



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

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8432



年報
ANNUAL REPORT
2020/21

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 Annual 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 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 Annual 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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GLOSSARY

Unless the context otherwise requires, the following terms used in the sections headed “Corporate Information”, “Director’s Statement”, “Management Discussion and Analysis”, “Profile of Directors and Senior Management”, “Corporate Governance Report”, “Directors’ Report”, “Environmental, Social and Governance Report” and “Financial Summary” shall have their respective meanings set out below.

“2020 AGM”	the AGM held on Friday, 31 July 2020
“2021 AGM”	the AGM to be held on Thursday, 12 August 2021 at 3:00 p.m.
“AGM(s)”	the annual general meeting(s) of the Company
“Annual Report”	the annual report of the Company for the Year
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Audit Committee”	the audit committee of the Board
“BDO”	BDO Limited, the Independent Auditor
“Board”	the board of Directors
“CEO” or “Chief Executive Officer”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules
“Chairlady”	the chairlady of the Board
“close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Company”	Bar Pacific Group Holdings Limited (太平洋酒吧集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed and traded on GEM (Stock code: 8432)
“Company Secretary”	the company secretary of the Company
“Compliance Officer”	the compliance officer of the Company
“COVID-19”, “Disease” or “Pandemic”	the novel coronavirus (COVID-19) disease
“Director(s)”	the director(s) of the Company
“EGM(s)”	the extraordinary general meeting(s) of the Company
“ESG”	environmental, social and governance
“Executive Director(s)”	the executive Director(s) of the Company

"Financial Statements"	the consolidated financial statements of the Group for the Year
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
"Group"	the Company and its subsidiaries
"HKFRS(s)"	Hong Kong Financial Reporting Standard(s) issued by the Hong Kong Institute of Certified Public Accountant
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKSAR Government"	the Government of the Hong Kong Special Administrative Region
"Independent Auditor(s)"	independent auditor(s) of the Company
"Independent Non-executive Director(s)" or "INED(s)"	the independent non-executive Director(s)
"Joint Company Secretary(ies)"	a joint company secretary of the Company or the joint company secretaries of the Company
"Listing"	the listing of the issued Shares on GEM by way of share offer
"Listing Date"	11 January 2017, the date on which the issued Shares were initially listed on GEM
"Mandatory Closure"	the compulsory shut-down of all the bars and pubs ordered by the HKSAR Government under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F) to combat the spread of the COVID-19
"Mandatory Closure Periods"	the periods of Mandatory Closure from 3 April 2020 to 7 May 2020, from 15 July 2020 to 18 September 2020 and from 26 November 2020 to 31 March 2021, respectively
"Nomination Committee"	the nomination committee of the Board
"PRC"	the People's Republic of China and for the purpose of this Annual Report, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Previous Year"	the year ended 31 March 2020
"Prospectus"	the prospectus of the Company dated 30 December 2016

GLOSSARY

"Register"	the register of the Company
"Register of Members"	the register of members of the Company
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Date"	the date of the Annual Report (i.e. 28 June 2021)
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	the ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the GEM Listing Rules
"UK"	the United Kingdom
"US"	the United States of America
"Year"	the year ended 31 March 2021
"%"	per cent



BOARD OF DIRECTORS

Executive Directors

Ms. Tse Ying Sin Eva
(*Chairlady and Chief Executive Officer*)
Ms. Chan Ching Mandy
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

COMPANY SECRETARY / JOINT COMPANY SECRETARIES

Mr. Leung Ping Hing, CPA (resigned as a joint Company
Secretary on 1 April 2021)
Ms. Chan Hau Lai, ACG ACS

COMPLIANCE OFFICER

Ms. Chan Tsz Tung

AUTHORISED REPRESENTATIVES

Ms. Tse Ying Sin Eva
Mr. Leung Ping Hing (ceased to be alternate to Ms. Tse Ying
Sin Eva with effect from 1 April 2021)
Ms. Chan Ching Mandy (alternate to Ms. Tse Ying Sin Eva
with effect from 1 April 2021)
Ms. Chan Hau Lai

INDEPENDENT AUDITORS

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 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

DIRECTOR'S STATEMENT

Dear shareholders,

On behalf of the Board, I present to you the annual results of the Group for the Year.

OVERVIEW

The storm in 2019 extended into 2020 with the year dominated by the COVID-19. The Pandemic sent many parts of the global economy to a virtual sandhill. The Hong Kong economy shrank by 6.1% in the year 2020 – this biggest annual contraction on record.

The bar and beverage sectors, in particular, are on their knees under stringent quarantine control imposed by the HKSAR Government to combat the spread of the COVID-19 (the “**Quarantine Control**”). Under such prevailing economic and market conditions, Bar Pacific Group experienced an unprecedented disruption to our business. During the Mandatory Closure Periods, no revenue was recorded by the Group. However, the Group expects that after Hong Kong has COVID-19 under control, the revenue generated by the Group will improve.

BUSINESS PERFORMANCE

Due to the Quarantine Control, the consolidated revenue of the Group for the Year declined by approximately 65.4% to approximately HK\$57.8 million from that of HK\$167.2 million for the Previous Year. The Group incurred a net loss amounted to HK\$36.9 million for the Year (2020: net profit HK\$4.4 million).

In response to these unprecedented challenges, the Group took exceptional measures to mitigate the impact on our business. We implemented service quality improvement projects and deferred or cancelled non-critical expenditure. We focused on increasing productivity and cost saving. This was centered on the strategic operating system that leverages our advantages of scale to drive further convergence and integration.

PROSPECTS

The events of 2020 have underlined the growing importance of tailored, responsive strategies and operations to our industry. As we navigate the intricacies of a global recovery after the Pandemic, continuous improvements in these areas at pace will be crucial to performance and growth.

The short-term outlook remains challenging and dynamic. However, we remain absolutely confident in the long-term future and the competitive position of our business. Our leading position in the industry and strategic business development will continue to hold us in good stead as we recover and rebuild from the impact of the COVID-19.

CLOSING

On behalf of all Shareholders and the Board, I would like to take this opportunity to thank all Bar Pacific Group staff for their resilience and tremendous hard work during uncertain times.

I would also like to express my sincere gratitude to all customers, landlords and business partners for their continued support under such difficult conditions, and fellow members of the Board for tackling 2020 with such care and commitment.

Chan Tsz Tung

Executive Director

Hong Kong, 28 June 2021

OVERVIEW

The following commentaries refer to the year-on-year comparison.

- The Group operated a total of 42 chained bars under the brand “Bar Pacific” and “Pacific” in Hong Kong at the Reporting Date.
- Turnover of bar operations for the Year amounted to HK\$57.5 million, which declined by 65.6% and 66.5% in total sales and comparable-shop-sales respectively. Table 1 below provides detailed analysis.
- Loss before income tax of operation of bars was HK\$36.7 million. Table 2 below provides detailed analysis.

Table 1. Turnover of bars operation

	2021	2020	Change
Number of shops number at 31 March	42	40	5.0%
Number of shops number with full year operation	39	36	8.3%
Number of shops number with full year operation in both 2021 and 2020	35	35	N/A
Sales of shops with full year operation in both 2021 and 2020	HK\$49.1 million	HK\$146.5 million	(66.5%)

Table 2. Segement results

	Operation of bars HK\$'000	Property investment HK\$'000	Corporate and unallocated HK\$'000	Inter-segment elimination HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue	57,488	1,636	–	(1,285)	57,839	167,171
Other income	38,272	–	53	–	38,325	5,298
Rent concession related to COVID-19	2,434	–	–	–	2,434	–
Cost of inventories sold	(14,087)	–	–	–	(14,087)	(38,152)
Staff costs	(32,685)	–	–	–	(32,685)	(45,537)
Depreciation of property, plant and equipment	(9,784)	–	(193)	–	(9,977)	(9,267)
Depreciation of right-of-use assets	(30,873)	–	(668)	–	(31,541)	(26,054)
Property rentals and related expenses	(4,590)	(89)	–	1,285	(3,394)	(6,603)
Other operating expenses	(16,665)	(100)	(9)	–	(16,774)	(24,848)
Impairment loss on property, plant and equipment	(6,955)	–	–	–	(6,955)	(1,406)
Impairment loss on right-of-use assets	(17,013)	–	–	–	(17,013)	(5,889)
Fair value loss on investment properties	–	(400)	–	–	(400)	(4,606)
Finance costs	(2,222)	–	(964)	–	(3,186)	(2,858)
(Loss)/profit before income tax	(36,680)	1,047	(1,781)	–	(37,414)	7,249

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year, the continuous spreading of the COVID-19 in Hong Kong resulted in the imposition by the HKSAR Government the orders of Mandatory Closure. Accordingly, no revenue was recorded by the Group during the Mandatory Closure Periods.

FINANCIAL REVIEW

Revenue from operation of bars and gross profit margin

Our revenue from operation of bars declined by 65.6% to approximately HK\$57.5 million for the Year, compared to that of approximately HK\$167.0 million for the Previous Year. During the Year, the continuous spreading of the Pandemic in Hong Kong resulted in the imposition of the Mandatory Closure. Accordingly, no revenue was recorded by the Group during the Mandatory Closure Periods.

Gross profit from operation of bars for the Year amounted to HK\$43.4 million, representing a decrease of 66.3% as compared with the Previous Year (2020: HK\$128.9 million). Such decrease was in line with the decrease in revenue for the Year.

The gross profit margin for the Year remained stable at approximately 75.5% (2020: 77.2%).

Revenue from properties investment

Our revenue from property leasing activities increased by 144% to HK\$351,000 for the Year from HK\$144,000 for the Previous Year. Such increase is mainly due to record full year of rental income for the Year.

Other income

Our other income recorded approximately HK\$38.3 million for the Year, in which included government subsidy schemes under Anti-epidemic Fund for an amount of HK\$35.7 million. Interest income – rental deposit HK\$251,000 was recorded in the Year. The other income for the Year other than the items mentioned above was HK\$2.4 million.

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 as well as head office and shop staff. Staff costs decreased to approximately HK\$32.7 million for the Year from approximately HK\$45.5 million for the Previous Year, representing a decrease of approximately 28.1%. Staff costs were saved during the Mandatory Closure, since the working hours decrease and some frontline staffs resigned.

Depreciation of property, plant and equipment

Depreciation represents depreciation charges on its property, plant and equipment, including in leasehold improvements, computer equipment, furniture and fixtures and motor vehicles. Our depreciation charges increased to approximately HK\$10 million for the Year from approximately HK\$9.3 million for the Previous Year, representing an increase of approximately 7.5%. Such increase was primarily attributable to the opening of new shops during the Year.

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. For the Year, property rentals and related expenses decreased by approximately 48.5% to approximately HK\$3.4 million from approximately HK\$6.6 million for the Previous Year. The decrease in property rentals and related expenses of approximately HK\$3.2 million was mainly due to the Group has initial adopted HKFRS 16 on 1 April 2019 and applied practical expedient for leases with the term ends within 12 months from the date of initial application (i.e. 1 April 2019).



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Other operating expenses

Other operating expenses recorded a decrease of approximately 32.3% from approximately HK\$24.8 million for the Previous Year to approximately HK\$16.8 million for the Year. The reduction of operating expenses was mainly due to cost saved as a result of the Mandatory Closure Period.

Finance costs

Finance costs for the Year amounted to approximately HK\$3.2 million, representing an increase of 10.3% when compared to those of approximately HK\$2.9 million for the Previous Year. The main reason for the increase in finance costs for the Year was due to the interests on new bank borrowing in the Year of HK\$20.3 million.

Taxation

The total tax expenses for the Year amounted to approximately HK\$1 million (2020: HK\$1 million), which consisted of (i) current tax expenses of approximately HK\$494,000 (2020: HK\$2.4 million) and (ii) deferred tax expenses of approximately HK\$537,000 (2020: deferred tax credit of HK\$1.4 million).

Capital commitments

As at 31 March 2021, the Group's capital commitments amounted to HK\$3,000,000 (2020: HK\$900,000).

Contingent liabilities

The Group did not have any contingent liabilities as at 31 March 2021 (2020: Nil).

Charges on the Group's assets

The Group pledged the following assets to secure bank borrowings and general banking facilities granted to the subsidiaries of the Company:

Asset	Net carrying amount	
	2021 HK\$'000	2020 HK\$'000
Building	4,880	1,120
Right-of use assets – leasehold land	47,793	17,180
Investment properties	22,430	22,830
	75,103	41,130

Significant investments

The Group did not conduct any significant investments (except investments in the Company's subsidiaries) during the Year.

On 31 October 2019, the Group acquired a 100% equity interest in Smart Express Development Limited ("Smart Express") which held certain investment properties located in Hong Kong. The acquisition of Smart Express has been accounted for as an asset acquisition. The investment properties valued at HK\$22,430,000 and represented approximately 14.0% of the Group's total assets. The properties held by Smart Express comprise a portion that is held by the Group to earn rentals or for capital appreciation and another portion that is held for use in its bar operations, and the Group classified them separately as investment properties and owner-occupied properties (comprising of property, plant and equipment and right-of-use assets), respectively. The Group leases out the rental earning portion of the shops under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 4 years. Details of the relevant accounting treatments are disclosed in notes 16 and 27 to the Financial Statements.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Dividend

No interim dividend was paid for the six months ended 30 September 2020 (2019: HK0.55 cent per Share totalling HK\$4.73 million).

The Board has resolved not to recommend the payment of a final dividend for the Year (2020: HK0.55 cent per Share totalling HK\$4.73 million).

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.

Employee and remuneration policy

As at 31 March 2021, the Group had 349 employees (2020: 400 employees). Total staff costs (including Directors' remuneration) were approximately HK\$32.7 million for the Year (2020: HK\$45.5 million). Remuneration is determined by reference to the prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. Periodic in-house training is provided to the employees to enhance the knowledge of the workforce. Meanwhile, training programs conducted by qualified personnel are also attended by our employees to enhance their skills set and working experience.

The Group adopted a share option scheme on 17 December 2016 to provide incentives to the directors, employees and eligible participants of the Group. Since its adoption, no options have been granted or agreed to be granted, and therefore, there were no outstanding options as at 31 March 2021 (2020: Nil).

Material acquisition or disposal

On 1 September 2020, CW Property Limited and Bar Pacific XC International Limited, both wholly-owned subsidiaries of the Company, entered into agreements (the "**Agreements**") with Success Express International Limited (the "**Vendor**"), pursuant to which the Vendor has agreed to sell the properties comprise of Shop 1 and Shop 2 on Ground Floor together with the Appurtenant A/C Room 1 and A/C Room 2 on 1st Floor Jadewater, No. 238 Aberdeen Main Road, Hong Kong for an aggregate consideration of HK\$33,000,000 and subject to the terms and conditions contained in the Agreement (the "**Acquisition**"). For details, please refer to announcements of the Company dated 18 August 2020, 27 August 2020, 2 September 2020 and 7 September 2020 and circular of the Company dated 28 September 2020.

The Acquisition was completed on 30 November 2020 in accordance with the terms and conditions of the Agreement. For details, please refer to announcement of the Company dated 30 November 2020.

Save for the above, there was no material acquisition or disposal of subsidiaries, associate and joint venture during the Year.

Significant event after year end

There is no significant event affecting the Group subsequent to 31 March 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties, including market risk, credit risk and impairment assessment, and liquidity risk. The risk management objectives and policies of the Group are shown in note 32 to the Financial Statements.



MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at	
	31 March 2021	31 March 2020
Cash and cash equivalents	HK\$3.5 million	HK\$32.6 million
Bank borrowings	HK\$52.7 million	HK\$32.4 million
Unutilised banking facilities	HK\$8.4 million	HK\$19.4 million
Gearing ratio	430%	101%

The Directors are of the view that at the date hereof, the Group's financial resources are sufficient to support its business and operations.

The Group's primary sources of funds were cash inflows from operating activities and bank borrowings and, after the Listing, the Net Proceeds.

The gearing ratio is equal to net debt divided by total equity.

The interest rate of bank borrowings is charged based on floating rates.

FOREIGN CURRENCY

During the Year, the transactions of the Group were denominated and settled in Hong Kong dollars, the functional and reporting currency of the Group.

The Group does not have a significant foreign exchange exposure and has currently not implemented any foreign currency hedging policy. The management will consider hedging against significant foreign exchange exposure should the need arise.

PROSPECTS

Looking ahead, the Group will ride on its raised profile upon its listing 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. During the period from the Listing Date to the Reporting Date, we opened ten new shops and will open two new shops to further expand our network within 2021.

Given the continuous spreading of the COVID-19 in Hong Kong, we will closely monitor the development of the Pandemic and the market situation and will adjust our strategies when necessary. We are confident that our management will be able to overcome the adverse impacts of the Pandemic and generate the highest possible returns for the shareholders of the Company upon the business resumes normal.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Ms. Tse Ying Sin Eva (謝熒倩) (former forename “Siu Hung” (小虹)) (“Ms. Tse”), aged 49, is the Chairlady, the Chief Executive Officer, an Executive Director and a director of each of Bar Pacific Group Limited, Hacienda International Corporation Limited (希斯達國際有限公司), Tank Success International Limited (騰昇國際有限公司) (“**Tank Success**”) and Bar Pacific Entertainment Limited (太平洋娛樂有限公司), all being operating subsidiaries of the Company. She is also the chairlady of the Nomination Committee and a member of the Remuneration Committee.

