

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

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8432



**FIRST**  
**QUARTERLY**  
**REPORT**  
**2018/19**

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

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

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

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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](http://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

Red Solar Capital Limited

## LEGAL ADVISOR (AS TO HONG KONG LAWS)

Victor Chan & Co.

## 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](http://www.barpacific.com.hk)  
*(information on this website does not form part of this report)*

## STOCK CODE

8432

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

For the three months ended 30 June 2018

	NOTES	Three months ended 30 June	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	3	<b>36,876</b>	32,203
Other income	4	<b>796</b>	349
Cost of inventories sold		<b>(9,076)</b>	(7,873)
Staff costs		<b>(10,602)</b>	(9,501)
Depreciation		<b>(1,993)</b>	(1,122)
Property rentals and related expenses		<b>(7,142)</b>	(6,202)
Other operating expenses		<b>(5,936)</b>	(5,479)
Finance costs	5	<b>(8)</b>	(12)
Profit before taxation	6	<b>2,915</b>	2,363
Taxation	7	<b>(548)</b>	(439)
Profit and total comprehensive income for the period		<b>2,367</b>	1,924
Profit for the period attributable to:			
Owners of the Company		<b>2,074</b>	1,693
Non-controlling interests		<b>293</b>	231
		<b>2,367</b>	1,924
		<b>HK cents</b>	HK cents
Earnings per share			
Basic and diluted	9	<b>0.24</b>	0.20

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2018

	Attributable to owners of the Company							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 b)	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2018 (audited)	8,600	57,060	6,065	(8,093)	(1,252)	2,858	65,238	6,578	71,816
Profit and total comprehensive income for the period	-	-	-	-	-	2,074	2,074	293	2,367
Acquisition of additional interest in a subsidiary	-	-	-	-	44	-	44	(63)	(19)
At 30 June 2018 (unaudited)	8,600	57,060	6,065	(8,093)	(1,208)	4,932	67,356	6,808	74,164
At 1 April 2017 (audited)	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 period	-	-	-	-	-	1,693	1,693	231	1,924
At 30 June 2017 (unaudited)	8,600	57,060	6,065	(8,093)	(1,360)	3,583	65,855	6,996	72,851

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"), the subsidiary of the Company, issued.
- Special reserve represents the difference between the entire issued shares of Bar Pacific BVI and the consideration for acquiring Bar Pacific BVI by the Company pursuant to the Group Reorganisation completed on 15 December 2016.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 1. GENERAL

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

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

## 2. BASIS OF PREPARATION

The quarterly financial information has been prepared in accordance with accounting policies conform with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs. The quarterly financial information also comply with applicable disclosure requirements of chapter 18 of the GEM Listing Rules.

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

The accounting policies and methods of computation used in the quarterly financial information for the three months ended 30 June 2018 are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2018.

The condensed consolidated financial statements for the three months ended 30 June 2018 have not been reviewed or audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

## 3. REVENUE AND SEGMENT INFORMATION

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

Operating segments are determined with reference to the reports and financial information reviewed by the 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 of the Group.

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

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 4. OTHER INCOME

	Three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Sponsorship income	509	18
Interest income	52	54
Others	235	277
	<b>796</b>	<b>349</b>

## 5. FINANCE COSTS

	Three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Interest on obligations under finance leases	8	12

## 6. PROFIT BEFORE TAXATION

	Three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Profit before taxation has been arrived at after charging:		
Directors' remuneration	453	449
Other staff's salaries and other benefits	9,750	8,656
Other staff's retirements benefits scheme contributions	399	396
Total staff costs	<b>10,602</b>	<b>9,501</b>
Depreciation of property, plant and equipment		
– Owned assets	1,921	1,046
– Assets under finance lease	72	76
	<b>1,993</b>	<b>1,122</b>
Operating lease payments	6,694	5,807
Auditor's remuneration	238	238
Loss on disposal of property, plant and equipment	167	119



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

## 7. TAXATION

	Three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
The taxation charge comprises:		
Hong Kong Profits Tax		
– Current period	<b>548</b>	439

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

## 8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2018 (three months ended 30 June 2017: nil).

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following:

