the effective interest rates on finance lease are ranging from 0% to 3.75% (2017: 2.50% to 3.75%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

19. SHARE CAPITAL

The share capital as at 1 April 2016 represented the issued share capital of Bar Pacific BVI. Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising on 15 December 2016. The share capital as at 31 March 2017 and 31 March 2018 represents the share capital of the Group with details as follows:

	Number of shares	Share capital HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
At date of incorporation (note a)	30,000,000	300,000
Increase in authorised share capital (note b)	9,970,000,000	99,700,000
At 31 March 2018	10,000,000,000	100,000,000
Issued and fully paid:		
At date of incorporation (note a)	1	–
Issue of shares on Reorganisation (note c)	49,999	500
Issue of shares by capitalisation of share premium (note d)	644,950,000	6,449,500
Issue of shares by placing (note e)	215,000,000	2,150,000
At 31 March 2018 and 31 March 2017	860,000,000	8,600,000

Notes:

- (a) The Company was incorporated and registered as an exempted company in the Cayman Islands on 2 June 2016 with an authorised share capital of HK\$300,000 divided into 30,000,000 shares of a nominal value of HK\$0.01 each. Upon incorporation of the Company, 1 share of HK\$0.01 was issued at par value to the initial subscriber.
- (b) On 17 December 2016, the authorised share capital of the Company was increased from HK\$300,000 divided into 30,000,000 shares to HK\$100,000,000 divided into 10,000,000,000 shares by the creation of an additional 9,970,000,000 ordinary shares.
- (c) On 15 December 2016, the Company allotted and issued 49,999 shares to the then shareholders of Bar Pacific BVI as consideration to acquire the entire interest of Bar Pacific BVI.
- (d) On 17 December 2016, the Company authorised to capitalise the amount of HK\$6,449,500 being credited as fully paid to the share premium account and to pay up in full at par 644,950,000 ordinary shares of HK\$0.01 each, in proportion to the holders of shares whose names appear on the register of members of the Company.
- (e) On Listing, the Company issued 215,000,000 shares of HK\$0.01 each at HK\$0.29 per share by way of placing.

All ordinary shares issued during the year rank pari passu with the then existing ordinary shares in all respects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

20. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 17 December 2016, a share option scheme was adopted for the primary purpose of providing incentives to directors, employees and eligible participants. The scheme will expire on 16 December 2026.

Under the scheme, the Board of Directors of the Company (the "**Board**") may grant options to directors, employees, consultants, advisers, agents, vendors, suppliers of goods or services and customers of the Company and its subsidiaries and entities in which the Group holds equity interest at the discretion of the Board pursuant to the terms of the scheme, to subscribe for shares of the Company at a price which shall not be less than the highest of (i) the closing price of a share of the Company listed on the Stock Exchange at the date of grant of the option; (ii) the average of the closing price of a share of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of a share of the Company.

The maximum number of shares in respect of which options shall be granted under the scheme and any other share option schemes of the Company is 10% of the total number of shares in issue at the date of approval of adoption of the scheme. No director, employee or eligible participant may be granted options under the scheme which will enable him or her if exercise in full to subscribe for more than 1% of the issued share capital of the Company in any 12-month period. The option period for which the options granted can be exercisable, shall be such period as notified by the Board, save that it shall not be more than 10 years from the date of grant subject to the terms of the scheme. Nominal consideration of HK\$1 is payable on acceptance of each grant and the share options granted shall be accepted within 28 days from the date of grant.

No share option was granted or remained outstanding under the scheme during both years.

21. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries or up to a maximum of HK\$1,500 and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of the employee's monthly salaries or up to a maximum of HK\$1,500 (the "**mandatory contributions**"). The employees are entitled to 100% of the employer's mandatory contributions upon their retirement at the age of 65, death or total incapacity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

22. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group entered into the following transactions with related parties:

Related party	Relationship of related party	Nature of transaction	2018 HK\$'000	2017 HK\$'000
Landmark Western 2 Limited	Company controlled by a close family member of Ms. Chan Ching, Mandy	Sales of alcohol	8	–
Wishing Limited	Company controlled by a close family member of Ms. Chan Ching, Mandy	Purchase of property, plant and equipment	–	1,800

As at 31 March 2017, a director of the Company provided financial guarantee with an outstanding amount of HK\$50,400 provided to a subsidiary of the Group in respect of operating lease for a bar. There were no financial guarantees provided or remained outstanding during the year ended 31 March 2018.