Ms. Tse joined the Group in August 1999 and has spent about 20 years with the Group where she held senior corporate management positions in development and operations, including as a director of a number of subsidiaries of the Company.

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

Ms. Tse is the mother of Ms. Chan Tsz Tung, an Executive Director. For Ms. Tse’s interests in the Shares within the meaning of Part XV of the SFO, please refer to the paragraph headed “Disclosure of Interests” in the Directors’ Report on pages 31 to 33 of this annual report.

Ms. Chan Ching Mandy (陳靜) (“Ms. Mandy Chan”), age 48, was appointed as Executive Director on 12 October 2020. Ms. Mandy Chan joined the Group as the general manager of Tank Success in September 2020 and has primarily been responsible for the Group’s human resources matters. From 1987 to 1990, Ms. Mandy Chan worked in Le Saunda Holdings Limited (a company listed on the Stock Exchange, stock code: 738) and her last position held was shop manager. From 1990 to 2004, Ms. Mandy Chan worked in Mirabell International Holdings Limited (a company formerly listed on the Stock Exchange, stock code: 1179) and her last position held was senior shop manager, in-charge of the management of shops of a district. From 2004, Ms. Mandy Chan started her owned business and later on worked as an assistant to her brother Mr. Chan Wai in relation to the management of his private business. Ms. Mandy Chan has around 20 years of experience in retails industry in Hong Kong.

Ms. Mandy Chan is one of the two protectors of the Bar Pacific Trust (the other protector is her brother, Mr. Chan Wai). For Ms. Mandy Chan’s interests in the Shares within the meaning of Part XV of the SFO, please refer to the paragraph headed “Disclosure of Interests” in the Directors’ Report on pages 31 to 33 of this annual report.

Ms. Chan Tsz Tung (陳枳瞳) (former forename “Tin Lok” (天洛)) (“Ms. Gloria Chan”), age 28, was appointed as Executive Director on 31 December 2018 and is the Compliance Officer. Ms. Gloria Chan joined the Group as the marketing director of Tank Success, a wholly-owned subsidiary of the Company in 2015 and has primarily been responsible for the Group’s marketing activities. Ms. Gloria Chan obtained a bachelor’s degree of science in hotel management from The Hong Kong Polytechnic University in 2015.

Ms. Gloria Chan is a daughter of Ms. Tse, the Chairlady, the Chief Executive Officer and an Executive Director. For Ms. Gloria Chan’s interests in the Shares within the meaning of Part XV of the SFO, please refer to the paragraph headed “Disclosure of Interests” in the Directors’ Report on pages 31 to 33 of this annual report.



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

INEDs

Mr. Tang Wing Lam David (鄧榮林) ("Mr. Tang"), aged 64, was appointed as an INED on 17 December 2016 and is a member of the Audit Committee. Mr. Tang obtained a diploma in Sociology from Hong Kong Baptist College in June 1983. Mr. Tang obtained a master's degree of Arts in Management Systems from the University of Hull in the UK in December 1988. Mr. Tang subsequently obtained a bachelor's degree of laws from the University of Wolverhampton in the UK in October 1994 and a Postgraduate Certificate in Laws from the City University of Hong Kong in August 1996. Mr. Tang obtained a Doctor of Philosophy in Business Administration from Tarlac State University in the Philippines in January 2019. Mr. Tang is currently a practising solicitor in Hong Kong. Mr. Tang joined Fung, Wong & Ha as a trainee solicitor from 1996 to 1998. From April 1999 to March 2016, Mr. Tang worked in Fung, Wong, Ng & Lam, Solicitors & Notaries as consultant. Since April 2016, Mr. Tang became a limited liability partner of Fung, Wong, Ng & Lam LLP Solicitors (formerly known as "Fung, Wong, Ng & Lam, Solicitors & Notaries"). Mr. Tang has about 20 years of legal experience in Hong Kong.

Mr. Chin Chun Wing (錢雋永) ("Mr. Chin"), aged 42, was appointed as an INED on 17 December 2016 and is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. Chin completed secondary education in Hong Kong in 1995. From September 1997 to July 2005, Mr. Chin worked in Tom Lee Music Co., Ltd. as a salesman. From August 2006 to August 2009, Mr. Chin worked in Grand Bar & Lounge as a director. Since March 2007, Mr. Chin has been the director of Hong Kong Cocktail School. Since November 2008, Mr. Chin is the vice chairman of Hong Kong Bar & Club Association. Mr. Chin has about 10 years of experience in the beverage industry in Hong Kong.

Mr. Yung Wai Kei (容偉基) ("Mr. Yung"), aged 39, was appointed as an INED on 17 December 2016. He is the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Yung obtained a bachelor's degree of business administration from Hong Kong Baptist University in November 2004, majoring in Applied Economics. Mr. Yung is currently a full member of the Association of Chartered Certified Accountants in the UK. From June 2004 to September 2005, Mr. Yung worked in AIP Partners C.P.A. Limited as audit junior. From October 2005 to January 2008, Mr. Yung was employed by Jimmy C.H. Cheung & Co., CPA as audit intermediate. From July 2008 to November 2008, Mr. Yung worked in Ronald Ng & Company Limited, CPA as audit senior. Mr. Yung worked in W.Y. Lam & Co., CPA (formerly known as W.Y. Lam & Dominic Chan & Co.) as assistant manager from December 2008 to January 2012. Since December 2012, Mr. Yung has been working for Alpha Partners, CPA as audit manager. Mr. Yung has over 10 years of external audit experience in Hong Kong.

SENIOR MANAGEMENT

Ms. Pan Mui Lie (范美麗) ("Ms. Pan"), aged 44, joined the Group in August 2003 and left after working for about 10 years and subsequently re-joined the Group in October 2015 as chief operation manager. Ms. Pan is currently the chief operation manager of the Group, responsible for overseeing the day-to-day operation; assessing the performance of frontline staff and formulating training standard and guidance to frontline staff of the Group. From August 2003 to March 2013, Ms. Pan worked in Tank Success as district manager. Ms. Pan has over 10 years of experience in the food and beverage industry.

Mr. Au Siu Lun (區兆倫) ("Mr. Au"), aged 43, joined the Group in April 2005 as shop manager, responsible for the daily operation of the shops, handling enquiries and complaints of customers, coordinating staff, providing training for staff and planning and executing sales proposal of the bars. Mr. Au has over 10 years of experience in the bar industry. Currently, Mr. Au is one of the district managers of the Group.

Ms. Chan Ting (陳婷) ("Ms. Chan"), aged 32, joined the Group as a part-time waitress in April 2009, and worked as a full-time waitress in July 2009, responsible for daily operation of the shops. Ms. Chan obtained a certificate in hosting and broadcasting from Communication University of China in January 2008. Since September 2011, Ms. Chan has been appointed as a district manager of the Group, responsible for the daily operation of the shops, handling enquiries and complaints of customers, coordinating staff, providing training for staff and planning and executing sales proposal of the bars. Ms. Chan has more than 10 years of experience in the bar industry.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT *(Continued)*

Ms. Poon Suet Hung (潘雪紅) (“Ms. Poon”), aged 43, joined the Group in January 2007 as a waitress responsible for the daily operation of the shops, handling enquiries and complaints of customers, coordinating staff, providing training for staff and planning and executing sales proposal of the bars. Ms. Poon has over 10 years of experience in the food and beverage industry. Currently, Ms. Poon is one of the district managers of the Group.

Ms. Leung Ching Ming (梁靜明) (“Ms. Leung”), aged 38, joined the Group in March 2014 as an operation clerk. Ms. Leung obtained a Certificate in Food Hygiene for Hygiene Supervisor from the Hong Kong Productivity Council in July 2006. In January 2011, Ms. Leung obtained the Level 2 Award in Food Safety in Catering from the Chartered Institute of Environmental Health. Ms. Leung obtained a Basic Food Hygiene Certificate for Hygiene Managers in March 2011 from the School of Continuing and Professional Education of the City University of Hong Kong in Hong Kong. From March 2006 to May 2008, Ms. Leung worked in Baab Limited as server, senior server and supervisor, and as a Manager Candidate from August 2008 to April 2009. From May 2009 to December 2009, Ms. Leung worked in Pizza Box as associate manager. Ms. Leung returned to Baab Limited and performed various roles, including supervisor, assistant manager, restaurant manager and area manager during the period between December 2009 and September 2013. Afterwards, Ms. Leung joined the Group in March 2014. Currently, Ms. Leung is the operation manager of the Group.

COMPLIANCE OFFICER

Ms. Gloria Chan is the Compliance Officer. For her brief biographical details, please refer to the paragraph headed “Executive Directors” in this section above.



CORPORATE GOVERNANCE REPORT

The Company is committed to fulfilling its responsibilities to its Shareholders and protecting and enhancing Shareholders' value by devoting considerable effort to identify and formulate good corporate governance practices.

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

The Board is pleased to present this Corporate Governance Report of the Group for the Year.

CORPORATE GOVERNANCE PRACTICES

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

During the Year and up to the Reporting Date, the Company has adopted and complied with all applicable code provisions as set out in the CG Code as contained in Appendix 15 to the GEM Listing Rules with the exception that the roles of the Chairlady and the Chief Executive Officer 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 Ying Sin Eva, with her profound expertise in bar business, shall continue in her dual capacity as the Chairlady and the Chief Executive Officer. 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 OF DIRECTORS

A. Responsibilities

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

The Directors have full access to information of the Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Directors are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

BOARD OF DIRECTORS *(Continued)*

B. Composition

The Company is committed to holding and implementing the view that the Board should include a balanced composition of Executive Directors and INEDs so that there is a strong independent element on the Board which can effectively exercise independent judgement.

As at the Reporting Date, the Board comprises the following six Directors, of which the INEDs in aggregate represent 50% of the Board members, exceeding the requirement of the GEM Listing Rules:

Executive Directors

Ms. Tse Ying Sin Eva ("**Ms. Tse**") (*Chairlady*)

Ms. Chan Ching Mandy ("**Ms. Mandy Chan**")

Ms. Chan Tsz Tung ("**Ms. Gloria Chan**")

INEDs

Mr. Tang Wing Lam David ("**Mr. Tang**")

Mr. Chin Chun Wing ("**Mr. Chin**")

Mr. Yung Wai Kei ("**Mr. Yung**")

The biographical details of each of the Directors are set out in the section headed "Profile of Directors and Senior Management" of this Annual Report. An updated list of the Directors, including the Executive Directors and the INEDs, identifying their roles and functions is also maintained on the respective websites of the GEM and the Company.

Ms. Tse is the mother of Ms. Gloria Chan. Ms. Mandy Chan is one of the two protectors of the Bar Pacific Trust (the other protector is her brother, Mr. Chan Wai). For the details of the Bar Pacific Trust, please refer to the paragraph headed "Disclosure of Interests" in the Directors' Report. Save as disclosed, there was no financial, business, family or other material relationship among the Directors for the Year.

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

During the Year, the Board has at all times met the requirement of Rules 5.05 and 5.05A of the GEM Listing Rules relating to the appointment of at least three INEDs with at least one of them has appropriate professional qualification and accounting and related financial management expertise as required under the GEM Listing Rules.

The Company has received a written annual confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation and not aware of the occurrence of any event that would impair the independence of the INEDs, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules up to the Reporting Date.

During the Year, the Chairlady, being an Executive Director, had held at least one meeting with the INEDs without the presence of other Executive Directors.

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

BOARD OF DIRECTORS *(Continued)*

B. Composition *(Continued)*

Appointment, Re-Election and Removal of Directors

In compliance with the GEM Listing Rules and in accordance with the Articles of Association, (i) all INEDs should be appointed for specific terms, (ii) at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director should be subject to retirement by rotation at least once every three years and are eligible for re-election, (iii) any Director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the next following general meeting of the Company and shall be subject to re-election at such meeting, and (iv) the Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Ms. Tse, being an Executive Director, has entered into a service agreement with the Company for a term of three years commencing on the Listing Date which has been renewed for a further three-year term upon its expiry. Each of Ms. Gloria Chan and Ms. Mandy Chan, being an Executive Director, has entered into a service agreement with the Company for a term of three years commencing 31 December 2018 and 12 October 2020, respectively. Such service agreements may be terminated by not less than three months' notice served by either party on the other.

Each of the INEDs has entered into an appointment letter with the Company for a term of three years commencing from the Listing Date which has been renewed for a further three-year term upon its expiry. Such appointment letters may be terminated by not less than three months' notice served by either party on the other.

None of the Directors has a service agreement or letter of appointment with the Company or any of its subsidiaries other than the agreements/letters of appointment expiring or determinable by the Company within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is sufficiently aware of his/her responsibilities under statutes and common law, the GEM Listing Rules, legal and regulatory requirements and the Company's business and government policies.

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

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

Name of Directors	Type of training
Ms. Tse	A, B
Ms. Mandy Chan	A, B
Ms. Gloria Chan	A, B
Mr. Tang	A, B
Mr. Chin	A, B
Mr. Yung	A, B

A: attending seminars/briefings/conference/forums and workshop

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

CORPORATE GOVERNANCE REPORT

MEETINGS OF BOARD AND DIRECTORS' ATTENDANCE RECORDS

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

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

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

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

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

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

The following table summarises the attendance records of Directors and committee members for the Year:

Name of Directors	Number of meeting(s) attended/eligible to attend				
	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	AGM
Number of meeting held	6	4	4	2	1
Executive Directors					
Ms. Tse	6/6	–	4/4	2/2	1/1
Ms. Mandy Chan (appointed on 12 October 2020)	3/3	–	–	–	–
Ms. Gloria Chan	6/6	–	–	–	1/1
INEDs					
Mr. Tang	6/6	4/4	–	–	1/1
Mr. Chin	6/6	4/4	4/4	2/2	1/1
Mr. Yung	6/6	4/4	4/4	2/2	1/1

Note: During the Year, the Board held six meetings, four of those were regular meetings.

Apart from the Board meetings above, consents and/or approvals of the Board were also obtained by way of written resolutions on a number of matters.

The Board held a meeting on 28 June 2021 and, amongst other matters, considered and approved the audited Financial Statements.



DIVIDEND POLICY

It is the policy of the Board, in considering the payment of dividends, to allow the Shareholders 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.

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.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties and upon reasonable request, members of the Board committees are able to seek independent professional advice in appropriate circumstance at the Company's expenses.

Remuneration Committee

The Company established the Remuneration Committee on 17 December 2016 pursuant to a resolution in compliance with Rule 5.34 of the GEM Listing Rules. The Remuneration Committee has adopted the approach under code provision B.1.2(c)(ii) of the CG Code to make recommendations to the Board on remuneration packages of the Directors and the senior management. The written terms of reference of the Remuneration Committee are published on the respective websites of the GEM and the Company. The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy, structure and packages relating to all Directors, senior management and general staff of the Group and ensure that none of the Directors or any of their associates determine their own remuneration. The Remuneration Committee consists of three members, namely Mr. Chin, Ms. Tse and Mr. Yung. Mr. Chin is the chairman of the Remuneration Committee.

BOARD COMMITTEES *(Continued)*

Remuneration Committee *(Continued)*

For the Year, the Remuneration Committee held two meetings in which it had reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors and senior management. The remuneration of Directors was determined by their experience, responsibility, workload and the time devoted to the Group. Executive Directors and employees also participate in bonus arrangements which was determined in accordance with the performance of the Group and the individual's performance. The attendance record of meetings during the Year is set on page 19. Details of the Directors' remuneration are set out in note 11 to the Financial Statements.

Ms. Tse, the Chairlady, an Executive Director and the CEO, and Mr. Chin and Mr. Yung, both INEDs, attended the above Remuneration Committee meetings in the capacity of a member/the chairman of the Remuneration Committee.

The Remuneration Committee held a meeting on 28 June 2021, among other things, reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors and senior management. The chairman and the other members of the Remuneration Committee attended such meeting.

Nomination Committee

The Company established the Nomination Committee on 17 December 2016 with written terms of reference in compliance with code provision A.5.2 of the CG Code. The written terms of reference of the Nomination Committee are published on the respective websites of the GEM and the Company. The nomination committee schedules to hold at least one meeting a year. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually; identify individuals suitably qualified to become Board members; assess the independence of INEDs; and make recommendations to the Board on relevant matters relating to appointment or reappointment of Directors. The Nomination Committee consists of three members, namely Ms. Tse, Mr. Chin and Mr. Yung. Ms. Tse is the chairlady of the Nomination Committee.

During the Year, the Nomination Committee held four meetings. It had, among others, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors at the 2021 AGM and discussed the matters relating to the procedure of nomination of director candidate by Shareholders, Directors' evaluation and succession plan etc. The attendance record of meetings during the Year is set on page 19.

Ms. Tse, the Chairlady, an Executive Director and the CEO, and Mr. Chin and Mr. Yung, both INEDs, attended the above Nomination Committee meetings in the capacity of a member/the chairlady of the Nomination Committee.

The Nomination Committee held a meeting on 28 June 2021, among other things, reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors at the forthcoming AGM. The chairman and the other members of the Nomination Committee attended such meeting.



