

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

2020/21

**First Quarterly
Report**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “GEM” AND “STOCK EXCHANGE”, 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 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 (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 of the Company published on the GEM website at www.hkgem.com will remain on the “Latest Listed Company Information” 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*)
Ms. Chan Tsz Tung

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

JOINT COMPANY SECRETARIES

Mr. Leung Ping Hing, *CPA*
Sir Kwok Siu Man KR, *FCS*

COMPLIANCE OFFICER

Ms. Chan Tsz Tung

AUTHORISED REPRESENTATIVES

Ms. Tse Ying Sin Eva
Sir Kwok Siu Man KR
Mr. Leung Ping Hing (alternative to Ms. Tse Ying Sin Eva)

INDEPENDENT AUDITOR

BDO 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

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) 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*)

LISTING INFORMATION

Place of Listing

GEM of The Stock Exchange of Hong Kong Limited

Stock Code

8432

Board Lots

10,000 shares

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2020

	NOTES	Three months ended 30 June	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	3	27,454	38,878
Other income	4	12,715	204
Cost of inventories sold		(6,898)	(9,425)
Staff costs		(10,648)	(10,731)
Depreciation of property, plant and equipment		(2,339)	(2,139)
Depreciation of right-of-use assets		(7,659)	(7,062)
Property rentals and related expenses		(709)	(692)
Other operating expenses		(5,736)	(5,348)
Finance costs	5	(805)	(589)
Profit before taxation	6	5,375	3,096
Taxation	7	(23)	(571)
Profit and total comprehensive income for the period		5,352	2,525
Profit for the period attributable to:			
Owners of the Company		4,863	2,145
Non-controlling interests		489	380
		5,352	2,525
		HK cents	HK cents
Earnings per share			
Basic and diluted	9	0.57	0.25

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2020

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Special reserve	Other reserves	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000 (Note c)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020 (audited)	8,600	57,060	6,065	(8,093)	(1,347)	1,255	63,540	7,036	70,576
Profit and total comprehensive income for the period	-	-	-	-	-	4,863	4,863	489	5,352
At 30 June 2020 (unaudited)	8,600	57,060	6,065	(8,093)	(1,347)	6,118	68,403	7,525	75,928
At 1 April 2019 (audited)	8,600	57,060	6,065	(8,093)	(1,209)	5,856	68,279	6,970	75,249
Profit and total comprehensive income for the period	-	-	-	-	-	2,145	2,145	380	2,525
At 30 June 2019 (unaudited)	8,600	57,060	6,065	(8,093)	(1,209)	8,001	70,424	7,350	77,774

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 to rationalise the structure of the Group (the "**Reorganisation**") in preparation for the listing of the Company's shares (the "**Shares**") on the GEM on 11 January 2017 (the "**Listing**"), the Company became the holding company of the companies now comprising the Group on 15 December 2016 with the issue of the Shares 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.

- (c) Other reserves represent 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

1. GENERAL

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

The Company is an investment holding company and its subsidiaries are principally engaged in operation of chain of bars in Hong Kong under brands "Bar Pacific" and "Pacific" and property investment in Hong Kong.

The consolidated financial statements of the Company and its subsidiaries (the "**Group**" and the "**Consolidated Financial Statements**", respectively) are presented in Hong Kong dollars ("**HK\$**") which is also the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The quarterly financial information has been prepared in accordance with accounting policies and conform with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") 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 2020 are the same as those applied in the preparation of the Consolidated Financial Statements for the year ended 31 March 2020 (the "**Year 2020**").

The condensed Consolidated Financial Statements for the three months ended 30 June 2020 have not been reviewed or audited by the Company's independent auditors, but have been reviewed by the audit committee of the Board (the "**Audit Committee**").