- (b) The remuneration paid or payable to the key management personnel during year is set out below. The remuneration of key management personnel was determined with reference to the performance of the individuals and market trends.

	2018 HK\$'000	2017 HK\$'000
Fees, salaries and other benefits	1,416	986
Retirement benefits scheme contributions	36	23
	1,452	1,009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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23. OPERATING LEASE COMMITMENTS

The Group had future aggregate minimum lease payables under non-cancellable operating leases in respect of office and bars as follows:

	2018 HK\$'000	2017 HK\$'000
Within one year	20,225	18,812
After one year but within five years	14,016	13,894
Over five years	–	240
	34,241	32,946

Leases are negotiated for terms of one to four years (2017: one to six years).

The above lease commitments represent basic rents only and do not include contingent rents payable in respect of certain bars leased by the Group. In general, these contingent rents are calculated based on the relevant bars' turnover pursuant to the terms and conditions as set out in the respective rental agreements. It is not possible to estimate in advance the amount of such contingent rent payable. During the year ended 31 March 2018, the amounts of contingent rental recognised as expenses were approximately HK\$42,000 (2017: HK\$45,000).

24. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2017, the Group entered into finance lease arrangement in respect of property, plant and equipment with a value of approximately HK\$1,147,000 at the inception of the lease. No finance lease arrangement was entered during the year ended 31 March 2018.

25. NON-CONTROLLING INTERESTS

As at 31 March 2018, the Group comprises of 24 subsidiaries (2017: 25 subsidiaries) which in aggregate have a material non-controlling interest balance, however each of them are individually not material.

26. CAPITAL RISK MANAGEMENT

The directors of the Company manages the Group's capital to ensure that it will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the year.

The capital structure of the Group consists of net debt, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, share premium, retained profits and other reserves as disclosed in the consolidated financial statements.

The directors of the Company reviews the capital structure regularly. As part of this review, the directors of the Company considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new share issues as well as raising of borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2018 HK\$'000	2017 HK\$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	49,577	59,164
Financial liabilities		
Amortised cost	4,785	3,846

Financial risk management objectives and policies

The Group's financial instruments include trade and other receivables, bank balances and cash and trade and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group currently does not have any interest rate hedging policy. The management of the Group monitors the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arises.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market interest rates arising from the Group's bank balances.

No sensitivity analysis on interest rate risk is presented as the directors of the Company consider the interest rate fluctuation on variable-rate bank balances is not significant.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations, at the end of each reporting period in relation to each class of recognised financial assets, is the carrying amount of those assets stated in the consolidated statement of financial position.

The credit risk on bank balances and trade receivables is limited as such amounts are placed with or due from financial institutions with good reputation or credit rating.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding in the short and longer term.

All of the Group's financial liabilities except for its obligations under finance leases, are carried at amounts not materially different from their contractual undiscounted cash flows as all the financial liabilities are with maturities within one year or repayable on demand at the end of each reporting period. The Group's remaining contractual maturity for its obligations under finance leases is set out in note 18 to the consolidated financial statements.

Fair value measurements of financial instruments

The directors of the Company considers that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of each reporting period.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities.

Reconciliation of liabilities arising from financing activities

	Consideration payable for acquisition of additional interests in subsidiaries HK\$'000	Dividend payable HK\$'000	Obligations under finance leases HK\$'000	Total HK\$'000
At 1 April 2017	–	–	1,548	1,548
Financing cash flows	(143)	(5,505)	(510)	(6,158)
Non-cash changes				
Consideration for acquisition of additional interests in subsidiaries	143	–	–	143
Dividend declared	–	4,730	–	4,730
Dividend declared to non-controlling shareholders of subsidiaries	–	775	–	775
Interest expenses	–	–	42	42
	143	5,505	42	5,690
At 31 March 2018	–	–	1,080	1,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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29. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries, all of which are indirectly held by the Company, are as follows:

Name of subsidiary	Place of incorporation	Place of operation	Paid-up share capital	Equity interest attributable to the Group		Principal activities
				2018	2017	
Hacienda International Corporation Limited	Hong Kong	Hong Kong	HK\$1,000	100%	100%	Bulk purchase of beverages for fellow subsidiaries
Tank Success International Limited	Hong Kong	Hong Kong	HK\$2	100%	100%	Recruitment and management services for fellow subsidiaries
Bar Pacific VII International Limited	Hong Kong	Hong Kong	HK\$1,000	100%	100%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific VIII International Limited	Hong Kong	Hong Kong	HK\$1,000	100%	100%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific IX International Limited	Hong Kong	Hong Kong	HK\$1,000	95%	95%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XII International Limited	Hong Kong	Hong Kong	HK\$1,000	100%	100%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XVI International Limited	Hong Kong	Hong Kong	HK\$1,000	95%	95%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XX International Limited	Hong Kong	Hong Kong	HK\$1,000	90%	90%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XXI International Limited	Hong Kong	Hong Kong	HK\$1,000	95%	95%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XXVIII International Limited	Hong Kong	Hong Kong	HK\$1,000	86.5%	86.5%	Operation of a bar under the brand name of Bar Pacific