BOARD COMMITTEES *(Continued)*

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 will review these objectives regularly.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board nominations, appointments and re-appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members and the nomination policy of the Company. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

Procedures and Process of Nomination of Directors

The Nomination Committee will recommend to the Board for the selection, appointment and re-appointment of a Director including an INED in accordance with the following procedures and process:

- i. The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- ii. The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third-party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:
 - (a) diversity in the aspects, amongst others, of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
 - (b) commitment for responsibilities of the Board in respect of available time and relevant interest;
 - (c) qualifications, both accomplishment and experience in the relevant industries in which the Group's business is involved;
 - (d) independence of INEDs;
 - (e) reputation for integrity;
 - (f) potential contributions that the individual can bring to the Board; and
 - (g) plan(s) in place for the orderly succession of the Board.

BOARD COMMITTEES *(Continued)*

Procedures and Process of Nomination of Directors *(Continued)*

- iii. The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;
- iv. The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts;
- v. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- vi. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate;
- vii. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration;
- viii. The Board may arrange for the selected candidate to be interviewed by the members of the Board, who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and
- ix. All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) with the relevant regulatory authorities, if required.

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 code provision C.3.3 of the CG Code has been adopted. Such written terms of reference were revised on 31 December 2018. The written terms of reference of the Audit Committee are published on the respective websites of the GEM and the Company. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of Independent Auditors; review financial statements of the Company and judgments in respect of financial reporting; and oversee the effectiveness of the procedures of the internal control of our Group. The Audit Committee consists of all the INEDs, namely Mr. Tang, Mr. Chin and Mr. Yung. Mr. Yung is the chairman of the Audit Committee.

During the Year, the Audit Committee has reviewed and ensured the independence and objectivity of the Independent Auditors, BDO. Details of the fees paid or payable to BDO for the Year are set out under the paragraph headed "Independent Auditor's Remuneration" on page 25 in this Annual Report.

During the Year, four Audit Committee meetings were held and the attendance record of meeting during the Year is set on page 19.



BOARD COMMITTEES *(Continued)*

Audit Committee *(Continued)*

The Audit Committee performed the following works during the Year:

- (a) reviewed the Group's draft annual audited financial statements for the Year, the draft unaudited quarterly financial statement for the three months ended 30 June 2020, the interim financial statements for the six months ended 30 September 2020 and the third quarterly financial statement for the nine months ended 31 December 2020 including the accounting principles and accounting standards adopted with recommendations for presentation to the Board for its consideration and approval;
- (b) reviewed the changes in accounting standards and assessed their potential impacts on the Group's financial statements;
- (c) reviewed the Group's internal control system and related matters; and
- (d) considered and made recommendations on the re-appointment of the Independent Auditors, and the terms of engagement.

Each of the INEDs attended the above meetings in the capacity of a member/the chairman of the Audit Committee.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an INED) is an INED who possess appropriate professional qualifications or accounting or related financial management expertise.

The Financial Statements have been reviewed by the Audit Committee at a meeting held on 28 June 2021. The Audit Committee is of the opinion that such Financial Statements comply with applicable accounting standards and the GEM Listing Rules and that adequate disclosure has been made. The chairman and the other members of the Audit Committee attended such meeting.

Corporate Governance Functions

The Audit Committee is responsible for performing the corporate governance functions as set out in code provision D.3.1 of the CG Code, which include but are not limited to:

- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company's compliance with the CG Code and disclosure in this Annual Report.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in Note 11 to the Financial Statements.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Profile of Directors and Senior Management" in this Annual Report for the Year by band is set out below:

Remuneration band (in HK\$)	Number of individuals
Nil to 1,000,000	5

INDEPENDENT AUDITOR'S REMUNERATION

The Audit Committee has reviewed and ensured the independence and objectivity of the Independent Auditors, BDO. Details of the fees paid or payable to BDO for the Year are as follows:

	HK\$'000
2021 annual audit – Audit services	880
Non-audit services	120
Total	1,000

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the Financial Statements. The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROLS AND RISK MANAGEMENT

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

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

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

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

Pursuant to C.2.1 of the CG Code, the Group engages independent professional advisor to conduct an annual review of the effectiveness of the Group's risk management and internal control system in various material aspects including financial, operational and compliance controls. The risk management report and internal control report are submitted and reviewed by the Audit Committee at least once a year. Summary of findings and recommendations are discussed at the Audit Committee meeting with a view to improve the Group's operations.

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



SHAREHOLDERS' RIGHT

Procedures for Shareholders to Convene an EGM

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

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

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

Procedures for Putting Forward Proposals at a General Meeting

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

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board by post for the attention of the Company Secretary at the head office of the Company at Room D2, 11/F, Phase 2, Hang Fung Industrial Building, 2G Hok Yuen Street, Hung Hom, Kowloon, Hong Kong, or send email to info@barpacific.com.hk.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

COMMUNICATION WITH THE SHAREHOLDERS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company updates its Shareholders on its latest business developments and financial performance through its announcements, circulars, annual and interim reports as well as AGMs and EGMs that may be convened. The corporate website of the Company has provided an effective communication platform to the public and the Shareholders.

CONSTITUTIONAL DOCUMENTS

There were no changes in constitutional documents of the Company during the Year.

A consolidated version of the Company's constitutional documents is available on the respective websites of the GEM and the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings in the securities (the “**Required Standard of Dealings**”) as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct governing the securities transactions by the Directors for the Year. Having made specific enquiries by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings for the Year.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO and the GEM Listing Rules and the overriding principle that inside information should be announced promptly. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the Executive Directors, the Company Secretary and the financial officer of the Company are authorised to communicate with parties outside the Group.

JOINT COMPANY SECRETARY(IES) AND COMPANY SECRETARY

The Company Secretary supports the Board by ensuring that reliable and relevant flow of information is maintained amongst members of the Board and that all procedures have been adhered to in accordance with applicable laws, rules and regulations.

Sir Kwok Siu Man KR (“**Sir Seaman Kwok**”) and Mr. Leung Ping Hing (“**Mr. Leung**”), the then financial controller of the Company, were appointed as joint Company Secretaries on 31 December 2018.

Sir Seaman Kwok resigned as a Joint Company Secretary on 27 January 2021 and Ms. Chan Hau Lai (“**Ms. Alice Chan**”) was appointed as a Joint Company Secretary in place of Sir Seaman Kwok on the same day.

Ms. Alice Chan was nominated by Boardroom Corporate Services (HK) Limited (“**Boardroom**”) as one of the Joint Company Secretaries pursuant to an engagement letter entered into between the Company and Boardroom, with a view to providing support to Mr. Leung in his role as a Joint Company Secretary. Mr. Leung resigned as a Joint Company Secretary with effect from 1 April 2021 and upon Mr. Leung's above resignation, Ms. Alice Chan has remained as the sole Company Secretary. The primary person at the Company with whom Ms. Alice Chan has been contacting in respect of company secretarial matters is Ms. Mandy Chan, an Executive Director.

Sir Seaman Kwok, Mr. Leung and Ms. Alice Chan have complied with the relevant professional training during the Year in compliance with Rule 5.15 of the GEM Listing Rules.



DIRECTORS' REPORT

The Directors are pleased to present this Annual Report and the audited Financial Statements.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its subsidiaries are (i) the operation of a chained bar group offering beverages and light refreshments and (ii) properties investment in Hong Kong. Details of the Company's principal subsidiaries are set out in note 34 to the audited financial statements.

BUSINESS REVIEW

A review of the business of the Group during the Year and a discussion on the Group's future business development during the Year, the material factors underlying its financial performance are set out in the section headed "Director's Statement" on page 7 and section headed "Management Discussion and Analysis" on pages 8 to 12 of this Annual Report. An analysis of the Group's performance during the Year using financial key performance indicators is provided in the "Financial Summary" on page 128 of this annual report.

No important events affecting the Group occurred since the end of the Year.

In addition, discussions on the Group's ESG practices, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the section headed "Environmental, Social and Governance Report" on pages 42 to 55 and the section headed "Corporate Governance Report" on pages 16 to 27 of this Annual Report.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 62 of this Annual Report.

No interim dividend was paid for six months ended 30 September 2020 (2019: HK0.55 cent per Share totaling HK\$4.73 million).

The Board has resolved not to recommend the payment of a final dividend for the Year (2020: HK0.55 cent per Share totalling HK\$4.73 million).

The Board is not aware of any Shareholders who have waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 9 August 2021 to Thursday, 12 August 2021 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining Shareholders' entitlement to attend the forthcoming 2021 AGM which will be held on Thursday, 12 August 2021. In order to qualify for attending and voting at the 2021 AGM, non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Boardroom Share Registrar (HK) Limited (the "**Hong Kong Branch Share Registrar**") for registration no later than 4:30 p.m. on Friday, 6 August 2021. The address of the Hong Kong Branch Share Registrar is 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

DIRECTORS' REPORT

FINANCIAL SUMMARY

A summary of the published results and the assets and liabilities of the Group for the last five financial years, as set out on page 128 of this Annual Report, are extracted from this Annual Report and the Prospectus.

USE OF PROCEEDS

The Shares in issue were successfully listed on GEM on the Listing Date by way of placing 215,000,000 Shares at HK\$0.29 each (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, the Net Proceeds were used according to the business strategies as stated in the Prospectus. For details, please refer to the interim report of the Company dated 12 November 2020.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year are set out in note 14 to the Financial Statements.

DISTRIBUTABLE RESERVES

As at 31 March 2021, the Company's reserves available for distribution to the Shareholders amounted to approximately HK\$13 million (as at 31 March 2020: HK\$55 million) as calculated in accordance with statutory provisions applicable in the Cayman Islands.

PRE-EMPTIVE RIGHT

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

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 23 to the Financial Statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the Year and up to the Reporting Date are:

Executive Directors:

Ms. Tse Ying Sin Eva ("**Ms. Tse**")

Ms. Chan Ching Mandy ("**Ms. Mandy Chan**") (appointed on 12 October 2020)

Ms. Chan Tsz Tung ("**Ms. Gloria Chan**")

INEDs:

Mr. Tang Wing Lam David ("**Mr. Tang**")

Mr. Chin Chun Wing ("**Mr. Chin**")

Mr. Yung Wai Kei ("**Mr. Yung**")



DIRECTORS AND DIRECTORS' SERVICE CONTRACTS *(Continued)*

In accordance with Article 84(1) of the Articles of Association, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. In accordance with article 84(2) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the AGM shall retire by rotation at such AGM. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 83(3) of the Articles of Association, any Director appointed by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

Accordingly, Ms. Mandy Chan, Ms. Gloria Chan and Mr. Yung will retire from office as Directors at the 2021 AGM and, being eligible, will offer themselves for re-election.

The Company has received from each of the INEDs a written annual confirmation of his independence and the Company considers each of the INEDs to be independent pursuant to Rule 5.09 of the GEM Listing Rules.

Profile of the Directors and senior management of the Group as at the Reporting Date are set out on pages 13 to 15.

The Company entered into a service contract with each of Ms. Tse, being the Chairlady, CEO and an Executive Director, and an appointment letter with each of Mr. Tang, Mr. Chin and Mr. Yung, being INEDs, for a term of three years, commencing on the Listing Date. The Company entered into a service contract with each of Ms. Gloria Chan and Ms. Mandy Chan, being Executive Directors, for a term of three years commencing on 31 December 2018 and 12 October 2020, respectively. Each of the service contracts and appointment letters shall continue thereafter unless terminated by either party giving to the other not less than three months' notice in writing.

No Directors being proposed for re-election at the 2021 AGM has any service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DISCLOSURE OF INTERESTS

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

As at 31 March 2021, 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 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; 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 Director	Capacity/Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital in the Company
Ms. Tse (Note 1)	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	12,094	0.00%
Ms. Gloria Chan (Note 1)	Beneficiary of a trust	431,543,700	50.18%
Ms. Mandy Chan (Note 2)	Interest of controlled corporation	431,543,700	50.18%

Notes:

1. Moment to Moment Company Limited ("**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 Trustees Limited ("**Harneys**"), the trustee of the Bar Pacific Trust, of which Ms. Tse, the Chairlady and the CEO, her daughter Ms. Gloria Chan 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.
2. Pursuant to a deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. Mandy 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. Mandy Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Ms. Mandy Chan is deemed to be interested in the Shares held by Moment to Moment under the SFO.
3. The percentage of shareholding interest in the Company shown in the table above are calculated on the basis of 860,000,000 Shares in issue as at 31 March 2021.

DISCLOSURE OF INTERESTS *(Continued)*

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

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%
Ms. Mandy Chan	Moment to Moment	Interest of a controlled corporation	1	100%

Save as disclosed above and so far as the Directors are aware, as at 31 March 2021, 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.

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

So far as the Directors are aware of, as at 31 March 2021, 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 <i>(Note 3)</i>
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. Teresa 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%

DISCLOSURE OF INTERESTS *(Continued)*

(B) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares of the Company *(Continued)*

Notes:

1. 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. Teresa 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. Mandy 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. Mandy Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Each of Harneys, Ms. Tse, Ms. Teresa Chan and Ms. Mandy Chan is deemed to be interested in the Shares held by Moment to Moment under the SFO.
2. 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.
3. The percentage of shareholding interest in the Company shown in the table above are calculated on the basis of 860,000,000 Shares in issue as at 31 March 2021.

Save as disclosed above, as at 31 March 2021, 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.

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 March 2021 and no share option was granted, exercised or cancelled or lapsed during the Year.

The following is a summary of the principal terms of the Scheme (Rule 23.09):

1. Purpose of the Scheme

To grant options to selected participants as incentives or rewards for their contribution to the Group.



SHARE OPTION SCHEME *(Continued)*

2. Participants of the Scheme

Directors may, at its absolute discretion, invite any person belonging to any of the following classes of participants ("**Eligible Participants**"), to take up options to subscribe for Shares:

- a) Any employee (whether full-time or part-time, including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries ("**Subsidiaries**") or any entity ("**Invested Entity**") in which the Group holds an equity interest ("**Eligible Employee**");
- b) Any non-executive Directors (including INEDs) of the Company, any Subsidiaries or any Invested Entity;
- c) Any supplier of goods or services to any member of the Group or any Invested Entity;
- d) Any customer of any member of the Group or any Invested Entity;
- e) Any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- f) Any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- g) Any adviser (professional or otherwise) or consultant to any area of Business or business development of any member of the Group or any Invested Entity; and
- h) Any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the growth of the Group.

3. Total number of Shares available for issue

- a) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Group shall not exceed 30% of the issued share capital of the Company from time to time.
- b) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10.0% of the Shares in issue on the day on which dealings in the Shares first commence on GEM (i.e. not exceeding 86,000,000 Shares). No option has been granted under the Scheme since the Listing Date and up to 31 March 2021. Accordingly, the number of Shares available for issue upon exercise of options that may be granted under the Scheme is 86,000,000, representing 10.0% of the Shares in issue as the Reporting Date.

SHARE OPTION SCHEME *(Continued)*

4. Maximum entitlement of each participant

- (i) Subject to 4.(ii)(b) below, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1.0% of the issued share capital of the Company for the time being ("**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such participant and his close associates (or his associates, if such participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 23.03(9) of the GEM Listing Rules.
- (ii)
 - (a) Without prejudice to (ii)(b) below, any grant of options under the Share Option Scheme to a director, chief executive or Substantial Shareholder of our Company or any of their respective associates (as defined under the GEM Listing Rules) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the options).
 - (b) Without prejudice to (ii)(a) above, where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - i. representing in aggregate over 0.1% of the Shares in issue; and
 - ii. having an aggregate value, based on the closing price of the Shares at the date of each grant of each offer of the grant of options, in excess of HK\$5 million;

5. Period during which the options must be exercised to subscribe for Shares and Minimum period for which an option must be held before it can be exercised

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Scheme for the holding of an option before it can be exercised.



SHARE OPTION SCHEME *(Continued)*

6. Subscription price for Shares and consideration for the option and Basis of determining exercise price

The subscription price per Share under the Scheme will be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share. A consideration of HK\$1 is payable on acceptance of the grant of an option.

7. Remaining life of the Scheme

The Scheme will remain in force for a period of 10 years commencing on 17 December 2016 which the Share Option is adopted.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

EQUITY-LINKED AGREEMENTS

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

RELATED PARTY TRANSACTIONS

The significant related party transactions entered into by the Group during the Year are set out in note 28 to the Financial Statements.

During the Year, the Group has entered into a transaction with connected persons and it will continue to carry out such transaction. The transaction constitutes de minimis transaction which is fully exempt from the Shareholders' approval, annual review and all disclosure requirements under Rule 20.74 of the GEM Listing Rules.

Saved as disclosed, none of the related party transactions constituted a connected transaction or continuing connected transaction (as defined in the GEM Listing Rules) that was required to be disclosed.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

The Group offers its employees group hospitalisation and personal accident insurance. The Group also offers its employees an incentive bonus scheme which encourages their individual performance and then to contribute to their departmental performance as well.

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

The Company has adopted the Scheme, details of which are set out under the section headed "Share Option Scheme" in this Annual Report.

DIRECTORS' REPORT

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION *(Continued)*

Details of the Directors' remuneration and the five highest paid individuals in the Group during the Year are set out in Note 11 to the Financial Statements.

During the Year, there was no arrangement under which any Director had waived or agreed to waive any emoluments.

