

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

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8432



Third
Quarterly
Report

2018/19

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND “GEM”, RESPECTIVELY)

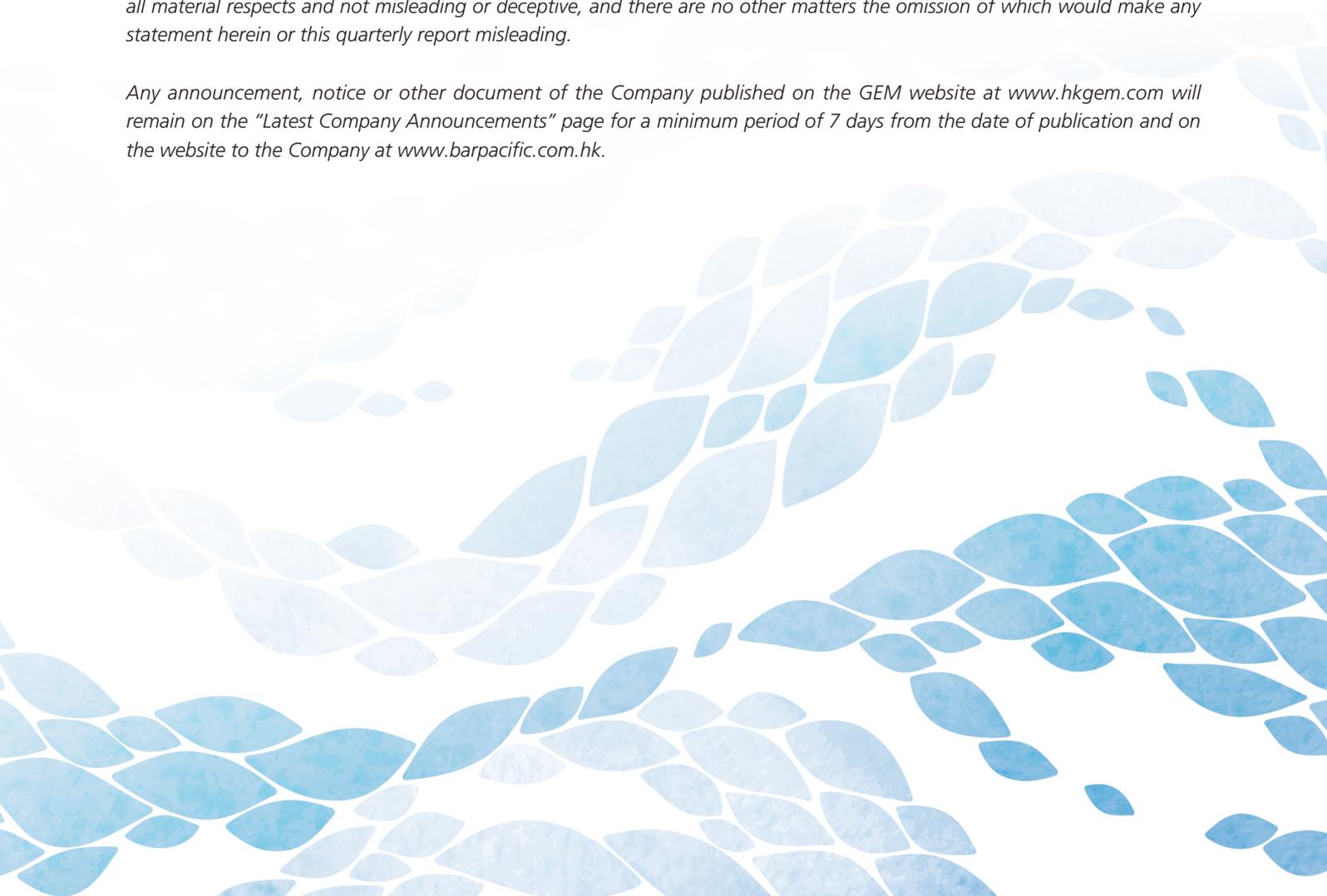
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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board on the Stock Exchange and no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

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*This quarterly report, for which the directors (collectively the “**Directors**” or individually a “**Director**”) 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 quarterly report misleading.*