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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29. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation	Place of operation	Paid-up share capital	Equity interest attributable to the Group		Principal activities
				2018	2017	
Bar Pacific XXIX International Limited	Hong Kong	Hong Kong	HK\$188	86.2%	86.2%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XXX International Limited	Hong Kong	Hong Kong	HK\$171,398	79.4%	79.4%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XXXI International Limited	Hong Kong	Hong Kong	HK\$522,214	83.8%	82.8%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XXXII International Limited	Hong Kong	Hong Kong	HK\$228	85.1%	85.1%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XXXIII International Limited	Hong Kong	Hong Kong	HK\$579,728	85%	85%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific XXXVII International Limited	Hong Kong	Hong Kong	HK\$964,799	90%	90%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific LXIII International Limited	Hong Kong	Hong Kong	HK\$1,527,823	77.4%	71.1%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific LXVIII International Limited	Hong Kong	Hong Kong	HK\$2,280,000	60%	60%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific LXXI International Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Operation of a bar under the brand name of Bar Pacific
Bar Pacific LXXII International Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Operation of a bar under the brand name of Bar Pacific

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29. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

The above table lists the subsidiaries of the Company, which, in the opinion of the directors of the Company, principally affected the results of the year or constituted a substantial portion of the assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company result in particulars of excessive length.

None of the Group's subsidiaries had issued any debt securities during the year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2018	2017
Operation of a bar under the brand name of Bar Pacific	Hong Kong	18	17
Investment holding	BVI	1	1
Inactive	Hong Kong	4	4
		23	22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2018 HK\$'000	2017 HK\$'000
Non-current assets		
Investment in a subsidiary	8,483	8,483
Amounts due from subsidiaries	58,236	51,016
	66,719	59,499
Current asset		
Bank balances and cash	405	108
Current liability		
Amount due to a subsidiary	–	6,945
Net assets	67,124	52,662
Capital and reserves		
Share capital	8,600	8,600
Reserves (<i>note</i>)	58,524	44,062
	67,124	52,662

Note:

Movement in the Company's reserves are as follows:

	Share premium HK\$'000	(Accumulated losses) retained profits HK\$'000	Total HK\$'000
At 2 June 2016 (date of incorporation)	–	–	–
Loss and total comprehensive expense for the period	–	(12,998)	(12,998)
Arising from Reorganisation	8,482	–	8,482
Capitalisation issue	(6,449)	–	(6,449)
Issue of shares by way of placing	60,200	–	60,200
Transaction costs directly attributable to issue of shares	(5,173)	–	(5,173)
At 31 March 2017 and 1 April 2017	57,060	(12,998)	44,062
Profit and total comprehensive income for the year	–	19,192	19,192
Dividend	–	(4,730)	(4,730)
At 31 March 2018	57,060	1,464	58,524

FINANCIAL SUMMARY

	Year ended 31 March			2018 HK\$'000
	2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	
Revenue	112,373	126,145	126,212	134,251
Profit (loss) before taxation	14,601	18,054	(1,790)	7,766
Taxation	(2,772)	(2,699)	(1,590)	(1,229)
Profit (loss) for the year	11,829	15,355	(3,380)	6,537
Attributable to:				
Owners of the Company	7,273	9,450	(4,275)	5,698
Non-controlling interests	4,556	5,905	895	839
	11,829	15,355	(3,380)	6,537
	At 31 March			2018 HK\$'000
	2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	
Assets and liabilities				
Total assets	28,539	30,713	80,080	82,469
Total liabilities	(17,109)	(12,372)	(9,153)	(10,653)
	11,430	18,341	70,927	71,816
Equity contributable to:				
Owners of the Company	5,663	11,289	64,162	65,238
Non-controlling interests	5,767	7,052	6,765	6,578
	11,430	18,341	70,927	71,816



BAR PACIFIC GROUP HOLDINGS LIMITED

太平洋酒吧集團控股有限公司