PERMITTED INDEMNITY PROVISION

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

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the Year.

MAJOR CUSTOMERS AND SUPPLIERS

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

During the Year, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 84.28% of the Group's total purchases while the purchases attributable to the Group's largest supplier accounted for approximately 26.36% of the Group's total purchases.

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

MANAGEMENT CONTRACTS

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

INDEPENDENT AUDITORS

The Financial Statements have been audited by Messrs. BDO Limited ("**BDO**"), the Independent Auditors, which will retire and being eligible, offer themselves for re-appointment. A resolution will be proposed at the 2021 AGM to re-appoint BDO as the Independent Auditors until the conclusion of the next AGM and to authorize the Board to fix their remuneration.



DIRECTORS' REPORT

CHANGE IN THE INDEPENDENT AUDITORS FOR THE PAST THREE YEARS

The Company has appointed Deloitte Touche Tohmatsu ("**Deloitte**") as the Independent Auditors since the Listing Date. Deloitte resigned as the Independent Auditors with effect from 30 October 2019. On the same date, BDO was appointed as the Independent Auditors.

SUFFICIENT OF PUBLIC FLOAT

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

NON-COMPETITION UNDERTAKING

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

A summary of the major terms of the Deed of Non-competition was disclosed in the section headed "Relationship with our Controlling Shareholders" of the Prospectus.

The Company received from each of the Covenantors an annual confirmation in June 2021 on each of their compliance of the non-competition undertaking under the Deed of Non-competition. The INEDs have reviewed the compliance of each of these undertakings and evaluated the effectiveness of the implementation of the Deed of Non-competition, and were satisfied that each of the Covenantors has complied with their undertaking during the Year.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for those disclosed under Note 28 to the Financial Statements, during the Year, there was no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of that Director has or had, directly or indirectly, a material interest.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed "Directors' and chief executives' interests and short position in Shares, underlying Shares and debentures of the Company and its associated corporations" on page 31 in this Annual Report, at no time during the Year and as at the end of the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying Shares in, or debentures of, the Company or any of its associated corporation.

CORPORATE GOVERNANCE

The principal corporate governance practices as adopted by the Company are set out in the section headed "CORPORATE GOVERNANCE REPORT" from pages 16 to 27 of this Annual Report.

DIRECTORS' REPORT

CHARITY AND DONATION

The Group's charitable and other donations during the Year amounted to approximately HK\$81,500 (2020: HK\$32,500). No donations were made to political parties during the Year.

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

As at the Reporting Date, details of the existing banking facility 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 2022	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
30 November 2020	Term loan facility	HK\$21,500,000	– 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 circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules as at 31 March 2021.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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



ENVIRONMENTAL POLICIES AND PERFORMANCES

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

The ESG Report is set out on pages 42 to 55 of this Annual Report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND BUSINESS PARTNERS

The Group is committed to establishing and maintaining long term and harmonious relationships with its employees, customers and business partners. The Group provides a pleasant and healthy working environment to employees. During the Year, the Group organised various activities to promote the friendship, bonding and healthiness of employees including overseas trip, barbecue and annual dinner. In addition, continuous professional training is provided to employees to update and strengthen their professional knowledge. Instead of mass communication, employees of the Group communicate with his/her business partners on an ongoing and promptly basis through email, telephone or face-to-face meeting. The Group maintain good working relation with its business partners to improve the quality of service to the customers.

DEBENTURES

The Company did not issue any debentures during the Year.

RESERVES

Details of the movement in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity and in note 35 to the Financial Statements, respectively.

AUDIT COMMITTEE

The Audit Committee together with the management and Independent Auditors has reviewed the accounting principles and policies adopted by the Group, discussed internal controls and financial reporting matters and the audited Financial Statements. Members of the Audit Committee are of the opinion that the audited Financial Statements, the annual results announcement of the Company for the Year and this annual report have been prepared in compliance with the applicable accounting standards, the Listing Rules and the relevant statutory provisions and that adequate disclosure has been made.

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

DIRECTORS' REPORT

CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in the Directors' information since the date of the interim report for the six months ended 30 September 2020 has been set out in the third quarterly report 2020/21 dated 11 February 2021.

EVENTS AFTER THE END OF THE YEAR

The Directors are not aware of any event having a significant effect on the Group after the end of the Year and up to the date of this Annual Report.

On behalf of the Board

Chan Ching Mandy

Executive Director

28 June 2021



APPROACH

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

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

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Bar Pacific is pleased to present its ESG Report. The content contained herein focuses on providing an overview of the ESG performance of its major operations in Hong Kong for the financial year ended 31 March 2021 (the “**Financial Year**” or “**FY2020/21**”). This also facilitates the Group to conduct thorough performance review and evaluation to enhance the overall performance results in the future.

Scope of the Report

This report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 20 to the GEM Listing Rules of the Stock Exchange. The two ESG subject areas, namely Environmental and Social, are disclosed separately, highlighting the impacts of the operations of the Group in Hong Kong during the Financial Year.

For the Financial Year, the material ESG issues are those which have or may have a significant impact on:

- The Hong Kong’s bar industry;
- The global bar market;
- The current or future environment or society in which we operate;
- Our financial performance or operations; and/or
- Our stakeholders’ assessments, decisions and actions.

The data and information used in this report are referenced from our archived documents, records, statistics and research.

Feedback

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

ABOUT BAR PACIFIC

Our Business

Bar Pacific was listed on the GEM of the Stock Exchange with the stock code of 8432. The Group operates a chained bar mainly offering beverages and light refreshments. With the competitive advantage of devoting ourselves to quality control, risk management and personnel development, the Group enjoys a competitive edge in the bar industry in Hong Kong.

Our Vision

To maintain its leading position in the bar industry by enhancing its brand image and service quality.

Our Mission

To spread happiness to everyone by promising a happy, safe, comfortable and tidy environment, and offering a joyful experience to all customers.



ABOUT BAR PACIFIC *(Continued)*

Board of Directors

As at the reporting date, the Board consists of:

Executive Directors	INEDs
Ms. Tse Ying Sin Eva (<i>Chairlady and Chief Executive Officer</i>)	Mr. Tang Wing Lam David
Ms. Chan Tsz Tung	Mr. Chin Chun Wing
Ms. Chan Ching Mandy	Mr. Yung Wai Kei

OUR STAKEHOLDERS

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

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

SECTION A: ENVIRONMENTAL

To demonstrate the Group's commitment to sustainable development and compliance with laws and regulations relating to the environmental protection, the Group endeavors to minimize the environmental impact of its business activities and maintain green operations and green office practices. Our dedicated efforts were proven effective as there was no material non-compliance in laws and regulations related to environmental protection throughout the Financial Year. We will continue to be alert to any non-compliance behavior relating to critical environmental problems.

A1 – Emissions

Air pollution Emission

As the Group's operations mainly focus on providing beverage and light refreshment to customers, no material emissions of air pollutants, which include nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matters ("PM"), etc., were identified during the Financial Year.

Greenhouse Gas Emissions

Greenhouse gas (the "GHG") emissions are the main culprits of global warming. The Group's major GHG emission source was attributable to the electricity consumption¹, which accounted for 99% of the GHG emissions. The other indirect emission sources namely electricity used for processing fresh water² and sewage³ by government departments and paper waste disposed at landfills accounted for the remaining 1% of the GHG emissions.

During the Financial Year, the total GHG emissions of the Group amounted to approximately 864 tonnes (FY2019/20: 1,599 tonnes), with a decrease of approximately 46% compared to the financial year ended 31 March 2020 (the "Previous Financial Year" or "FY2019/20"). Correspondingly, the GHG emission intensity amounted to approximately 20 tonnes per bar outlet⁴ (FY2019/20: 40 tonnes per bar outlet), with a significant reduction of approximately 51% compared to the Previous Financial Year. This was mainly due to the outbreak of the novel coronavirus (COVID-19) pandemic in Hong Kong, which resulted in the imposition by the HKSAR Government the orders 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, from 15 July 2020 to 18 September 2020 and from 26 November 2020 to 31 March 2021 (collectively, the "Mandatory Closure Periods") during the Financial Year. Accordingly, the operation of our bar outlets has been suspended for more than 220 days and only resumed 50% of the seating capacity in our bar outlets after the suspension, which had consequently reduced the electricity consumed in the bar outlets, and thus, greenhouse gas emissions were reduced accordingly.

In the light of reducing GHG emissions, we embraced in advocating green practices in our day-to-day operations. We reduced the consumptions of electricity, water and paper. Reminders were posted next to the switches, encouraging employees to switch off all idle appliances. A collection box was placed next to the printer for collecting single-side-printed paper for reuse. On top of that, we also encourage our employees to use of public transportation, reduce unnecessary business trips and promote the use of tele-conference or video conference instead in order to reduce our carbon footprint, as a result, we do not purchase any vehicles for business purpose.

¹ The latest carbon emission factors announced in the Sustainability Report 2019/20 issued by CLP Holdings Limited and HK Electric Investments Limited were 0.57 kgCO₂e/kWh and 0.71 kgCO₂e/kWh respectively.

² The latest unit electricity consumption factor of freshwater processing announced in the Annual Report 2019/20 issued by Hong Kong Water Supply Department was 0.596 kWh/m³.

³ The latest unit electricity consumption factor of sewage processing announced in the Sustainability Report 2019/20 issued by Hong Kong Drainage Services Department was 0.29 kWh/m³.

⁴ As of the financial year ended 31 March 2021, the Group operated 44 bar outlets in Hong Kong (FY2019/20: 40 bar outlets).



SECTION A: ENVIRONMENTAL *(Continued)*

A1 – Emissions *(Continued)*

Waste Management

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

With decreasing availability of suitable land for landfill and increasing environmental impacts of waste disposal, waste reduction has always been one of the objectives of the Group. The non-hazardous wastes produced by the Group were mainly the paper waste, wine bottles and edible oil leftovers. During the Financial Year, the total paper waste produced amounted to approximately 317 kg (FY2019/20: 323 kg), with a reduction of approximately 2% compared to the Previous Financial Year. The corresponding non-hazardous waste intensity was approximately 1 kg per employee (FY2019/20: 0.8 kg per employee), with an increase of 25% from the Previous Financial Year, with regards of our 349 employees for the Financial Year (FY2019/20: 400 employees).

We encouraged double-sided printing, and so, single-side-printed paper was collected for reuse purpose. We advocated a paperless work environment by attempting to switch from printed documents to electronic documents. E-clearing in our bar outlets' operations was in place in which paper sheets were saved by the e-clearing practice. On top of these, toners from our printers were also recycled to further cut down our waste production. We will continue to strive for every means to whittle down the consumption of paper, and thus, the paper waste produced.

Besides, the wine bottles and edible oil leftovers were sold to a qualified recycler from time to time when necessary for recycling purpose or further processing. We also set up microwaves in the office, encourage employees to bring their own lunch and reduce ordering of takeaway food, reduce the use of disposable consumables, such as: paper cups, paper plates, plastic bags, etc. to reduce the unnecessary wastes from generated.

A2 – Use of Resources

The Group initiates to become an environmental-friendly and sustainable enterprise. To reduce carbon emission and footprint, we have undertaken carbon reduction measures in our daily operations.

Energy Consumption

During the Financial Year, the total electricity consumption amounted to approximately 1,396 MWh (FY2019/20: 2,410 MWh), with a decrease of 42% compared with the Previous Financial Year. Correspondingly, the intensity was approximately 32 MWh per bar outlet (FY2019/20: 60 MWh per bar outlet), with a reduction of approximately 47% compared with the Previous Financial Year. This was mainly due to the suspension of our bar and pub's operation after the outbreak of COVID-19 epidemic during the Mandatory Closure Periods, the electricity consumed has decreased significantly.

The electricity consumed by the Group was the largest contributor to the GHG footprint, compared to other resource consumption. To reduce the Group's carbon footprints as well as the energy consumption, the Group has implemented numbers of energy saving measures, such as: posted some energy conservation reminders in place, regularly clean the air conditioner's filter and turn off the unnecessary electrical equipment after work and continued to upgrade the office hardware into one with more energy efficient options e.g. LED lightings in our office and bar outlets and by using the equipment with high energy-efficient labels.

SECTION A: ENVIRONMENTAL *(Continued)*

A2 – Use of Resources *(Continued)*

Water Consumption

Water consumption is essential for our operations of offering beverage to customers. Yet, we still encourage reduction on unnecessary water consumption. As processing fresh water and sewage both involved electricity usage, reduction of water consumption is key for reducing our adverse impact on the environment. During the Financial Year, our water consumption was 11,263 m³ (FY2019/20: 16,227 m³), with a decrease of approximately 31% compared with Previous Financial Year. The corresponding intensity was approximately 256 m³ per bar outlet (FY2019/20: 406 m³ per bar outlet), showing a decrease of 37% from the Previous Financial Year. This was mainly due to anti-COVID-19 epidemic measures introduced by the HKSAR Government, significantly reduced the operating hours of our bar outlets, the electricity consumed has decreased accordingly.

The Group has continuously provided trainings to its employees to educate them the importance of water conservation and to build up a good habit of water usage and to enhance employees' environmental awareness. Apart from posting water saving reminders next to the water taps, the Group encouraged its employees to do the washing in bulk to further reduce unnecessary water consumption. As the Group sourced water from the government departments, there was no water supply issue to be identified during the Financial Year.

Packaging Materials

As the Group's operations mainly focus on providing beverage and light refreshment, no significant packaging material consumption can be identified during the Financial Year.

A3 – The Environment and Natural Resources

The Group's business activities have relatively low impact on the environment and natural resources, but as a socially responsible company, protecting nature and the environment formed an important part of the Group's corporate culture, the Group believes that corporate development should not come at the expense of the environment. Therefore, we have adopted environmental-friendly practices in various aspects as aforementioned.

Although the outbreak of the COVID-19 epidemic has caused a certain level of impacts on our operation, it did not affect the Group's determination towards sustainable development. With aforementioned environmental measures and continuously increase our employees' awareness on environmental protection to require employees to pay attention to their own behaviour and be responsible for the environment and encourage employees to passing on environmental protection messages to each other, the Group strongly believed that it can further reduce the impact of the Group and employees on the environment and natural resources. During the Financial Year, the Group strictly follows and pay attention to the updates of the environmental protection laws, regulations and requirements of the HKSAR Government, there was no material non-compliance issue regarding relevant laws and regulations for the Financial Year.



SECTION B: SOCIAL

B1 – Employment

The Group places huge importance on its most treasurable asset – its employees. We value our employees' contribution and dedication to our business development. For the sake of the mutual interests for both, we aim to grow with our employees for the future boom of the Group. As such, we adopt employee-oriented approach in attracting, developing and retaining the best people to support our business development.

Our Employees

As of the year ended 31 March 2021, the Group was consisted of 349 employees (2020: 400 employees), who were all working as full-time employees. Since our business activities was operating bar outlets in Hong Kong, therefore, all of our employees were employed and working in the area of Hong Kong.

Our employees' male-to-female ratio was approximately 1:1.6 (FY2019/20: 1:2). We believe that maintaining a diverse and inclusive workforce with due respect given to our employees is critical for running a sustainable and successful business. The detailed compositions of our employees are as follows:

By Gender		By Years of Service	
Male	39% (FY2019/20: 32%)	<1 year	13% (FY2019/20: 42%)
Female	61% (FY2019/20: 68%)	1–3 years	64% (FY2019/20: 28%)
		3–5 years	13% (FY2019/20: 17%)
		5–10 years	7% (FY2019/20: 10%)
		>10 years	2% (FY2019/20: 3%)

Employee Benefits

The Group offers a comprehensive employee benefits package for all its dedicated and talented staff. They are compensated fairly according to their contributions, with reference to the market practice. A comprehensive group medical insurance scheme was provided by the Group to all its employees for 24-hour worldwide medical coverage. Annual discretionary bonus was awarded based on employees' and the Group's performance. In addition, the Group has also adopted various bonus schemes for its shop level staff in order to motivate them to achieve certain pre-set targets. Weekly and monthly bonuses will be distributed to those eligible staff with sales target achieved. For shop level staff, promotion chances can be earned by consecutively meeting the shop's sales target for 3 months. A clear career path has also been set out in the HR Management Policy.

Staff's performance is reviewed and assessed annually, in the light of enhancing the strengths and addressing the development needs of each of them, so that not only can our employees succeed in their job, but they can also build a career with us at Bar Pacific. A transparent mechanism takes into account various factors, including but not limited to, employees' attendance performance, capability, attitude, team spirit, communication skills and contributions to the Group, for salary adjustment and promotion considerations. Our employees earn higher subsidies and bonuses as they are promoted to higher ranks. In addition, the Group contributes to the Mandatory Provident Fund and Employees' Compensation Insurance with reference to the Employment Ordinance of Hong Kong.

The Group strictly abides with the Employment Ordinance (Cap. 57), Employees' Compensation Ordinance (Cap. 282), Mandatory Provident Fund Schemes Ordinance (Cap. 485) and other relevant laws and regulations which cover all employment protection and benefits.

SECTION B: SOCIAL *(Continued)*

B1 – Employment *(Continued)*

Harmonious Workspace

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

For recruitment and dismissal process, the Group will go through the procedures according to the policies stated internally. For recruitment, equal opportunities are provided to all applicants with regards of the considerations of their experience, knowledge and skills only. For dismissal, those employees acting improperly or breaching of contract terms and code of conduct will be terminated. Compensations are provided when applicable.