Application of new and amendments to HKFRSs

The principal accounting policies used in the condensed Consolidated Financial Statements for the three months ended 30 June 2020 are the same as those followed in the preparation of the Group's annual report for the Year 2020, except for the following new and amendments to HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of Business
Amendments to HKFRS 9, HKAS 29 and HKFRS 7	Interest Rate Benchmark Reform

The application of the new and amendments to HKFRSs has had no material effect on the amounts reported in the condensed Consolidated Financial Statements and/or disclosures set out in the Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

2. BASIS OF PREPARATION (Continued)

New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Consolidated Financial Statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

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

² The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

The Group is in the process of making an assessment of what the impact of these new or revised HKFRSs is expected to be in the period of initial application. So far, the Directors have concluded that the adoption of the new HKFRSs will have no material impact on the amounts reported in the condensed Consolidated Financial Statements.

3. REVENUE AND SEGMENT INFORMATION

During the period from 1 April 2019 to 31 October 2019, the Group only has one reportable segment, i.e. operation of bars. On 31 October 2019, the Group Completed acquisition of a subsidiary, Smart Express Development Limited ("**Smart Express**"). The principal activity Smart Express is property investment and the Group commenced a reportable segment, i.e. property investment.

Business segment

The following is an analysis of the Group's revenue and results by operating and reportable segments for the three months ended 30 June 2020:

	Operation of bars HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Inter-segment elimination HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Revenue				
Revenue from external customers	27,366	88	–	27,454
Revenue from inter-segment	–	204	(204)	–
Reportable segment revenue	27,366	292	(204)	27,454
Reportable segment results	5,609	234	–	5,843
Unallocated:				
Corporate and other unallocated expenses				(2)
Depreciation of property, plant and equipment				(125)
Depreciation of right-of-use assets				(121)
Interest income				8
Interest income from rental deposits				1
Finance costs				(229)
Profit before income tax				5,375

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

3. REVENUE AND SEGMENT INFORMATION (Continued)

Other information

	Operation of bars HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Interest income	–	–	8	8
Interest income from rental deposits	60	–	1	61
Interest expense	576	–	229	805
Addition of right-of-use assets	7,877	–	–	7,877
Depreciation of property, plant and equipment	2,214	–	125	2,339
Depreciation of right-of-use assets	7,538	–	121	7,659

Geographical information

No geographical information is shown as the revenue and profit from operations of the Group are all derived from its activities in Hong Kong and all the Group's non-current assets are located in Hong Kong.

Information about major customers

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

Disaggregation of revenue

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue from contracts with customers under HKFRS 15		
Operation of bars		
Sales of beverages and refreshments	26,480	37,415
Electronic dart machines	886	1,463
	27,366	38,878
Revenue from other sources		
Property investment		
Rental income from investment properties	88	–
	27,454	38,878

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue from contracts with customers under HKFRS 15		
Disaggregated revenue information for the period		
By timing of revenue recognition		
A point in time	27,366	38,878

Performance obligations for contracts with customers under HKFRS 15

Operation of bars (revenue recognised at a point in time)

The Group recognises revenue from operation of bars. The revenue of the Group is recognised at a point in time. Under the transfer-of-control approach in HKFRS 15, revenue from operation of bars is recognised at the point of sales to customers, which is the point of time when the customer has the ability to direct the use of the goods and services and obtain substantially all of the remaining benefits of the goods and services. Payment of the transaction price is due immediately at the point the customer purchases the goods and services.

4. OTHER INCOME

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Government subsidy	12,587	–
Bank interest income	8	37
Interest income from rental deposit	61	–
Others	59	167
	12,715	204

5. FINANCE COSTS

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Interest on bank borrowings	225	–
Interest on lease liabilities	580	589
	805	589

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

6. PROFIT BEFORE INCOME TAX

Profit before income tax expense is arrived at after charging/(crediting):