Any announcement, notice or other document of the Company published on the GEM website at www.hkgem.com 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
(resigned on 31 December 2018)
Ms. Chan Tsz Tung (appointed on 31 December 2018)

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/ JOINT COMPANY SECRETARIES

Mr. Chan Darren Chun-Yeung (resigned as the company secretary on 31 December 2018)
Mr. Leung Ping Hing (appointed as a joint company secretary on 31 December 2018)
Mr. Kwok Siu Man (appointed as a joint company secretary on 31 December 2018)

COMPLIANCE OFFICER

Mr. Chan Darren Chun-Yeung
(resigned on 31 December 2018)
Ms. Chan Tsz Tung (appointed on 31 December 2018)

AUTHORISED REPRESENTATIVES

Ms. Tse Ying Sin Eva
Mr. Chan Darren Chun-Yeung
(ceased to act on 31 December 2018)
Mr. Kwok Siu Man (appointed on 31 December 2018)
Mr. Leung Ping Hing (alternate to Ms. Tse Ying Sin Eva with effect from 31 December 2018)

INDEPENDENT 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
P.O. 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 IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

BOARD LOT

10,000 shares

THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the three months and nine months ended 31 December 2018, together with the relevant comparative unaudited figures.

The information should be read in conjunction with the prospectus of the Company dated 30 December 2016.

The financial information is as follows:

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

For the three months and nine months ended 31 December 2018

	NOTES	Three months ended 31 December		Nine months ended 31 December	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	3	37,533	33,927	113,586	100,242
Other income	4	355	125	1,858	1,580
Cost of inventories sold		(8,764)	(8,235)	(25,177)	(23,250)
Staff costs		(11,363)	(10,912)	(35,322)	(30,228)
Depreciation		(1,975)	(2,001)	(6,111)	(4,776)
Property rentals and related expenses		(7,523)	(6,781)	(22,104)	(19,556)
Other operating expenses		(7,632)	(6,394)	(19,717)	(18,669)
Finance costs	5	(7)	(10)	(23)	(33)
Profit (loss) before taxation		624	(281)	6,990	5,310
Taxation	6	(233)	(319)	(1,597)	(1,369)
Profit (loss) and total comprehensive income (expense) for the period	7	391	(600)	5,393	3,941
Profit (loss) and total comprehensive income (expense) for the period attributable to:					
Owners of the Company		18	(673)	4,481	3,380
Non-controlling interests		373	73	912	561
		391	(600)	5,393	3,941
		HK cents	HK cents	HK cents	HK cents
Earnings (loss) per share					
Basic and diluted	9	–	(0.08)	0.52	0.39

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 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 reserve HK\$'000 (Note c)	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	-	-	-	-	-	4,481	4,481	912	5,393
Dividend (see note 8)	-	-	-	-	-	(4,300)	(4,300)	-	(4,300)
Acquisition of additional interests in a subsidiary	-	-	-	-	43	-	43	(63)	(20)
At 31 December 2018 (unaudited)	8,600	57,060	6,065	(8,093)	(1,209)	3,039	65,462	7,427	72,889
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	-	-	-	-	-	3,380	3,380	561	3,941
Acquisition of additional interests in a subsidiary	-	-	-	-	(28)	-	(28)	(22)	(50)
At 31 December 2017 (unaudited)	8,600	57,060	6,065	(8,093)	(1,388)	5,270	67,514	7,304	74,818

Notes:

- (a) 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 the Company.
- (b) Pursuant to a group reorganisation (the “**Reorganisation**”) in preparation for the listing of the Company’s shares on the GEM (the “**Listing**”), the Company became the holding company of the companies now comprising the Group on 15 December 2016 with the issuance of shares of the Company to acquire Bar Pacific BVI from the then shareholders.

The 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.

- (c) The other reserve represents the difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received due to the changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries other than set out in note (a) above.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 31 December 2018

1. GENERAL

The Company was registered as an exempted company with limited liability incorporated in the Cayman Islands on 2 June 2016 under the Companies Law of the Cayman Islands with its shares listed on GEM. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. 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 Company acts as an investment holding company and the principal activity of the Company's subsidiaries is the operation of a chain of bars in Hong Kong under the brand name of "Bar Pacific" and "Pacific".