In case any staff member feels that he/she has been harassed, discriminated or treated inappropriately, the relevant staff should immediately report to the Supervisors, Assistant Managers or Managers, who will investigate thoroughly and confidentially, and take the follow-up actions if necessary. The management will take this matter in a serious manner, and we will continue to strive for a harmonious workplace for our employees.

As rewarded by the above mature HR management policies and in view of the industry norm, the Group recorded a healthy monthly average turnover rate of approximately 6%.

Work-life Balance of Employees

The Group understands that sufficient rest is necessary for accomplishing the long-term goals of the Group, and so, it strives for striking a proper work-life balance of its employees, by providing them from 7 to 14 days of annual leave, and 25 days' work per month with nine working hours per day. Employees are also entitled special leaves to meet their families' needs, such as marriage leave, funeral leave and maternity leave, etc.

In addition, we usually organized various kinds of company activities, such as annual dinner, Christmas party, birthday party, etc., for the previous financial years, to provide our staff a chance to relax in the work environment as well as build a stronger bond with the Group. However, due to the impact of the COVID-19 epidemic situation, the Group was unable to hold any employee activities during the Financial Year.



SECTION B: SOCIAL *(Continued)*

B2 – Health and Safety

The Group is committed to providing a safe work environment for its employees. Not only does the Group aim at meeting the minimum occupational health and safety standards required by law, but also exceeding them. In every bar outlet, there is a Hygiene Supervisor monitoring the hygiene quality of the bar outlet, all Hygiene Supervisors have joined the training courses held on behalf of Food and Environmental Hygiene Department and been awarded the Certificate in Food Hygiene for Hygiene Supervisor. The daily monitoring and the irregular surprise checks performed by the District Manager ensure a clean and tidy work environment for employees.

To ensure alcoholic beverages are only sold to legitimate customers, our employees are educated to check the identity documents of any customers suspected to be below 18 years old. All the bar outlets of the Group are equipped with security system such as CCTV to monitor the shop operation. The Group has strict guidelines issued to the staff, instructing them to report to the police if they suspect that there are illegal activities or disorderly behavior taking place in the bar outlets. Moreover, in case of emergency, employees are guided to protect themselves first, and call the police, if necessary, when violence is involved.

Besides, the Group understands that preventive measures are way more important than reactive measures. Therefore, irregular emergency trainings are provided in the bar outlets for our staff to familiar with the treatments and reactions in case any incidents happen. Moreover, sufficient fire equipment, such as fire extinguishers and fire hose reels, and first-aid boxes are placed in both office area and all bar outlets to deal with emergencies. To further protect the safety and welfare of our employees, all of our employees are covered by group medical insurance. In case of work injury, our employees are entitled to sick leave and/or reimbursements of medical expenses by the insurance company, so that they can receive the necessary medical assistance and have adequate rest for recovery.

During the Financial Year, there were 3 cases (FY2019/20: 10 cases) of work injury reported, with approximately 6 working days lost (FY2019/20: 60 working days lost). In order to minimize occupational hazard and work injuries, we promise to put continuous effort into promoting our employees' awareness of workplace safety. As aforementioned, our employees are of our Group's top priority, so we pledge to monitor workplace safety closely and prevent any work injury or accident by all practicable means.

The Group strictly complied with the Employees' Compensation Ordinance in Hong Kong to report any accident to the Commissioner for Labor. The Group also strictly complied with others relevant health and safety laws and regulations, such as the local fire services regulations, to provide a safe work environment to its employees by protecting them from occupational hazards.

In order to protect the health and safety of our employees during the outbreak of COVID-19 epidemic, the Group has provided our employees with suitable anti-epidemic supplies, such as: masks, gloves, alcohol hand rub, etc., set up quarantine areas for employees that are suspected of being infected with COVID-19, restricted only customer/person who has received the first dose of COVID-19 vaccine and use the "LeaveHomeSafe" mobile application to scan the QR code is allowed to enter the bar outlet and maintain social distancing to reduce the probability of employees being infected. We also encourage our employees to be vaccinated. During the Financial Year, there was no employees being infected by the coronavirus.

SECTION B: SOCIAL *(Continued)*

B3 – Development and Training

The Group provided a wide variety of training to its staff to encourage positive behavior of the employees, and to equip employees with the work-related skills. Standardized operation manuals and trainings are provided to newly joined employees and the existing staff from time to time. In general, induction training is provided to all newly joined staff to be familiar with the office's or bar outlet's daily operations. Regular trainings and briefings are also provided to the existing staff to update on any new industry regulations and the Group's new marketing events. Meanwhile, our senior management has also attended training on topics such as cybersecurity and trading suspension rule, so as to equip themselves with the latest knowledge in pursuit of better corporate governance.

During the Financial Year, all of our 349 employees (FY2019/20: 400 employees) attended to both our induction trainings and regular trainings, with a trained male-to-female ratio as approximately 1:1.6 (FY2019/20: 1:2) and a total of 456 hours (FY2019/20: 400 hours) of training for an average of 2 hours per trained employee (FY2019/20: 1 hour per trained employee). The Group will continue to observe the latest trends in the industry and government policies, so as to equip our staff with the necessary skills and knowledge accordingly and keep up with the standard.

B4 – Labour Standards

Respecting human rights has been an integral part of the Group's approach to sustainability. The Group fully complies with labour laws and other relevant legislations that prohibit child labour and forced labour. Identification documents of the candidates would be checked during interview to ensure they have reached the legal working age. Supervisors, Assistant Managers, Managers and Human Resources Department will communicate with the employees on work arrangement based on the actual situation of different bar outlets. In the case of we discovered child labour is being mistakenly recruited, we would immediately stop their work and make appropriate arrangements, including termination of employment and paying wages according to the local labour laws. Our employees are not required to work overtime against their will. Flexible working hours might apply for some positions based on the operation needs. The Group guarantees that no employee is made to work against his/her will, or work under forced labour, or subject to coercion related to work, and the Group compensates the employees in accordance with the applicable labour laws and regulations.

During the Financial Year, there was no material non-compliance with applicable laws and regulations in relation to labour standards. The Group strictly complied with the relevant laws and regulations in relation to labour standards.

Communication with Employees

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



SECTION B: SOCIAL *(Continued)*

B5 – Supply Chain Management

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

The Group recognizes that proper management of its supply chain could bring positive impacts to the social environment. The Group implements rigorous management of its suppliers. In this regard, a list of approved suppliers has been established. When there is new supplier, the Group conducts an initial supplier assessment to consider its qualification, reputation, product or service quality, quality consistency and the ability to deliver on time. Only the suppliers with a pass result in the initial assessment can be added into our approved supplier list. The Group also conducts a semi-annual evaluation on the performance of its suppliers to confirm that they are up to its required standards. We remove any of the suppliers with unsatisfying results from the approved supplier list to ensure that we provide the best quality of our services.

The suppliers are encouraged to demonstrate their corporate social responsibilities by complying with corporate social responsibility codes as well as business ethics, with respect to workplace operations, marketing activities, social contacts and environmental responsibilities. High standards of morality which include prohibition of provision and acceptance of bribes and/or other unfair benefits are adopted by the Group.

As of 31 March 2021, the Group had a total of 34 (FY2019/20: 34) major suppliers located in Hong Kong, supplying food and beverages to the Group. We will continue to implement the aforementioned measures strictly, so that we can uphold the standard of our supply chain.

B6 – Product Responsibility

The Group emphasizes the product and service responsibility in its daily operations. During the Year, there was no material non-compliance with applicable laws and regulations relating to product responsibility.

Quality Assurance

To guarantee the beverage product quality, the Group's procurement policy is to select only the suppliers from its approved supplier list, in order to ensure that they have passed selection procedures with required standards. Semi-annual assessment will also be conducted to monitor the quality of products regularly. The Bar Managers and Operation Team are responsible to check the outer appearance of the beverage products regularly for identifying if there is any abnormality upon delivery to the bar outlets and head office, respectively. Any beverage products which show signs of abnormality are returned to the supplier for replacement or refund. The Group's inventory mainly comprises beverages. The Bar Managers and Operation Team are also responsible for inventory management, ensuring the turnover rate of beverage is shorter than the beverage shelf life. The Group places huge importance on the quality of food and beverage so as to protect our customers from any potential health and safety issue.

In addition, our advertisements are mainly based on word-of-mouth. It helps provide our customers with confidence towards our actual product and service.

SECTION B: SOCIAL *(Continued)*

B6 – Product Responsibility *(Continued)*

Customers' Complaint Handling Procedures

We also place huge importance on the customers' feedbacks of our services. The customer service team is responsible for handling customers' complaints and enquiries. Various channels have been set up for customers to express their comments and recommendations, such as customer service hotline, email and social networking tools. We have established a written policy to guide our staff to respond to customers' complaint. It clearly states that our staff should understand the situation and handle with patience. All complaint should be reported to the Managers immediately for prompt response. Also, all complaint should be recorded in a customer complaint register with detailed description, follow-up action and status, in order to ensure that the complaint is properly handled and settled. The Regional Manager and General Manager should be noticed with the complaint at weekly meetings. We strive to improve our quality of products and services by taking into consideration every comment or feedback received from customers.

During the Financial Year, there was no (FY2019/20: 9 cases) customer complaint recorded. We will continue to keep good relationships with our customers and uphold our current standard of customer service.

Personal Data Protection

The Group is committed to providing beverage and light refreshment with high standards of quality and reliability, as well as protecting the personal information of its customers. Our employees are required to sign the non-disclosure agreement when they join the Group to ensure proper maintenance of confidentiality of the Group's business strategies and protect customers' data privacy. A written policy has been in place to specify the handling procedures of personal data and confidential information. Strict controls on computer systems are in place to prohibit any unauthorized access to the confidential data. Any form of unauthorized information transfer, both directly and indirectly, to any third parties are strictly prohibited. No copy of customer's personal data should be made and taken-away from the office and bar outlets.

Bar Outlet Management

The Group is responsible to comply with the applicable laws and regulations in its daily operations. As such, customers under the age of 18 are prohibited to enter the bar outlet or alcohol selling establishment. Managers of each bar outlet are responsible to alert and offer guideline to the staff to handle suspected under-age entry, such as identification checks upon entrance.

In addition, in order to provide a safe and comfortable place to our customers, the Group has established a written policy to guide its staff to handle any violence cases or drunk customers. CCTVs are installed in every bar outlet to monitor the operations. Video data will be stored for at least 1 month for easy retrieval if required. During the outbreak of COVID-19 epidemic, the Group strictly follows the "Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation" ("**Cap 599F**") and "Prevention and Control of Disease (Prohibition on Group Gathering) Regulation" ("**Cap 599G**") to implement appropriate anti-epidemic measures to ensure the safety of customers and employees.



SECTION B: SOCIAL *(Continued)*

B7 – Anti-corruption

We prohibit all forms of bribery and corruption. Our employees should not solicit or accept any advantage for themselves. In particular, the Group centralized the purchase of all beverages, so as to prevent any possible kickback arrangement between individual bar outlets and the suppliers. In addition to bribery and corruption, our employees are strictly prohibited from engaging in any illegal acts, including extortion, fraud, money laundering, etc.

Whistleblowing policies are in place for employees to report suspected misconduct of their colleagues, subordinates, senior management or even suppliers. They are welcomed to express their concerns through face-to-face conversation, email or telephone with the Supervisors, Assistant Managers, Managers, or even the Executive Directors in serious cases. Our Management will review and take follow-up actions to investigate for every single possible misconduct case. It is the Group's core values for reminding its employees to uphold their integrity and professionalism as aforementioned.

During the Year, there was no concluded legal case regarding corrupt practices brought against the Group or its employees. The Group will continue to stay alert to potential illegal acts, so that it can address the issues accordingly with the adoption of zero-tolerance approach.

B8 – Community Investment

We are actively involved in a variety of community initiatives. Leveraging the uniqueness of the bar business, the company aligns the resources of the company with the needs of communities, motivating our staff to serve the community in different areas. We will continue to allocate more resources on community investments in the coming years.

Since 2018, we had launched the Entrepreneurship Program to help business entrepreneurs in taking their first step in starting a business. We understand that renting a retail place could be expensive and we would like to help the interested parties to start up their own business by providing a retail space within our venues without any rental charges. As of 31 March 2021, the Company has helped 1 of entrepreneur to start up the store. We will be continuous to provide such platform in order to encourage local entrepreneur to pursue their dreams and hopes that they could create more job opportunities to the society and bring innovative ideas to makes Hong Kong stay competitive.

In this Financial Year, we had donated HK\$81,500 in total to Lifeline Express Hong Kong Foundation and Sowers Action, so as to support the organization to provide free operations for the underprivileged cataract patients in Mainland China, as well as the disadvantaged children in Southeast Asia. On top of that, over 300 of our employees participated in a series of local community service, such as food distribution, mask distribution and visiting underprivileged groups living in subdivided flats, amounting to approximately of 97 hours of charitable service.

We hope that through donations, charitable services and also the Entrepreneurship Program, we can contribute to poverty alleviation and support those in need. In the coming years, we will continue to allocate more resources to other aspects of community investment and promote corporate social responsibility, in a bid to contribute to the betterment of society as a whole.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL DATA

Emissions	Year ended 31 March 2020	Year ended 31 March 2021	Unit
Greenhouse Gas Emissions			
Total greenhouse gas emissions	1,598.65	863.67	tonnes
– Scope 2 Emissions from Electricity Consumption	1,587.04	855.77	tonnes
– Scope 3 Emissions from Fresh Water and Sewage Processing	10.06	6.39	tonnes
– Scope 3 Emissions from Disposal of Paper Waste	1.55	1.53	tonnes
Greenhouse gas emission intensity	39.97	19.63	tonnes/ bar outlet
Waste Management			
Total Paper Waste Produced	323.32	316.89	kg
Paper Waste Intensity	0.81	31.73	kg/employee
Use of Resources	Year ended 31 March 2020	Year ended 31 March 2021	Unit
Electricity Consumption			
Total Electricity Consumption	2,410.07	1,395.79	MWh
Electricity Consumption Intensity	60.25	31.73	MWh/bar outlet
Water Consumption			
Total Water Consumption	16,227	11,262.62	m ³
Water Consumption Intensity	405.68	255.97	m ³ /bar outlet



INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF BAR PACIFIC GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Bar Pacific Group Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 62 to 127, which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3(c) to the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$38,445,000 during the year ended 31 March 2021 and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$74,499,000. As stated in Note 3(c), these conditions, along with other matters as set forth in Note 3(c) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the “Material Uncertainty Related to Going Concern” section, we determined the matters described below to be key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Revenue recognition

The Group's revenue from operation of bars amounted to approximately HK\$57,488,000 for the year ended 31 March 2021. Such revenue was recognised at the point of sale to customers, which is the point of time when a 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.

We identified revenue recognition in respect of the operation of bars as a key audit matter, because the revenue is material to the consolidated financial statements.

Refer to Note 6 to the consolidated financial statements and accounting policy in Note 4(c) to the consolidated financial statements.

Our response:

- Obtained an understanding of and evaluated the Group's revenue recognition policy;
- Gained an understanding of, evaluated and tested the key controls over the Group's point of sales system for capturing and recording of revenue transactions;
- On a sample basis, traced revenue recognised to daily sales reports and reconciliations to cash receipts and credit card settlements; and
- Performed analytical review procedures on revenue and assessed reasonableness of management's explanations for any unusual trends or fluctuations.



KEY AUDIT MATTERS *(Continued)*

Impairment of property, plant and equipment and right-of-use assets

The carrying amounts of the Group's property, plant and equipment and right-of-use assets as presented on its consolidated statement of financial position as at 31 March 2021 amounted to approximately HK\$19,436,000 and HK\$95,104,000, respectively are attributable to the cash-generating units ("**CGUs**") relating to operation of bars.

Management performed impairment assessment on certain CGUs were underperforming or loss-making. Impairment losses of approximately HK\$6,955,000 and HK\$17,013,000 were recognised on the Group's property, plant and equipment and right-of-use assets respectively for the year ended 31 March 2021.

The determination of the recoverable amount of CGUs requires significant judgements by management in preparing their value-in-use models, in particular on those key internal inputs and external market conditions which impact future cash flows, the discount rates and long term growth rates.

We identified impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter because of the significant judgement and estimation uncertainty involved in the determination of the recoverable amount of CGUs.

Refer to Notes 14, 15 and 24 to the consolidated financial statements and accounting policy in Note 4(h) to the consolidated financial statements.