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Auditor's remuneration	300	263
Gross rental income from investment properties	88	–
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	(25)	–
Direct operating expenses incurred for investment properties that did not generate rental income during the period	(33)	–
	30	–
Loss on disposal/write-off of property, plant and equipment	–	22
Cost of inventories recognised as an expense	6,898	9,425
Depreciation of right-of-use assets	7,654	7,062
Depreciation of property, plant and equipment		
– Owned assets	2,339	2,139
	2,339	2,211
Operating lease payments – minimum lease payment	302	188
	302	188
Directors' remuneration	446	426
Other staff costs		
– Salaries and other benefits	9,740	9,849
– Retirement benefit scheme contribution	462	456
Total staff costs	10,648	10,731
Other operating expenses		
– Bank and credit card handling charges	315	380
– Cleaning expenses	438	538
– Electricity, water, telephone and air-conditioning	769	895
– Licenses fees	695	541
– Repair and maintenance	1,001	730

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

7. TAXATION

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
The taxation charge comprises:		
Hong Kong Profits Tax		
– Current period	23	571

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

8. DIVIDENDS

The Board has resolved not to declare the payment of any interim dividend for the three months ended 30 June 2020 (2020: nil).

9. EARNINGS PER SHARE

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

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Profit for the period attributable to the owners of the Company for the purpose of calculating basic earnings per share	4,863	2,145
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	'000 860,000	'000 860,000
Basic earnings per share (HK cents)	0.57	0.25

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a chained bar group mainly offering beverages and light refreshments under the brands of “Bar Pacific” and “Pacific” with locations scattered over Hong Kong. The main focuses of the Group’s growth strategies lie in its networks expansion and upgrade of the existing shops facilities. Before the date of this report (the “**Reporting Date**”), the Group has entered into two rental agreements for new shops located at Yuen Long and Sheung Shui which are expected to be opened in the third quarter of 2020. As at 30 June 2020 and the Reporting Date, we operated 41 shops throughout Hong Kong.

PROSPECTS

Looking ahead, the Group will ride on its elevated 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, the Group has the advantage of leveraging its extensive network in Hong Kong.

USE OF PROCEEDS

The Shares in issue were successfully listed on GEM on 11 January 2017 and a total of 215,000,000 Shares at HK\$0.29 per Share were placed (the “**Placing**”). The net proceeds from the Placing (the “**Net Proceeds**”) were about HK\$45.2 million after deduction of listing related expenses. During the Year 2020, the Net Proceeds were fully utilised and a summary of the use of the Net Proceeds is set out in the table below:

	Proposed amount to be used (HK\$ million)	Proposed amount used up to 30 June 2020 (HK\$ million)	Actual amount used during the Period (HK\$ million)	Actual approximate amount utilized up to 30 June 2020 (HK\$ million)	Changes and explanation
Expand our brands	35.5	35.5	–	32.8	The Group completed the expansion plan and the remaining amount HK\$2.7 million will be used as working capital.
Continue to upgrade our shops’ facilities	3.4	3.4	–	3.4	N/A
Continue our promotion and marketing activities	3.5	3.5	–	3.5	N/A
General working capital	2.8	2.8	–	5.5	The Group completed the expansion plan and the remaining amount HK\$2.7 million will be used as working capital.
Total	45.2	45.2	–	45.2	

FINANCIAL REVIEW

Revenue and gross profit margin

Our revenue decreased from approximately HK\$38.9 million for the three months ended 30 June 2019 (the “**Previous Period**”) to approximately HK\$27.4 million for the Period, representing a substantial decrease of approximately 29.6%. The Hong Kong Government had imposed an order on 2 April 2020 for the compulsory shut-down of all the bars and pubs in Hong Kong for the period from 3 April 2020 to 7 May 2020 (the “**Mandatory Closure Period**”). As a result, no revenue from operations of bars was recorded during the Mandatory Closure Period.

Gross profit from operation of bars for the Period amounted to HK\$20.6 million, representing a decrease of 30.2% as compared with the Previous Period (2019: HK\$29.5 million). Gross profit margin for the Period remained stable at approximately 74.9% (2019: 75.8%).