2. BASIS OF PREPARATION

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

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

The accounting policies and methods of computation used in the quarterly financial information for the nine months ended 31 December 2018 are the same as those followed 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 nine months ended 31 December 2018 have not been reviewed or audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

The unaudited condensed financial statements are presented in Hong Kong Dollars ("**HK\$**") which is also the functional currency of the Company and all values are rounded to the nearest thousand ("**HK\$'000**") unless otherwise stated.

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 and the officers responsible for finance and accounting matters, being the chief operating decision maker (the "**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 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 31 December 2018

4. OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Sponsorship income	50	–	1,054	957
Interest income	23	51	129	138
Others	282	74	675	485
	355	125	1,858	1,580

5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Interest on obligations under finance leases	7	10	23	33
	7	10	23	33

6. TAXATION

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
The taxation charge comprises:				
Hong Kong Profits Tax				
– Current period	233	313	1,597	1,363
– Under provision in prior periods	–	6	–	6
	233	319	1,597	1,369

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 31 December 2018

7. PROFIT (LOSS) FOR THE PERIOD

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Profit (loss) for the period has been arrived at after charging:				
Directors' remuneration	475	454	1,696	1,355
Other staff's salaries and other benefits	10,546	10,050	32,433	27,649
Other staff's retirements benefits scheme contributions	342	408	1,193	1,224
Total staff costs	11,363	10,912	35,322	30,228
Depreciation of property, plant and equipment				
– Owned assets	1,899	1,925	5,883	4,548
– Assets under finance lease	76	76	228	228
	1,975	2,001	6,111	4,776
Operating lease payments	7,041	6,362	20,846	18,354
Auditor's remuneration	230	238	730	713
Loss on disposal of property, plant and equipment	18	–	294	121

8. DIVIDENDS

On 13 November 2018, the Board declared the payment of an interim dividend of HK0.5 cent per share for the six months ended 30 September 2018 (For the six months ended 30 September 2017: HK\$ nil per share), in an aggregate amount of HK\$4,300,000 (For the six months ended 30 September 2017: nil). The dividend was paid on 14 December 2018.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and nine months ended 31 December 2018

9. EARNINGS (LOSS) PER SHARE

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Earnings (loss) for the period attributable to owners of the Company for the purpose of calculating basic earnings (loss) per share	18	(673)	4,481	3,380
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share	860,000	860,000	860,000	860,000
Basic earnings (loss) per share (HK cents)	–	(0.08)	0.52	0.39

No diluted earnings (loss) 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” and “Pacific” in Hong Kong. The main focuses of the Group’s growth strategies lie in its networks expansion and upgrading existing shops’ facilities. During the nine months ended 31 December 2018 (the “**Period Under Review**”), the Group focused on its network expansion and has opened one new shop in the second and third quarters of 2018 respectively and one new shop will be opened before the end of the first quarter of 2019. As at 31 December 2018, we operated 36 shops throughout Hong Kong.

PROSPECTS

Looking ahead, the Group will ride on its raised profile upon its Listing in January 2017 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 on its extensive network in Hong Kong. Openings of four new shops per year are envisioned for the years ending 31 March 2019 and 2020.

USE OF PROCEEDS

The Company’s shares (the “**Shares**”) were successfully listed on GEM on 11 January 2017 by way of placing a total of 215,000,000 Shares at HK\$0.29 per Share (the “**Placing**”). The net proceeds from the Placing were about HK\$45.2 million after deduction of listing related expenses. 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 31 December 2018 HK\$ (million)	Approximate actual amount utilized up to 31 December 2018 HK\$ (million)	Changes and explanation
Expand our brand	35.5	23.7	16.4	The expansion plan was delayed as the Group could not find suitable shops for expansion. The Group opened one new shop in the second quarter and another one in the third quarter of 2018. The Group expects to open one new shop before the end of the first quarter of 2019.
Continue to upgrade our shop facilities	3.4	2.7	3.4	Renovation work was speeded up to boost revenue of existing shops. As at 31 December 2018, the Group completed the refurbishment of 16 shops. As the proposed amount was used up, the Group will continue the refurbishment on existing shops with internal generated capital.
Continue our promotion and marketing activities	3.5	3.0	3.4	Marketing and promotion expenses were increased in promoting our new brand “Pacific” during the Period Under Review.
Total	42.4	29.4	23.2	