Our response:

- Reviewed and understood management's impairment assessment process, including what indications of impairment had been noted and the appropriateness of the models used;
- Assessed appropriateness of management's identification of CGUs based on our understanding of the Group's business;
- Benchmarked and challenged key assumptions used by management to determine the recoverable amount, including assumptions of projected results of CGUs, long-term growth rates and discount rates used; and
- Reconciled input data to supporting evidence, such as historical financial information.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regards.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

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

(Continued)

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT

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

(Continued)

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

BDO Limited

Certified Public Accountants

Tang Tak Wah

Practising Certificate no. P06262

Hong Kong, 28 June 2021



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
Revenue	6	57,839	167,171
Other income	7	38,325	5,298
Rent concession related to COVID-19		2,434	–
Cost of inventories sold		(14,087)	(38,152)
Staff costs		(32,685)	(45,537)
Depreciation of property, plant and equipment		(9,977)	(9,267)
Depreciation of right-of-use assets		(31,541)	(26,054)
Property rentals and related expenses		(3,394)	(6,603)
Other operating expenses		(16,774)	(24,848)
Impairment loss on property, plant and equipment		(6,955)	(1,406)
Impairment loss on right-of-use assets		(17,013)	(5,889)
Fair value loss on investment properties	16	(400)	(4,606)
Finance costs	8	(3,186)	(2,858)
(Loss)/profit before income tax	10	(37,414)	7,249
Income tax expense	9	(1,031)	(1,008)
(Loss)/profit and total comprehensive income for the year		(38,445)	6,241
(Loss)/profit and total comprehensive income for the year attributable to:			
Owners of the Company		(36,907)	4,429
Non-controlling interests		(1,538)	1,812
		(38,445)	6,241
(Loss)/earnings per share			
– Basic and diluted (HK cents)	13	(4.29)	0.52

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	19,436	18,210
Right-of-use assets	15	95,104	86,138
Investment properties	16	22,430	22,830
Prepayment for acquisition of property, plant and equipment	18	3,000	6,651
Rental deposits	18	4,844	5,760
Deferred tax assets	22	936	1,458
Total non-current assets		145,750	141,047
Current assets			
Inventories	17	1,971	2,337
Trade and other receivables	18	9,401	9,003
Tax recoverable		291	410
Cash and cash equivalents	19	3,512	32,586
Total current assets		15,175	44,336
Total assets		160,925	185,383
Current liabilities			
Trade and other payables	20	10,024	9,152
Bank borrowings	21	52,680	32,357
Lease liabilities	15	25,846	24,337
Tax payable		1,124	898
Total current liabilities		89,674	66,744
Net current liabilities		(74,499)	(22,408)
Total assets less current liabilities		71,251	118,639
Non-current liabilities			
Trade and other payables	20	872	917
Lease liabilities	15	42,941	47,124
Deferred tax liability	22	37	22
Total non-current liabilities		43,850	48,063
Total liabilities		133,524	114,807
NET ASSETS		27,401	70,576



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	23	8,600	8,600
Reserves		13,303	54,940
		21,903	63,540
Non-controlling interests	29	5,498	7,036
TOTAL EQUITY		27,401	70,576

The consolidated financial statements on pages 62 to 127 were approved and authorised for issue by the Board of Directors on 28 June 2021 and are signed on its behalf by:

CHAN CHING MANDY

Director

CHAN TSZ TUNG

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Attributable to owners of the Company						Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share Capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note a)	Special reserve HK\$'000 (Note b)	Other reserve HK\$'000 (Note c)	Retained profits/ (accumulated losses) HK\$'000			
As at 1 April 2019	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 year	-	-	-	-	-	4,429	4,429	1,812	6,241
Acquisition of additional interests in subsidiaries (Note 29)	-	-	-	-	(138)	-	(138)	(802)	(940)
Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	(944)	(944)
Dividends (Note 12)	-	-	-	-	-	(9,030)	(9,030)	-	(9,030)
As at 31 March 2020 and 1 April 2020	8,600	57,060	6,065	(8,093)	(1,347)	1,255	63,540	7,036	70,576
Loss and total comprehensive income for the year	-	-	-	-	-	(36,907)	(36,907)	(1,538)	(38,445)
Dividends (Note 12)	-	-	-	-	-	(4,730)	(4,730)	-	(4,730)
As at 31 March 2021	8,600	57,060	6,065	(8,093)	(1,347)	(40,382)	21,903	5,498	27,401

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 Bar Pacific Group Holdings Limited (the "**Company**").
- (b) Pursuant to a group reorganisation (the "**Reorganisation**") in preparation for the listing of the Company's shares on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Company became the holding company of the companies now comprising the Group on 15 December 2016 with the issue of shares of the Company to acquire Bar Pacific BVI from the then shareholders.

Special reserve represents the difference between the entire issued share capital of Bar Pacific BVI and the consideration for acquiring Bar Pacific BVI by the Company pursuant to the Reorganisation completed on 15 December 2016.

- (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.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
Cash flows from operating activities			
(Loss)/profit before income tax		(37,414)	7,249
Adjustments for:			
Depreciation of property, plant and equipment	10	9,977	9,267
Depreciation of right-of-use assets	10	31,541	26,054
Loss on disposal/write off of property, plant and equipment	10	60	2
Written off of inventories	10	561	–
Impairment loss on property, plant and equipment		6,955	1,406
Impairment loss on right-of-use assets		17,013	5,889
COVID-19 related rent concessions	10	(2,434)	–
Fair value loss on investment properties	16	400	4,606
Bank Interest income	7	(50)	(196)
Interest income from rental deposit	7	(251)	(204)
Government grant income	7	(35,666)	(3,200)
Loss on written off of right-of-use assets	7	306	–
Gain on lease termination	7	(146)	–
Finance costs	8	3,186	2,858
Operating cash flows before movements in working capital		(5,962)	53,731
Increase in inventories		(195)	(396)
Deposit received		93	–
Decrease/(increase) in trade and other receivables and rental deposits		593	(2,332)
Increase in trade and other payables		621	1,097
Cash (used in)/generated from operations		(4,850)	52,100
Income tax paid		(149)	(1,926)
Net cash (used in)/generated from operating activities		(4,999)	50,174
Cash flows from investing activities			
Purchases of property, plant and equipment		(14,567)	(15,020)
Proceeds from disposal of property, plant and equipment		–	11
Acquisition of a subsidiary	27	–	(49,332)
Addition of right-of-use assets		(31,600)	(214)
Interest income		50	196
Net cash used in investing activities		(46,117)	(64,359)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	2021 HK\$'000	2020 HK\$'000
Cash flows from financing activities		
Drawdown of bank borrowings	24,397	36,367
Repayment of bank borrowings	(6,977)	(4,010)
Interest paid	(3,186)	(2,858)
Repayment of principal portion of lease liabilities	(26,031)	(23,131)
Dividends paid	(4,730)	(9,030)
Dividends paid to non-controlling shareholders of subsidiaries	–	(944)
Acquisition of additional interests in subsidiaries	–	(940)
Government subsidy received	35,666	1,040
Net cash generated from/(used in) financing activities	19,139	(3,506)
Net decrease in cash and cash equivalents	(31,977)	(17,691)
Cash and cash equivalents at beginning of year	32,586	50,277
Cash and cash equivalents at end of year	609	32,586



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. GENERAL INFORMATION

Bar Pacific Group Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). 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 and Harneys Trustees Limited, respectively. Both companies are incorporated in the British Virgin Islands (“**BVI**”).

The Company and its subsidiaries (the “**Group**”) 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 are presented in Hong Kong dollars (“**HK\$**”), which is also the same as the functional currency of the Company.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

(a) Adoption of new or amended HKFRSs

In the current year, the Group has applied for the first time the following new or amended HKFRSs by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7, and HKFRS 9	Interest Rate Benchmark Reform

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period except for the amendment to HKFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021. Impact on the applications of this amended HKFRSs is summarised below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(a) Adoption of new or amended HKFRSs (Continued)

Amendment to HKFRS 16, COVID-19-Related Rent Concessions and COVID-19-Related Rent Concessions beyond 30 June 2021

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the COVID-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 pandemic and only if all of the following criteria are satisfied:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) the reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- (c) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

Accounting for rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. In accordance with the transitional provisions, the Group has applied the amendment retrospectively, and has not restated prior period figure. No retrospective adjustment to opening balance of retained earnings at 1 April 2020 on initial application of the amendments since the financial impact on the consolidated financial statements is immaterial.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's 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 and the related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Disclosure of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

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

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after 1 January 2023

The Group is in the process of making an assessment of what the impact of these new or amended HKFRSs is expected to be in the period of initial application. So far the directors of the Company (the "**Directors**") concluded that the adoption of these new/revised HKFRSs will have no material impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under historical cost basis except for investment properties and leasehold land recognised as right-of-use assets which meet the definition of investment properties that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-Based Payment, leasing transactions that are within the scope of HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

For investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

3. BASIS OF PREPARATION (Continued)

(c) Going concern assumption

The outbreak of the COVID-19 pandemic and the related anti-epidemic measures, including temporary closure of bars and pubs, reduction in seating capacity and limiting the maximum number of people per table, significantly impacted the Group's business and operations during the year ended 31 March 2021. No revenue was generated by the Group for the periods from 3 April 2020 to 7 May 2020, from 15 July 2020 to 18 September 2020 and from 26 November 2020 to 31 March 2021 (collectively, the "**Mandatory Closure Periods**"), when all bars and pubs in Hong Kong were shut down under the government-imposed restrictions.

As a result, the Group has incurred a net loss of HK\$38,445,000 for the year ended 31 March 2021 and at the end of reporting period, the Group's current liabilities exceeded its current assets by HK\$74,499,000. In addition, as at 31 March 2021, the Group breached a covenant of its bank borrowings amounting to HK\$52,680,000 (Note 21).

The above events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

For the purpose of assessing the appropriateness of the use of going concern basis in preparing these consolidated financial statements in appropriate, the Directors of the Company have prepared a cash flow forecast covering a period of 12 months from the date of approval of these consolidated financial statements (the "**Forecast**"). The Directors of the Company have taken into account the past performance of the Group and the following plans and measures taken by management to improve the Group's liquidity and financial position in the preparation of the forecast:

- (a) Broadening the Group's revenue base through different legal and regulatory measures made available by the Government of the Hong Kong Special Administrative Region (the "**HKSAR Government**") to catering premises operators and bar and pub operators that relax social distancing measures with conditions under "vaccine bubble" as the basis;
- (b) Having communicated with the bank to deal with the breach of the covenant in order to maintain the existing banking loan facilities utilised;
- (c) Considering disposing of properties owned by the Group with an estimated fair value of approximately HK\$70 million as at 31 March 2021 in order to strengthen the liquidity position of the Group, when necessary; and
- (d) Taking measures to tighten cost controls over staff costs and other operating expenses aiming at improving the working capital and cash flow position of the Group.

In addition to the above, Ms. Tse Ying Sin Eva ("**Ms. Tse**") and Mr. Chan Wai ("**Mr. Chan**"), who are the substantial shareholders of the Company, being beneficiaries of Bar Pacific Trust, have undertaken to provide financial support to the Group to enable the Group to have sufficient working capital to meet its liabilities and obligations as and when they fall due and to continue to carry on its business over the period covered by the Forecast.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the Directors believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 March 2021 on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

3. BASIS OF PREPARATION *(Continued)*

(d) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“**HKS**”), which is the same as the functional currency of the Company and its subsidiaries, and all value are rounded the nearest thousands, except when otherwise indicated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

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

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent ownership interest entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Basis of consolidation *(Continued)*

Changes in the Group's interest in existing subsidiaries

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

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

(b) Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

(c) Revenue recognition

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs;
or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue recognition (Continued)

Revenue from bar operations

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.

Sponsorship income

Sponsorship income is recognised over time using the output method.

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) Property, plant and equipment

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(f) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition; and required by the terms and conditions of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) **Leases** *(Continued)*

The Group as a lessee *(Continued)*

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

Lease modification

The Group accounts for a modification to an operating leases as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(g) Borrowing costs

Borrowing costs which are not capitalised to qualifying assets are recognised in profit or loss in the period in which they are incurred.

(h) Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units ("CGUs"), or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Impairment on property, plant and equipment and right-of-use assets *(Continued)*

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

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

(i) Inventories

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

(i) Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment loss on financial assets

The Group recognises a loss allowance for expected credit loss ("**ECL**") on financial assets (including trade receivables, lease receivables, deposits and other receivables and bank balances and cash) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and lease receivables. The ECL on these assets are assessed individually and/or collectively using a provision matrix with appropriate grouping.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Financial instruments *(Continued)*

(i) Financial assets *(Continued)*

Impairment loss on financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrate otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) **Financial instruments** *(Continued)*

(i) **Financial assets** *(Continued)*

Impairment loss on financial assets (Continued)

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) **Financial instruments** *(Continued)*

(i) **Financial assets** *(Continued)*

Impairment loss on financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the basis:

- Nature for financial instruments,
- Past-due status,
- Nature, size and industry of debtors, and
- External credit ratings where available

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) **Financial instruments** *(Continued)*

(i) **Financial assets** *(Continued)*

Impairment loss on financial assets (Continued)

Measurement and recognition of ECL (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial asset

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

(ii) **Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Equity instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

(ii) Financial liabilities and equity instruments (Continued)

Financial liabilities at amortised cost

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

Derecognition of financial liabilities

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

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with the accounting policy set out in note 4(k)(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

(k) Government subsidy

Government subsidy is not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the subsidy will be received.

Government subsidy is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the subsidy is intended to compensate.

Government subsidy that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(n) Employee benefits

(i) Retirement benefit costs

Payments to the defined contribution retirement benefit plans representing the Mandatory Provident Fund Schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(o) Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(o) **Taxation** *(Continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

(p) **Related parties**

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Related parties *(Continued)*

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependants of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management of the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the supply of goods or services. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the supply of goods or services.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment properties and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is based on the management's experience of the actual useful lives of property, plant and equipment of similar nature and functions and will take into account the lease term (including any renewal option) of the Group's bars. Management of the Group will accelerate the depreciation charge where the economic useful lives are shorter than previously estimated due to removal or closure of bars. The management of the Group will also write-off or write-down the carrying value of the items which are technically obsolete or non-strategic assets that have been abandoned. Actual economic useful lives may differ from estimated economic useful lives.

Estimation of impairment of property, plant and equipment and right-of-use assets

Assessing impairment of the property, plant and equipment and right-of-use assets requires an estimation of its recoverable amount which is the higher of value in use and fair value less costs of disposal. If there is any indication that the property, plant and equipment and right-of-use assets allocated to each individual bar CGU may be impaired, such as bars operated with operating loss, recoverable amount shall be estimated for such bar CGU. When value in use calculations are undertaken, management must estimate the expected future cash flows from the CGUs of each individual bar and choose a suitable discount rate in order to calculate the present value to those cash flows. When fair value less costs of disposal calculations are undertaken, the fair value was estimated using relevant valuation technique and make reference to recent market comparative for similar assets adjusted for difference in condition in order to determine the fair value.

As at 31 March 2021, the carrying amount of the property, plant and equipment and right-of-use assets was approximately HK\$19,436,000 (2020: HK\$18,210,000) and HK\$95,104,000 and (2020: HK\$86,138,000) respectively. Impairment loss of HK\$6,955,000 (2020: HK\$1,406,000) and HK\$17,013,000 (2020: HK\$5,889,000) respectively were recognised for the year ended 31 March 2021 to write down the carrying amount of the property, plant and equipment and right-of-use assets to the recoverable amount of the CGUs belonged respectively. Further details are included in Note 24 to the consolidated financial statements.

Fair value of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market condition. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 March 2021, the carrying amount of the Group's investment properties was approximately HK\$22,430,000 (2020: HK\$22,830,000). Further details are included in Note 16 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty (Continued)

Going concern basis

As disclosed in Note 3(c), these consolidated financial statements have been prepared on a going concern basis. The appropriateness of the going concern basis was assessed by the Directors of the Company after taking into account all relevant available information about the future of the Group, including cash flow forecast of the Group covering a period of 18 months from the date of approval of these consolidated financial statements. Such forecast about the future inherently involve various assumptions and uncertainties. Actual results could differ significantly and hence render the adoption of the going concern basis not appropriate.

6. REVENUE AND SEGMENT INFORMATION

Operating segments are determined with reference to the reports and financial information reviewed by the executive directors of the Company and the officers responsible for finance and accounting matters, being the chief operating decision maker ("CODM") of the Group, for assessment of performance and allocation of resources.

The following summary describes the operations in each of the Group's reportable segments:

- Operation of bars – sales of beverages and light refreshments in bars in Hong Kong; and
- Property investment – leasing of property.