	Three months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Earnings for the purpose of calculating basic earnings per share	<b>2,074</b>	1,693
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>'000</b>	'000
	<b>860,000</b>	860,000
Basic earnings per share (HK cents)	<b>0.24</b>	0.20

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

We are a chained bar group offering beverages and light refreshments under the brand “Bar Pacific” in Hong Kong. The main focuses of the Group’s growth strategies lie in its networks expansion and upgrade of the existing shops facilities. During the three months ended 30 June 2018 (the “**Period Under Review**”), the Group has entered into a rental agreement for a new shop which is expected to be opened in the third quarter of 2018. During the Period Under Review, the Group opened one new shop. As at 30 June 2018, we operated 35 shops throughout Hong Kong.

## 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 at the mass market, to increase market share in Hong Kong. With the existing client base garnered over the years, there is a leading edge to leverage on its extensive network in Hong Kong. Opening of four new shops per year is envisioned in the years ending 31 March 2019 and 2020.

## 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 Period 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 30 June 2018 HK\$ (million)	Approximate actual amount utilized up to 30 June 2018 HK\$ (million)	Changes and explanation
Expand our brand	35.5	17.8	11.8	The expansion plan was delayed as the Group could not find suitable location for expansion. One new shop is opened in the second quarter of 2018 and one shop is expected to be opened in the third quarter of 2018
Continue to upgrade our shop facilities	3.4	2.0	3.4	Renovation was speeded up to boost revenue of existing shops. As at 30 June 2018, the Group has completed the refurbishment of 16 shops
Continue our promotion and marketing activities	3.5	2.2	2.1	Marketing events during the Period 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 fewer than the proposed amount
Total	42.4	22.0	17.3	

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

Our revenue increased from approximately HK\$32.2 million for the three months ended 30 June 2017 (the “**Previous Period**”) to approximately HK\$36.9 million for the Period Under Review, representing a slight growth of approximately 14.6%. Such growth was primarily attributable to the opening of four new shops and the completion of refurbishment of nine existing shops after the Previous Period. Also, the quadrennial FIFA World Cup held from June to July this year brought positive contribution to the Group’s revenue.

### Other income

Our other income increased from approximately HK\$0.3 million for the Previous Period to approximately HK\$0.8 million for the Period Under Review, representing a growth of approximately 166.7%. Such increase was primarily attributable to sponsorship income received from suppliers during the Period Under Review.

### Cost of inventories sold

Cost of inventories sold mainly consists of the cost of beverages and light refreshment sold in our shops. Our cost of inventories sold increased from approximately HK\$7.9 million for the Previous Period to approximately HK\$9.1 million for the Period Under Review, representing a slight increase of approximately 15.2%. Such increase was primarily attributable to the increase in revenue during the Period Under Review.

### Staff costs

Our staff costs comprise salaries and benefits, including wages, salaries, bonuses, retirement benefit costs and other allowances to all our staff, including our directors, head office and shop staff. Our staff costs increased from approximately HK\$9.5 million for the Previous Period to approximately HK\$10.6 million for the Period Under Review, representing an increase of approximately 11.6%. Such increase was primarily attributable to the increase in number of staff during the Period Under Review.

### Depreciation

Depreciation represents depreciation charges on its property, plant and equipment, as in leasehold improvements, computer equipment and furniture and fixtures. Our depreciation charges increased from approximately HK\$1.1 million for the Previous Period to approximately HK\$2.0 million for the Period Under Review, representing an increase of approximately 81.8%. Such increase was primarily attributable to the opening of four new shops and the increase in depreciation charges of the nine renovated shops after the Previous Period.

### Property rentals and related expenses

Our property rentals and related expenses consist of operating lease payments, property management fee and government rate on our shops, storage and office premises. Our property rentals and related expenses increased from approximately HK\$6.2 million for the Previous Period to approximately HK\$7.1 million for the Period Under Review, representing an increase of approximately 14.5%. Such increase was primarily attribute to the general increase in the rental expenses of some of our leased properties upon renewal of leases and property rentals and related expenses on the four new shops opened after the Previous Period.

### Other operating expenses

Our other operating expenses recorded a slightly increase from approximately HK\$5.5 million for the Previous Period to approximately HK\$5.9 million for the Period Under Review, representing an increase of approximately 7.3%. Such increase was mainly attributable to the four new shops opened after the Previous Period.