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately HK\$100.2 million for the nine months ended 31 December 2017 (the “**Previous Period**”) to approximately HK\$113.6 million for the Period Under Review, representing a growth of approximately 13.4%. Such growth was primarily attributable to opening of three new shops after the Previous Period and better performance of existing shops.

Cost of inventories sold

Cost of inventories sold consists of the cost of beverages and light refreshments sold in our shops. Our cost of inventories increased from approximately HK\$23.3 million for the Previous Period to approximately HK\$25.2 million for the Period Under Review, representing an increase of 8.2%. Such increase was in line with the increase in revenue for the Period Under Review.

Other income

Our other income increased from approximately HK\$1.6 million for the Previous Period to approximately HK\$1.9 million for the Period Under Review, representing an increase of approximately 18.8%. Such increase was primarily attributable to the increase in sundry income and sponsorship income.

Staff costs

Our staff costs comprise salaries and benefits, including wages, salaries, bonuses, retirement benefit cost and other allowances to all our staff, including our Directors, head office and shop staff. Our staff costs increased from approximately HK\$30.2 million for the Previous Period to approximately HK\$35.3 million for the Period Under Review, representing an increase of approximately 16.9%. Such increase was primarily attributable to distribution of a one-off special bonus and the general increase in salaries level during the Period Under Review.

Depreciation

Depreciation represents depreciation charges on its property, plant and equipment, as in leasehold improvements, computer equipment, furniture and fixtures and motor vehicles. Our depreciation charges increased from approximately HK\$4.8 million for the Previous Period to approximately HK\$6.1 million for the Period Under Review, representing an increase of approximately 27.1%. Such increase was primarily attributable to the opening of three new shops and an increase in depreciation charges of 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 rates on our shops, storage and office premises. Our property rentals and related expenses increased from approximately HK\$19.6 million for the Previous Period to approximately HK\$22.1 million for the Period Under Review, representing an increase of approximately 12.8%. Such increase was primarily attributable to the general increase in the rental expense of some of our leased properties upon renewal of lease and the property rentals and related expenses on the three new shops.

Other operating expenses

Our other operating expenses recorded an increase from approximately HK\$18.7 million for the Previous Period to approximately HK\$19.7 million for the Period Under Review, representing an increase of approximately 5.3%. Such increase was mainly attributable to the increase in marketing and promotion expenses in promoting our new brand “Pacific” during the Period Under Review.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Finance costs

Finance costs represent interest on bank borrowing and obligations under finance lease. The amount decreased from approximately HK\$33,000 for the Previous Period to approximately HK\$23,000 for the Period Under Review, representing a decrease of approximately 30.3%. Such decrease was mainly attributable to the completion of a finance lease on a motor vehicle contract in the Period Under Review.

Taxation

Our taxation increased from approximately HK\$1.4 million for the Previous Period to approximately HK\$1.6 million for the Period Under Review, representing an increase of approximately 14.3%. 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 Group recorded a profit of approximately HK\$5.4 million for the Period Under Review, as compared to the profit of approximately HK\$3.9 million recorded for the Previous Period, representing an increase of approximately 38.5%.

Contingent liabilities

As at 31 December 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.

Interim Dividend

The Board declared the payment of an interim dividend of HK0.5 cent per share, totalling HK\$4,300,000 in respect of the six months ended 30 September 2018 (30 September 2017: Nil).

The Board has resolved not to declare a dividend for the Period Under Review (For the nine months ended 31 December 2017: HK0.55 cent).