Business segment

The following is an analysis of the Group's revenue and results by operating and reportable segments during the year ended 31 March 2021 and 2020:

For the year ended 31 March 2021

	Operation of bars HK\$'000	Property investment HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
Revenue				
Revenue from external customers	57,488	351	–	57,839
Revenue from inter-segment	–	1,285	(1,285)	–
Reportable segment revenue	57,488	1,636	(1,285)	57,839
Reportable segment results	(35,395)	(238)	–	(35,633)
Unallocated:				
Corporate and other unallocated expenses				(9)
Depreciation of property, plant and equipment				(193)
Depreciation of right-of-use assets				(668)
Interest income				50
Interest income from rental deposits				3
Finance costs				(964)
Loss before income tax				(37,414)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

6. REVENUE AND SEGMENT INFORMATION (Continued)

Business segment (Continued)

For the year ended 31 March 2020

	Operation of bars HK\$'000	Property investment HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
Revenue				
Revenue from external customers	167,027	144	–	167,171
Revenue from inter-segment	–	340	(340)	–
Reportable segment revenue	167,027	484	(340)	167,171
Reportable segment results	13,215	(4,575)	–	8,640
Unallocated:				
Corporate and other unallocated expenses				(14)
Depreciation of property, plant and equipment				(336)
Depreciation of right-of-use assets				(800)
Interest income				196
Interest income from rental deposits				3
Finance costs				(440)
Profit before income tax				7,249

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

Unallocated expenses comprised mainly of the expenses of the Group's headquarter which were not directly attributable to the business activities of any operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

6. REVENUE AND SEGMENT INFORMATION (Continued)

Business segment (Continued)

For the year ended 31 March 2021

	Operation of bars HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Assets				
Reportable segment assets	134,577	22,468	3,880	160,925
Liabilities				
Reportable segment liabilities	(80,458)	(386)	(52,680)	(133,524)
Reportable segment net assets	54,119	22,082	(48,800)	27,401

For the year ended 31 March 2020

	Operation of bars HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Assets				
Reportable segment assets	128,177	22,892	34,314	185,383
Liabilities				
Reportable segment liabilities	(82,373)	(76)	(32,358)	(114,807)
Reportable segment net assets	45,804	22,816	1,956	70,576

Unallocated corporate assets comprised mainly of cash and cash equivalents which are held as general working capital of the Group as a whole and other corporate assets of the Group's headquarter which were not directly attributable to the business activities of any operating segment. Unallocated corporate liabilities mainly comprised of the liabilities of the Group's headquarter which were not directly attributable to the business activities of any operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other information

For the year ended 31 March 2021

	Operation of bars HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Interest income	–	–	50	50
Interest income from rental deposits	248	–	3	251
Interest expense	2,222	–	964	3,186
Purchase of property, plant and equipment	14,567	–	–	14,567
Addition of right-of-use assets	54,859	–	–	54,859
Depreciation of property, plant and equipment	9,784	–	193	9,977
Depreciation of right-of-use assets	30,873	–	668	31,541
Impairment loss on property, plant and equipment	6,955	–	–	6,955
Impairment loss on right-of-use assets	17,013	–	–	17,013
Loss on disposal of property, plant and equipment	60	–	–	60
Fair value loss on investment properties	–	400	–	400

For the year ended 31 March 2020

	Operation of bars HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Interest income	–	–	196	196
Interest income from rental deposits	201	–	3	204
Interest expense	2,418	–	440	2,858
Purchase of property, plant and equipment	15,033	–	–	15,033
Addition of right-of-use assets	37,294	–	–	37,294
Depreciation of property, plant and equipment	8,931	–	336	9,267
Depreciation of right-of-use assets	25,254	–	800	26,054
Impairment loss on property, plant and equipment	1,406	–	–	1,406
Impairment loss on right-of-use assets	5,889	–	–	5,889
Loss on disposal of property, plant and equipment	2	–	–	2
Fair value loss on investment properties	–	4,606	–	4,606

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

6. REVENUE AND SEGMENT INFORMATION (Continued)

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 customers based is diversified and no individual customer had transactions which exceeded 10% of the Group's revenue in both years.

Disaggregation of revenue

	2021 HK\$'000	2020 HK\$'000
Revenue from contracts with customers under HKFRS 15		
Operation of bars		
Sales of beverage and refreshment	55,536	160,943
Electronic dart machines	1,952	6,084
	57,488	167,027
Revenue from other sources		
Property investment		
Rental income from investment properties	351	144
	57,839	167,171
	2021 HK\$'000	2020 HK\$'000
By timing of revenue recognition under HKFRS 15		
A point in time	57,488	167,027

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 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

7. OTHER INCOME

	2021 HK\$'000	2020 HK\$'000
Government subsidy (Note)	35,666	3,200
Sponsorship income	1,546	1,238
Bank interest income	50	196
Interest income from rental deposits	251	204
Others	812	460
	38,325	5,298

Note: For the year ended 31 March 2021, the government subsidy represent Subsidy Schemes under Anti-epidemic Fund (2020: a one-off subsidy under the Food Licence Holders Subsidy Scheme) launched by the HKSAR Government for each of the Group's subsidiaries which holds light refreshment restaurant license.

8. FINANCE COSTS

	2021 HK\$'000	2020 HK\$'000
Interest on bank borrowings	956	400
Interest on lease liabilities	2,230	2,458
	3,186	2,858

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

9. INCOME TAX EXPENSE

	2021 HK\$'000	2020 HK\$'000
Current tax		
– Hong Kong Profits Tax	108	2,399
– Under-provision in respect of prior years	386	45
	494	2,444
Deferred tax (Note 22)		
– Origination of temporary difference	15	(1,436)
– Write-down of deferred tax assets	522	–
	537	(1,436)
	1,031	1,008

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The income tax expense for the year can be reconciled to the (loss)/profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	2021 HK\$'000	2020 HK\$'000
(Loss)/profit before income tax	(37,414)	7,249
Tax charge at the applicable income tax rate of 16.5%	(6,173)	1,196
Tax effect of expenses not deductible for tax purposes	4,041	1,517
Tax effect of income not taxable for tax purpose	(5,962)	(593)
Tax effect of tax losses not recognised	7,581	468
Tax effect of deductible temporary differences not recognised	755	–
Utilisation of tax losses previously not recognised	(12)	(667)
Under-provision in respect of prior years	386	45
Write-down of deferred tax assets	522	–
Tax reduction	(50)	(510)
Income tax at concessionary rate	(153)	(165)
Others	96	(283)
Income tax expense	1,031	1,008

During the year ended 31 March 2021, the subsidiaries of the Group were entitled to a tax reduction of 100% (2020: 75%) of Hong Kong Profits Tax subject to a ceiling of HK\$10,000 (2020: HK\$20,000) of each subsidiary.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

10. (LOSS)/PROFIT BEFORE INCOME TAX

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

	2021 HK\$'000	2020 HK\$'000
Auditor's remuneration (included in other operating expenses)	1,000	800
Gross rental income from investment properties	(351)	(144)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	89	44
Direct operating expenses incurred for investment properties that did not generate rental income during the year	78	60
	(184)	(40)
Gain on lease termination	(146)	–
Written off of inventories	561	–
Cost of inventories recognised as an expense	14,087	38,152
Depreciation of right-of-use assets	31,541	26,054
Depreciation of property, plant and equipment	9,977	9,267
Operating lease payments (included in other operating expenses)		
– Practical expedient in respect of		
– Low value lease expenses	28	7
– Short-term lease expenses	1,275	5,027
– Contingent rents	5	12
	1,308	5,046
Rent concession related to COVID-19	(2,434)	–
Directors' remuneration (Note 11)	1,907	1,850
Other staff costs		
– Salaries and other benefits	29,354	41,756
– Retirement benefit scheme contribution	1,424	1,931
Total staff costs	32,685	45,537
Other operating expenses		
– Loss on disposal/write off of property, plant and Equipment	60	2
– Loss on written off of right-of-use assets	306	–
– Cleaning expenses	1,010	2,465
– License fees	1,627	1,929
– Utilities	2,383	3,426
– Repair and maintenance	2,202	3,516
– Internet and cable expenses	1,235	1,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

11. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

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

For the year ended 31 March 2021

	Fees HK\$'000	Salaries HK\$'000	Discretionary bonus HK\$'000	Retirement benefits scheme contributions HK\$'000	Total HK\$'000
Executive directors					
Ms. Tse	–	724	60	18	802
Chan Ching Mandy*	–	182	–	9	191
Chan Tsz Tung	–	450	52	16	518
Independent non-executive directors					
Tang Wing Lam David	132	–	–	–	132
Chin Chun Wing	132	–	–	–	132
Yung Wai Kei	132	–	–	–	132
	396	1,356	112	43	1,907

For the year ended 31 March 2020

	Fees HK\$'000	Salaries HK\$'000	Discretionary bonus HK\$'000	Retirement benefits scheme contributions HK\$'000	Total HK\$'000
Executive directors					
Ms. Tse	–	717	58	18	793
Chan Tsz Tung	–	621	25	18	664
Independent non-executive directors					
Tang Wing Lam David	131	–	–	–	131
Chin Chun Wing	131	–	–	–	131
Yung Wai Kei	131	–	–	–	131
	393	1,338	83	36	1,850

* Chan Ching Mandy was appointed on 12 October 2020.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

11. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals

The five highest paid individuals of the Group during the year included two (2020: two) directors, details of their emoluments are set out above. The emoluments of the remaining three (2020: three) individuals are as follows:

	2021 HK\$'000	2020 HK\$'000
Salaries, allowances and benefits in kind	1,000	1,419
Performance related bonus (note)	–	114
Retirement benefits scheme contributions	43	54
	1,043	1,587

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

	2021 Number of individual	2020 Number of individual
Nil to HK\$1,000,000	3	3

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

During the years ended 31 March 2021 and 2020, no emoluments were paid by the Group to the directors of the Company or the five highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors have waived any emoluments during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

12. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the year:

	2021 HK\$'000	2020 HK\$'000
Interim dividend declared and paid	–	4,730
Final dividend in respect of previous financial year, declared and paid during the year	4,730	4,300
	4,730	9,030

The Board has not recommended the payment of a final dividend out of share premium account of total HK\$4,730,000 during the year ended 31 March 2020.

13. (LOSS)/EARNINGS PER SHARE

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

	2021 HK\$'000	2020 HK\$'000
(Loss)/earnings		
(Loss)/profit for the year attributable to owners of the Company for the purpose of basic earnings per share	(36,907)	4,429
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	860,000,000	860,000,000

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

14. PROPERTY, PLANT AND EQUIPMENT

	Building HK\$'000	Leasehold improvements HK\$'000	Computer equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST						
At 1 April 2019	–	19,160	2,203	17,761	1,577	40,701
Additions	–	5,792	86	2,504	–	8,382
Acquisition of a subsidiary (Note 27)	1,480	–	–	–	–	1,480
Disposal/write off	–	–	(11)	(71)	–	(82)
At 31 March 2020 and 1 April 2020	1,480	24,952	2,278	20,194	1,577	50,481
Additions	4,364	10,200	124	3,530	–	18,218
Disposal/write off	–	(95)	(19)	(377)	–	(491)
At 31 March 2021	5,844	35,057	2,383	23,347	1,577	68,208
ACCUMULATED DEPRECIATION						
At 1 April 2019	–	10,248	981	8,861	1,577	21,667
Provided for the year	22	5,920	501	2,824	–	9,267
Eliminated on disposal/write off	–	–	(2)	(67)	–	(69)
At 31 March 2020 and 1 April 2020	22	16,168	1,480	11,618	1,577	30,865
Provided for the year	90	6,597	371	2,919	–	9,977
Eliminated on disposal/write off	–	(95)	(18)	(191)	–	(304)
At 31 March 2021	112	22,670	1,833	14,346	1,577	40,538
ACCUMULATED IMPAIRMENT						
At 1 April 2019	–	–	–	–	–	–
Provided for the year (Note 24)	338	381	–	687	–	1,406
At 31 March 2020 and 1 April 2020	338	381	–	687	–	1,406
Provided for the year (Note 24)	514	3,644	110	2,687	–	6,955
Eliminated on disposal/write off	–	–	–	(127)	–	(127)
At 31 March 2021	852	4,025	110	3,247	–	8,234
CARRYING VALUE						
At 31 March 2021	4,880	8,362	440	5,754	–	19,436
At 31 March 2020	1,120	8,403	798	7,889	–	18,210

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	the term of the lease
Leasehold improvements	3 years or the term of the lease whichever is shorter
Office equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years

As at 31 March 2021, the Group's buildings with net carrying amount of HK\$4,880,000 (2020: HK\$1,120,000) was pledged to secure bank borrowings (Note 21) and general bank facilities granted to the subsidiaries of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

15. LEASES

(a) Right-of-use assets

	Leasehold land HK\$'000	Office equipment HK\$'000	Office premise HK\$'000	Shops HK\$'000	Total HK\$'000
COST					
At 1 April 2019	–	1,523	1,365	59,233	62,121
Additions	–	–	–	37,294	37,294
Acquisition of a subsidiary	20,850	–	–	–	20,850
Lease modification	–	–	(23)	(1,432)	(1,455)
At 31 March 2020 and 1 April 2020	20,850	1,523	1,342	95,095	118,810
Additions	31,600	–	–	23,259	54,859
Written off	–	(1,147)	–	–	(1,147)
Lease termination	–	–	–	(5,272)	(5,272)
Lease modification	–	–	–	4,944	4,944
At 31 March 2020	52,450	376	1,342	118,026	172,194
ACCUMULATED DEPRECIATION					
At 1 April 2019	–	729	–	–	729
Provided for the year	314	305	495	24,940	26,054
At 31 March 2020 and 1 April 2020	314	1,034	495	24,940	26,783
Provided for the year	987	183	484	29,887	31,541
Eliminated on written off	–	(841)	–	–	(841)
Eliminated on lease termination	–	–	–	(2,925)	(2,925)
At 31 March 2021	1,301	376	979	51,902	54,558
ACCUMULATED IMPAIRMENT					
At 1 April 2019	–	–	–	–	–
Provided for the year	3,356	–	–	2,533	5,889
At 31 March 2020	3,356	–	–	2,533	5,889
Provided for the year	–	–	192	16,821	17,013
Eliminated on lease termination	–	–	–	(370)	(370)
At 31 March 2021	3,356	–	192	18,984	22,532
CARRYING VALUE					
At 31 March 2021	47,793	–	171	47,140	95,104
At 31 March 2020	17,180	489	847	67,622	86,138

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

15. LEASES (Continued)

(a) Right-of-use assets (Continued)

The right-of-use assets are depreciated over lease terms as follows:

Leasehold land	27 to 29 years
Office equipment	5 years
Office premise	36 months
Shops	24 to 72 months

The Group leases various properties, including leasehold land, office equipment, office premise and shops. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions.

As at 31 March 2021, leasehold land under right-of-use assets including two properties (2020: one property) located in Hong Kong occupied by the Group for its bar operations.

Office equipment are leased for a fixed period of 5 years with the purchase option at fair value.

The office premise is rented for a fixed period of 3 years with an option to renew the contract. The lease payments are fixed.

Shops are rented for a fixed period of 1 to 3 years. The contracts contain an option to renew the lease. The lease payments are usually fixed.

As at 31 March 2021, the Group's leasehold land under right-of-use assets with net carrying amount of approximately HK\$47,793,000 (2020: HK\$17,180,000) were pledged to secure bank borrowings (Note 21) and general bank facilities granted to the subsidiaries of the Company.

(b) Lease liabilities

	As at 31 March	
	2021 HK\$'000	2020 HK\$'000
Analysed for reporting purpose as:		
Current liabilities	25,846	24,337
Non-current liabilities	42,941	47,124
	68,787	71,461

The movements during the year are as follows:

	2021 HK\$'000	2020 HK\$'000
Carrying amount at 1 April	71,461	60,276
New leases	22,970	35,771
Lease modification	4,921	(1,455)
Lease termination	(2,100)	–
Accretion of interest recognised during the year	2,230	2,458
COVID-19-related rent concessions (note)	(2,434)	–
Payments	(28,261)	(25,589)
Carrying amount at 31 March	68,787	71,461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

15. LEASES (Continued)

(b) Lease liabilities (Continued)

Note:

As disclosed in note 2(a), the Group has elected to apply the practical expedient introduced by the amendment to HKFRS 16 to all rent concessions that satisfy the criteria. All of the rent concessions entered into during the year ended 31 December 2021 satisfy the criteria to apply the practical expedient. The application of the practical expedient has resulted in the reduction of total lease liabilities of HK\$2,434,000. The effect of this reduction has been recorded in profit or loss in the period in which the event or condition that triggers those payments occurs.

	As at 31 March 2021		As at 31 March 2020	
	Minimum lease payments HK\$'000	Present value of minimum lease payments HK\$'000	Minimum lease payments HK\$'000	Present value of minimum lease payments HK\$'000
Lease liabilities				
Within one year	27,426	25,846	26,130	24,337
More than one year, but not more than two years	17,141	16,159	21,470	20,315
More than two years, but not more than five years	27,691	26,682	25,289	24,166
Over five years	100	100	2,681	2,643
	72,358	68,787	75,570	71,461
Less: future interest expense	(3,571)	–	(4,109)	–
Present value of lease liabilities	68,787	68,787	71,461	71,461
Less: Amounts due for settlement within 12 months (shown under current portion)		(25,846)		(24,337)
Amount due for settlement after 12 months		42,941		47,124

The Group discounts the lease liabilities at the weighted average incremental borrowing rate ranging from 2.50% to 4.55% (2020: 2.68% to 4.45%) for the year ended 31 March 2021.

(c) The Group as lessor

The minimum rent receivables under non-cancellable operating leases are as follows:

	2021 HK\$'000	2020 HK\$'000
Not later than one year	492	384
Later than one year and not later than two years	744	320
	1,236	704



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

16. INVESTMENT PROPERTIES

	2021 HK\$'000	2020 HK\$'000
Fair value		
At 1 April	22,830	–
Acquisition of a subsidiary (Note 27)	–	27,436
Fair value loss	(400)	(4,606)
At 31 March	22,430	22,830

On 31 October 2019, the Group acquired a 100% equity interest in Smart Express Development Limited (“**Smart Express**”) which held certain investment properties located in Hong Kong. The acquisition of Smart Express has been accounted for as an asset acquisition (Note 27).

The Group leases out these shops under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 4 years.