# MANAGEMENT DISCUSSION AND ANALYSIS

## **Finance costs**

Finance costs represent interest on obligations under finance lease. The amount decreased from approximately HK\$12,000 for the Previous Period to approximately HK\$8,000 for the Period Under Review, representing a decrease of 33.3%. Such decrease was mainly attributable to the completion of a finance lease contract in the Period Under Review.

## **Taxation**

Our taxation increased from approximately HK\$0.4 million for the Previous Period to approximately HK\$0.5 million for the Period Under Review, representing an increase of approximately 20%. Such increase was mainly attributable to the increase of operating profit for the Period Under Review.

## **Profit for the Period Under Review**

As a result of the above, the increase in profit for the Period Under Review was mainly attributable to the increase of revenue. The Group recorded a profit of approximately HK\$2.4 million for the Period Under Review, as compared to the profit of approximately HK\$1.9 million recorded for the Previous Period, representing an increase of approximately 26.3%.

## **Dividend**

No dividend was declared and paid to the shareholders of the Company during the Period Under Review nor the Previous Period.

## **Contingent liabilities**

As at 30 June 2017 and 2018, the Group did not have any significant contingent liabilities.

## **Foreign currency exposure**

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

## **Events after the balance sheet date**

There is no significant event subsequent to 30 June 2018.

## DISCLOSURE OF INTERESTS

### (A) DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 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 Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"), or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors), to be notified to the Company and the Stock Exchange were as follows:

#### Long position in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company
Ms. Tse Ying Sin Eva ("Ms. Tse") (Note)	Beneficiary of a trust	431,543,700	50.18%
	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 of the Company. The sole shareholder of Moment of 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 ("Ms. T Chan"), are beneficiaries. Ms. Tse is deemed to be interested in the Shares held by Moment of Moment under the SFO.

Save as disclosed above, as at 30 June 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.

## OTHER INFORMATION

### 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 30 June 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 Company Limited (" <b>Moment to Moment</b> ") (Note 1)	Beneficial owner	431,543,700	50.18%
Harneys Trustees Limited (Note 1)	Trustee (other than a bare trustee)	431,543,700	50.18%
Ms. Tse (Note 2)	Beneficiary of a trust/ Beneficial owner	431,555,794	50.18%
Ms. T Chan (Note 1)	Beneficiary of a trust	431,543,700	50.18%
Mr. Chan Wai (" <b>Mr. Chan</b> ") (Note 3)	Beneficiary of a trust	445,148,738	51.76%
Ms. Chan Tsz Tung (" <b>Ms. Chan</b> ") (Note 3)	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Ching Mandy (" <b>Ms. M Chan</b> ") (Note 1)	Interest of controlled corporation	431,543,700	50.18%

##### Notes:

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. T Chan, are beneficiaries. Pursuant to the deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. M Chan 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. M Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Each of Harneys Trustees Limited, Ms. Tse, Ms. T Chan and Ms. M Chan is deemed to be interested in the Shares held by Moment to Moment under the SFO.
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 Limited; and (ii) 12,094 Shares directly held by Ms. Tse as a result of the Distribution).
3. 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 13,605,038 Shares directly.

Save as disclosed above, as at 30 June 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.

# OTHER INFORMATION

## COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the three months ended 30 June 2018.

## CORPORATE GOVERNANCE CODE

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

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

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the “**Code of Conduct**”) regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and all Directors have confirmed that they had complied with the required standards as set out in the Code of Conduct for the Period Under Review.

## INTERESTS OF COMPLIANCE ADVISER

As at 30 June 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, its directors, employees nor close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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

During the Period Under Review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## SHARE OPTION SCHEME

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

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 June 2018.





## OTHER INFORMATION

### AUDIT COMMITTEE

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 17 December 2016 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with paragraphs C.3.3 and C.3.7 of the CG Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of external auditor; review financial statements of the Company and provide advice and comments in respect of financial reporting; and oversee the effectiveness of the procedures of the internal control of the Group.

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

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2018 and this quarterly report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

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

Hong Kong, 7 August 2018

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