Other income

Our other income increased from approximately HK\$0.2 million for the Previous Period to approximately HK\$12.7 million for the Period, representing an increase of approximately 62.5 times. Such increase was mainly due to the recognition of the subsidies received and receivable under the Catering Business (Social Distancing) Subsidy Scheme launched by the Food and Environmental Hygiene Department of the Hong Kong Government, under which each of the Group’s subsidiaries holding eligible light refreshments licence would be entitled to a subsidy ranging from HK\$250,000 to HK\$2,200,000 according to the gross floor area of each of the bars concerned, which amounted to approximately HK\$12.6 million.

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 decreased from approximately HK\$10.7 million for the Previous Period to approximately HK\$10.6 million for the Period. The effect of the decreased staff costs during the Mandatory Closure Period offset the effect of the increase in the number of our employees.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment represents depreciation charges on its property, plant and equipment, including leasehold improvements, computer equipment, furniture and fixtures and motor vehicles. Our depreciation charges increased to approximately HK\$2.3 million for the Period from approximately HK\$2.1 million for the Previous Period, representing an increase of approximately 9.5%. Such increase was primarily attributable to the opening of three new shops during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONTINUED)

Depreciation of right-of-use assets

Depreciation mainly represents depreciation charges on right-of-use of shops' lease term. Our depreciation charges increased by approximately 8.5% to approximately HK\$7.7 million for the Period from approximately HK\$7.1 million for the Previous Period. Such increase was primarily attributable to the new engaged lease term during the Period.

Property rentals and related expenses

Our property rentals and related expenses consist of lease payments of leases with lease term ends within 12 months of the date of initial application, property management fee and government rate on our shops, storage and office premises. Our property rentals and related expenses increased from approximately HK\$692,000 for the Previous Period to approximately HK\$709,000 for the Period, representing an increase of approximately 2.5%.

Other operating expenses

Our other operating expenses recorded a moderate increase from approximately HK\$5.3 million for the Previous Period to approximately HK\$5.7 million for the Period, representing an increase of approximately 7.5%. Such increase was mainly due to increase in the number of our shops.

Finance costs

Finance costs represent interest on obligations under finance lease and the interest on the leases liability. The amount increased from approximately HK\$0.6 million for the Previous Period to approximately HK\$0.8 million for the Period, representing an increase of 33.3%. Such increase was mainly due to the bank borrowings' interest which amounted to approximately HK\$225,000.

Taxation

Our taxation decreased from approximately HK\$0.6 million for the Previous Period to approximately HK\$23,000 for the Period, representing a decrease of approximately 96.2%. Such decrease is mainly due to the decrease in operating profit after deducting non-taxable government subsidy amounting HK\$12.6 million. For the Period, most of the subsidiaries of the Group recorded operating loss after deducting non-taxable government subsidy income amounting HK\$12.6 million.

Profit for the Period

As a result of the above and in particular an increase in other income for the Period, the Group recorded a profit of approximately HK\$5.4 million for the Period, as compared to a profit of approximately HK\$2.5 million recorded for the Previous Period, representing an increase of approximately 53.7%.

Dividend

The Board has resolved not to declare any interim dividend for the three months ended 30 June 2020 (Previous Period: Nil).

Contingent liabilities

As at 30 June 2019 and 2020, 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.

DISCLOSURE OF INTERESTS

(A) Directors' and chief executives' interests and short positions in Shares of the Company (the "Shares"), underlying shares and debentures of the Company and its associated corporations

As at 30 June 2020, 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: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance Chapter 571 of the Laws of Hong Kong (the "SFO") (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register required to be kept (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 Shares

Name of Directors	Capacity/ Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital in 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%
Ms. Chan Tsz Tung (" Ms. Gloria Chan ") (Note)	Beneficiary of a trust	431,543,700	50.18%