DISCLOSURE OF INTERESTS

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

As at 31 December 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:

Interests in the Company

Long position in the share of the Company

Name of Directors	Nature of interest	Number of shares held	Approximate percentage of issued share capital of the Company
Ms. Tse Ying Sin Eva ("Ms. Tse") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	12,094	0.00%
Ms. Chan Tsz Tung ("Ms. Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%

Note:

- Moment to Moment Company Limited ("Moment to Moment") holds 431,543,700 Shares, representing approximately 50.18% of the issued share capital of the Company. The sole shareholder of Moment to Moment is Harneys Trustees Limited ("Harneys"), the trustee of the Bar Pacific Trust, of which Ms. Tse, the chairlady of the Board (the "Chairlady"), an executive Director and the chief executive officer of the Company (the "CEO"), Ms. Chan and others are beneficiaries. Ms. Tse and Ms. Chan are deemed to be interested in the Shares held by Moment to Moment under the SFO.

Interests in associated corporation of the Company

Long position in the shares of the associated corporation

Name of Directors	Name of associated corporation	Capacity/nature of interest	Number of shares held	Percentage of shareholding
Ms. Tse	Moment to Moment	Beneficiary of a trust	1	100%
Ms. Chan	Moment to Moment	Beneficiary of a trust	1	100%

Save as disclosed above and so far as the Directors are aware of, as at 31 December 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 or short positions in which they were 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 December 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 of substantial shareholders	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 <i>(Note 1)</i>	Trustee (other than a bare trustee)	431,543,700	50.18%
Ms. Chan Tsz Kiu Teresa ("Ms. T Chan") <i>(Note 1)</i>	Beneficiary of a trust	431,543,700	50.18%
Mr. Chan Wai ("Mr. Chan") <i>(Note 2)</i>	Beneficiary of a trust	445,348,738	51.78%
Ms. Chan Ching Mandy ("Ms. M Chan") <i>(Note 1)</i>	Interest of controlled corporation	431,543,700	50.18%

Notes:

- Moment to Moment holds 431,543,700 Shares, representing approximately 50.18% of the issued share capital of the Company. The sole shareholder of Moment to Moment is Harneys, the trustee of the Bar Pacific Trust, of which Ms. Tse and one of her daughters, namely Ms. T Chan, are the first batch of beneficiaries (Please refer to note 2 below). Pursuant to a 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 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, 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.
- On 7 June 2018, Mr. Chan and Ms. Chan became the beneficiaries of Bar Pacific Trust. Hence, both Mr. Chan and Ms. Chan are also deemed to be interested in the 431,543,700 Shares held by Moment to Moment under the SFO. Mr. Chan directly held 13,805,038 Shares.

Save as disclosed above, as at 31 December 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.

CORPORATE GOVERNANCE AND 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/entity had or might have with the Group during the Period Under Review.

CORPORATE GOVERNANCE PRACTICES

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 code provision 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:

Chairman and Chief Executive

Code provision 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 CEO. 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 code provision A.2.1 of the CG Code is appropriate in such circumstances.

BOARD DIVERSITY POLICY

In assessing the Board composition, the nomination committee would take into account various aspects set out in the board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The nomination committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the nomination committee would consider the candidate’s character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The 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 31 December 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 regarding the fees receivable by the Compliance Advisor for acting in such capacity, 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, the Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Scheme**”) on 17 December 2016 (the “**Adoption Date**”). 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 Date and therefore there was no share option outstanding as at 31 December 2018 and no share options were exercised or cancelled or lapsed during the Period Under Review.

SUBSEQUENT EVENT AFTER THE NINE MONTHS ENDED 31 DECEMBER 2018

There has been no occurrence of events that had a significant impact on the Group since 31 December 2018 and up to the date of this quarterly report.

AUDIT COMMITTEE

The financial information in this quarterly report has not been audited by the independent auditors of the Company. 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 code provisions C.3.3 and C.3.7 of the CG Code have been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on the 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 nine months ended 31 December 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, 12 February 2019

As at the date of this quarterly report, the executive Directors are Ms. Tse Ying Sin Eva (Chairlady and Chief Executive Officer) and Ms. Chan Tsz Tung; and the independent non-executive Directors are Mr. Tang Wing Lam David, Mr. Chin Chun Wing and Mr. Yung Wai Kei.