Note: Moment to Moment holds 431,543,700 Shares, representing approximately 50.18% of the issued share capital in the Company. The sole shareholder of Moment to Moment is Harneys, the trustee of the Bar Pacific Trust, of which Ms. Tse, the chief executive officer of the Company (the "**CEO**"), the chairlady of the Board (the "**Chairlady**") and an executive Director and one of her daughters, namely Ms. Gloria Chan, an executive Director and others are beneficiaries. Ms. Tse and Ms. Gloria 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. Gloria Chan	Moment to Moment	Beneficiary of a trust	1	100%

Save as disclosed above and so far as the Directors are aware, as at 30 June 2020, 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 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 30 June 2020, 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 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:

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 Beneficial owner	431,543,700 24,925,038	50.18% 2.90%
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. Gloria Chan became the beneficiaries of Bar Pacific Trust. Hence, both Mr. Chan and Ms. Gloria 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 24,925,038 Shares.

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any persons who/entities which (other than a Director or the chief executive of the Company) 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.

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 2020.

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 Period, the Company has adopted and complied with all applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 15 to the GEM Listing Rules with the exception that the roles of the Chairlady and the CEO have not been segregated as required by code provision A.2.1 of the CG Code. The Company is of the view that it is in the best interest of the Company that Ms. Tse, with her profound expertise in bar business, shall continue in her dual capacity as the Chairlady and the CEO. Nevertheless, the Company will look for suitable candidates and will make necessary arrangement pursuant to the requirement under A.2.1 of CG Code as and when necessary.

BOARD DIVERSITY POLICY

The Board adopted a policy of the Board diversity, including the measurable objectives set for implementing the same on 13 November 2018. The nomination committee of the Board (the "**Nomination Committee**") will review these objectives regularly.

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.

DIVIDEND POLICY

It is the policy of the Board, in considering the payment of dividends, to allow the shareholders of the Company to participate in the Company's profits whilst preserving the Company's liquidity to capture future growth opportunities.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall consider the following factors before declaring or recommending dividends:

- (a) the Company's actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- (d) the Group's liquidity position;
- (e) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (f) other factors that the Board may considered relevant.

The payment of dividend by the Company is also subject to any restrictions under the Cayman Islands laws and the articles of association of the Company.

The Board will continually review the dividend policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earning, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group.

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 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

During the Period, the Company had not redeemed 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 30 June 2019 and no share options were granted, exercised, or cancelled or lapsed during the Period.

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

As at the Reporting Date, details of the existing banking facilities with covenants relating to specific performance of the controlling shareholder of the Company, which constituted disclosure obligation pursuant to Rule 17.20 of the GEM Listing Rules are as follows:

Date of facilities	Nature of facilities	Aggregate amount	Life of the facilities	Specific performance obligation
12 June 2019	Term loan facility, revolving loan facility and combined facility	HK\$20,000,000	No fixed term but subject to review and will continue up to and including 15 May 2021	Note
30 August 2019	Term loan facility	HK\$10,000,000	– ditto –	Note
3 January 2020	Term loan facility	HK\$25,800,000	– ditto –	Note

Note:

Ms. Tse, an Executive Director, the Chairlady and the CEO, (i) will serve as the Chairlady; (ii) is actively involved in the management and business of the Group; (iii) remains as the single major Shareholder through beneficial ownership, controlled corporation, trust or other means; and (iv) the Tangible Net Worth (as defined in the relevant facility letters) of the Company will be maintained at a minimum level of HK\$30 million at all times.

Except for disclosed above, the Group had no other circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules as at 30 June 2020 and the Reporting Date.

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. The written terms of reference in compliance with code provisions 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 (the “INEDs”), 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 for the Period and this quarterly report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

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

Hong Kong, 13 August 2020

As at the date of this report, the executive Directors are Ms. Tse Ying Sin Eva (Chairlady and CEO) and Ms. Chan Tsz Tung; and the INEDs are Mr. Tang Wing Lam David, Mr. Chin Chun Wing and Mr. Yung Wai Kei.