As at 31 March 2021, the Group’s investment properties with carrying amount of approximately HK\$22,430,000 (2020: HK\$22,830,000) were pledged to secure bank borrowings (Note 21) and general bank facilities granted to the subsidiaries of the Company.

The fair values of the Group’s investment properties at 31 March 2021 and 2020 have been arrived at on market value carried out by Moore Transaction Services Limited, an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

For the year ended 31 March 2021

The fair value of investment properties was determined by applying the comparison approach by making reference to comparable sales transaction in the market and investment approach by taking into consideration of existing tenancies and reversionary potential of property. The fair value measurement of such properties was classified as Level 3 with the following significant unobservable input:

Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

	2021 HK\$'000	2020 HK\$'000
Beverages and other items for bar operations	1,971	2,337

Inventories have been reduced by HK\$561,000 (2020: Nil) as a result of inventories written-off.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

18. TRADE AND OTHER RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Trade receivables (Note (a))	3	401
Lease receivables (Note (b))	24	10
Other receivables (Note (c))	1,231	2,767
Prepayments	4,702	8,445
Rental deposits	8,754	7,765
Utilities deposits	2,531	2,026
	17,245	21,414
Less: Non-current assets		
Rental deposits	(4,844)	(5,760)
Prepayment for acquisition of property, plant and equipment	(3,000)	(6,651)
Amount shown as current assets	9,401	9,003

(a) Trade receivables

As at 31 March 2021 and 2020, trade receivables from contracts with customers amounted to HK\$3,000 and HK\$401,000, respectively.

The Group's sales are mainly on cash or credit card settlement. As at 31 March 2021 and 2020, the Group's trade receivables mainly represents credit card sales receivable from financial institutions. None of the Group's trade receivables was individually and/or collectively using a provision matrix with appropriate grouping considered to be impaired. The Group does not hold any collateral over these balances.

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

(b) Lease receivables

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

(c) Other receivables

As at 31 March 2020, included in other receivables are the government subsidy receivables of HK\$2,160,000 (Note 7).

Details of impairment assessment of trade and other receivables are set out in Note 32(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

19. CASH AND CASH EQUIVALENTS

	2021 HK\$'000	2020 HK\$'000
Cash and bank balances	3,512	32,586
Less: Bank overdrafts	(2,903)	–
Total cash and cash equivalents in consolidated statement of cash flows	609	32,586

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

20. TRADE AND OTHER PAYABLES

	2021 HK\$'000	2020 HK\$'000
Current:		
Trade payables	2,416	4,348
Salary accruals and payables	877	1,799
Other accruals and payables	6,316	2,841
Provision for reinstatement costs	415	164
	10,024	9,152
Non-current:		
Rental deposits received	169	76
Provision for reinstatement costs	703	841
	872	917

The credit period on purchases of goods is 0 to 60 days. The following is an aged analysis of trade payables presented based on invoice date at the end of each reporting period:

	2021 HK\$'000	2020 HK\$'000
Trade payables:		
0–30 days	41	2,662
31–60 days	58	1,686
61–90 days	455	–
91–120 days	1,677	–
Over 180 days	185	–
	2,416	4,348



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

21. BANK BORROWINGS

	2021 HK\$'000	2020 HK\$'000
Current liabilities:		
Bank loans	49,777	32,357
Bank overdrafts	2,903	–
	52,680	32,357

All of the Group's borrowings are guaranteed and secured and carried variable rates of interest.

As at 31 March 2021, bank loans of HK\$49,777,000 (2020: HK\$32,357,000) are scheduled to repay ranging from 60 days to 7 years. They are classified as current liabilities as the related loan agreements that contain a clause that provides the lender with an unconditional right to demand repayment at any time at its own discretion. The bank overdrafts of HK\$2,903,000 (2020: Nil) is repayable on demand.

Assuming that the bank does not exercise in accordance with the clause for repayments on demand and based on the repayment dates as stipulated in the loan agreements, the Group's borrowings are due for repayment, as at each of the reporting dates, as follows:

	2021 HK\$'000	2020 HK\$'000
Carrying amounts repayable (based on scheduled repayable terms):		
Within one year	11,899	6,070
More than one year, but not more than two years	5,359	3,326
More than two years, but not more than five years	11,653	8,774
More than five years	23,769	14,187
	52,680	32,357

The banking facilities contain various covenants which include the maintenance of specified financial ratios. In respect of the Group's bank borrowings in an aggregate amount of HK\$52,680,000 as at 31 March 2021, the Group is required to comply with, among others, the covenant that restricts the Group to maintain net worth of the Group at HK\$30 million at all time.

As at 31 March 2021, the Group had net tangible assets of HK\$21,906,000, which indicates the aforesaid covenant has been breached.

The Directors became aware that the Group has breached the aforesaid covenant to maintain net worth of the Group at HK\$30 million at all time in accordance with the Group's financial statements for the year ended 31 March 2021. The Group communicated with the bank to deal with the breach of the covenant in order to maintain the existing banking facilities utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

21. BANK BORROWINGS (Continued)

At 31 March 2021, the Group's bank loans and banking facilities are secured by:

- (i) corporate guarantees up to HK\$30,800,000 (2020: HK\$25,800,000) by the Company and Bar Pacific Group Limited;
- (ii) unlimited corporate guarantee by Hacienda International Corporation Limited, Tank Success International Limited, Smart Express and CW Property Limited and Bar Pacific XC International Limited;
- (iii) the Group's buildings classified as property, plant and equipment with net carrying amount of HK\$4,880,000 (2020: HK\$1,120,000) (Note 14);
- (iv) the Group's leasehold land classified as right-of-use assets with net carrying amount of HK\$47,793,000 (2020: HK\$17,180,000) (Note 15(a)); and
- (v) the Group's investment properties with net carrying amount of HK\$22,430,000 (2020: HK\$22,830,000) (Note 16).

The effective interest rates of the Group's borrowings are as follow:

	2021	2020
Effective interest rates (per annum):		
Variable-rate bank borrowings	2.07%–4.07%	3.64%–4.99%

22. DEFERRED TAXATION

The deferred tax assets recognised and the movements thereon during the current year:

	Tax loss HK\$'000	Decelerated/ (accelerated) tax depreciation HK\$'000	Total HK\$'000
At 1 April 2019	–	–	–
Credited to profit or loss for the year	6	1,430	1,436
At 31 March 2020 and 1 April 2020	6	1,430	1,436
Charged to profit or loss for the year	–	(537)	(537)
At 31 March 2021	6	893	899

As at 31 March 2021, the Group has unused tax losses of HK\$54,298,000 (2020: HK\$8,672,000) available for offset against future profit.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

22. DEFERRED TAXATION (Continued)

Deferred tax assets have not been recognised the following temporary differences:

	2021 HK\$'000	2020 HK\$'000
Unused tax losses	54,298	8,672
Deductible temporary differences	24,568	7,059
	78,866	15,731

The deductible temporary differences of depreciation allowance regarding the property, plant and equipment and the unused tax losses can be carried forward indefinitely. No deferred tax asset has been recognised in relation to the deductible temporary differences of depreciation allowance and the unused tax losses they have arisen in subsidiaries that have been loss-making for some time and it is not probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses can be utilised.

23. SHARE CAPITAL

	Number of shares	Share capital HK\$
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Ordinary shares of the Company of HK\$0.01 each

Authorised:

At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	10,000,000,000	100,000,000
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Issued and fully paid:

At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	860,000,000	8,600,000
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

24. IMPAIRMENT ASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF-USE ASSETS

The outbreak of COVID-19 posed negative impact on the Group's operation of bars is disclosed in Note 3(c).

The management of the Group concluded there was indication of impairment and conducted impairment assessment on recoverable amounts of properties, plant and equipment and right-of-use assets. As at 31 March 2021, the carrying amount of the property, plant and equipment and right-of-use assets was approximately HK\$19,436,000 (2020: HK\$18,210,000) and HK\$95,104,000 (2020: HK\$86,138,000) respectively.

The recoverable amount of individual CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the remaining lease terms with the pre-tax discount rate of 0% to 14.6% (2020: 0% to 13%). The assumptions of annual revenue growth rates are determined based on expectation for the market development and is not expected to exceed the average long-term growth rate for the catering industry in Hong Kong. Another key assumption for the value in use calculations are the budgeted gross profits and operating expenses which are determined based recent performance of the relevant bars.

Based on the result of the assessment, the management of the Group determined that certain recoverable amounts of the CGUs were lower than the carrying amounts. The impairment losses were allocated to the assets of the relevant bars CGUs pro-rata on the basis of the carrying amount to each unit in the bars CGUs. Impairment losses of HK\$6,955,000 (2020: HK\$1,406,000) (Note 14) and HK\$17,013,000 (2020: HK\$5,889,000) (Note 15) were recognised on property, plant and equipment and right-of-use assets respectively.

25. SHARE OPTION SCHEME

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

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

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

No share option was granted since adoption of the scheme.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

26. RETIREMENT BENEFITS SCHEME

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

27. ACQUISITION OF A SUBSIDIARY

Pursuant to the sale and purchase agreement dated 23 July 2019, the Group has conditionally agreed to acquire 100% equity interest in Smart Express from independent third parties. Smart Express held certain investment properties, representing shops located in Hong Kong. The acquisition was completed on 31 October 2019.

The properties held by Smart Express comprise a portion that is held by the Group to earn rentals or for capital appreciation and another portion that is held for use in its bar operations, and the Group classified them separately as investment properties and owner-occupied properties (comprising of property, plant and equipment and right-of-use assets), respectively.

The acquisition of Smart Express has been accounted for as an asset acquisition set out in Note 4(b). The identified assets and liabilities as at the date of acquisition are as follows:

	HK\$'000
Property, plant and equipment (Note 14)	1,480
Right-of-use assets (Note 15)	20,850
Investment properties (Note 16)	27,436
Trade and other receivables	12
Other payables	(289)
Tax payables	(157)
	49,332
Satisfied by cash	49,332

An analysis of the cash flow in respect of the acquisition of a subsidiary is as follows:

	HK\$'000
Cash consideration	48,267
Transaction cost	1,065
Cash outflows from the acquisition of a subsidiary	49,332

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

28. RELATED PARTY TRANSACTIONS

The remuneration paid or payable to the key management personnel which are the executive directors during the year is set out below. Their remuneration was determined with reference to the performance of the individuals and market trends.

	2021 HK\$'000	2020 HK\$'000
Fees salaries and other benefits	1,468	1,421
Retirement benefits scheme contributions	43	36
	1,511	1,457

29. NON-CONTROLLING INTEREST

As at 31 March 2021, the Group comprises 24 subsidiaries (2020: 24 subsidiaries) which in aggregate have a material non-controlling interest balance, however each of them are individually not material.

During the year ended 31 March 2020, the Group has further acquired certain percentage of equity interests in certain of the Group's subsidiaries, from the non-controlling shareholders at cash consideration of HK\$940,000. The aggregate carrying amount of the non-controlling interests at the respective date of acquisition was approximately HK\$802,000. The difference between the consideration paid and the carrying amount of the interest acquired amounting approximately HK\$138,000 was charged to other reserve.

No further interest was acquired during the year ended 31 March 2021.

30. CAPITAL COMMITMENT

	2021 HK\$'000	2020 HK\$'000
Commitments for the acquisition of: Property, plant and equipment	3,000	900



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31. CAPITAL RISK MANAGEMENT

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

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

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

The gearing ratio at the end of reporting period was as follows:

	2021 HK\$'000	2020 HK\$'000
Bank borrowings	52,680	32,357
Lease liabilities	68,787	71,461
	121,467	103,818
Less: Cash and cash equivalents	(3,512)	(32,586)
Net debt	117,955	71,232
Total equity	27,401	70,576
Debt to equity ratio	4.30	1.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

32. FINANCIAL INSTRUMENTS

(a) Categories of financial assets and liabilities

	2021 HK\$'000	2020 HK\$'000
Financial assets		
Financial assets at amortised cost	16,055	35,765
Financial liabilities		
Financial liabilities at amortised cost	62,458	41,044
Lease liabilities	68,787	71,461

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and secured bank borrowings. The Group currently does not enter into any hedging instrument for cash flow interest rate risk. The Group monitors interest rate risk exposure and will consider hedging significant interest rate risk should the need arises.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for bank balances and variable rate bank borrowings at the end of each reporting period and assumed that the amount of liabilities outstanding at the end of each period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year would increase by HK\$405,000 (2020: post-tax profit would increase by HK\$56,000).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

32. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade and other receivables and bank balances as at 31 March 2021 and 2020.

As at 31 March 2021 and 2020, the maximum exposure to credit risk of the Group which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables arising from contracts with customers

Trade receivables are assessed individually and/or collectively using a provision matrix with appropriate grouping for impairment allowance based on the historical credit losses experience, adjusted for factors that are specific to the debtors and certain forward-looking information. The trade receivables are due from financial institutions with no history of default and have good credit ratings assigned, as such the directors of the Company consider that the Group's credit risk on trade receivables is minimal.

Lease receivables

Lease receivables are assessed individually for impairment allowance based on the historical credit losses experience, adjusted for factors that are specific to the debtors and certain forward-looking information. The trade receivables are due from tenants with no history of default, as such the directors of the Company consider that the Group's credit risk on lease receivables is minimal.

Other receivables

The management of the Group assessed the recoverability of other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model upon application of HKFRS 9. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Bank balances

The credit risk on bank balances and cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Accordingly, no impairment loss allowance is recognised for bank balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

32. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

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

The maturity profile of the Group's financial liabilities as at the reporting dates, based on the contracted undiscounted payments, was as follows:

	Carrying amounts HK\$'000	Total undiscounted cash flows HK\$'000	Repayable on demand/ less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	over 5 years HK\$'000
At 31 March 2021						
Trade and other payables	9,778	9,778	9,778	–	–	–
Bank borrowings	52,680	53,824	53,824	–	–	–
Lease liabilities	68,787	72,358	27,426	17,141	27,691	100
	131,245	135,960	91,028	17,141	27,691	100
At 31 March 2020						
Trade and other payables	10,069	10,069	10,069	–	–	–
Bank borrowings	32,357	33,096	33,096	–	–	–
Lease liabilities	71,461	75,570	26,130	21,470	25,289	2,681
	113,887	118,735	69,295	21,470	25,289	2,681

For bank borrowings which contain a repayment on demand clause that can be exercised at the bank's sole discretion, the analysis above shows the cash outflows based on the earliest period in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

32. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Taking into account the renewal of bank loan granted by the bank, the directors do not consider it probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates as set out in the loan agreements which are summarised in the table below:

	Carrying amounts HK\$'000	Total undiscounted cash flows HK\$'000	Less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	over 5 years HK\$'000
At 31 March 2021						
Trade and other payables	9,778	9,778	9,778	–	–	–
Bank borrowings	52,680	53,824	9,278	7,177	12,918	24,451
Lease liabilities	68,787	72,358	27,426	17,141	27,691	100
	131,245	135,960	46,482	24,318	40,609	24,551
At 31 March 2020						
Trade and other payables	10,069	10,069	10,069	–	–	–
Bank borrowings	32,357	33,096	6,390	3,546	8,973	14,187
Lease liabilities	71,461	75,570	26,130	21,470	25,289	2,681
	113,887	118,735	42,589	25,016	34,262	16,868

(c) Fair value measurements of financial instruments

The fair value of financial assets and financial liabilities is determined based on discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate to their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW

Reconciliation of liabilities arising from financing activities is as follows:

	Bank loans HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 April 2019	–	60,276	60,276
Financing cash flows:			
New bank loans raised	36,367	–	36,367
Repayment of bank loans/lease liabilities	(4,010)	(23,131)	(27,141)
Interest paid	(400)	(2,458)	(2,858)
Total changes from cash flows	31,957	(25,589)	6,368
Other changes:			
Addition of lease liabilities	–	35,771	35,771
Lease modification	–	(1,455)	(1,455)
Interest expense	400	2,458	2,858
Total other changes	400	36,774	37,174
At 31 March 2020 and 1 April 2020	32,357	71,461	103,818
Financing cash flows:			
New bank loans raised	24,397	–	24,397
Repayment of bank loans/lease liabilities	(6,977)	(26,031)	(33,008)
Interest paid	(956)	(2,230)	(3,186)
Total changes from cash flows	16,464	(28,261)	(11,797)
Other changes:			
Addition of lease liabilities	–	22,970	22,970
Lease modification	–	4,921	4,921
Lease termination	–	(2,100)	(2,100)
COVID-19-related rent concessions	–	(2,434)	(2,434)
Interest expense	956	2,230	3,186
Total other changes	956	25,587	26,543
At 31 March 2021	49,777	68,787	118,564



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

Major non-cash transactions

- (i) During the year ended 31 March 2021, the Group had non-cash additions to right-of-use assets, lease liabilities and provision of reinstatement cost of HK\$23,083,000, HK\$22,970,000 and HK\$113,000 respectively, in respect of lease arrangements for office premise and bars.
- (ii) During the year ended 31 March 2020, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$35,771,000 and HK\$35,771,000, respectively, in respect of lease arrangements for office premise and bars.
- (iii) During the year ended 31 March 2020, the Group has recognised non-cash additions to property, plant and equipment, right-of-use assets and provision of reinstatement cost of HK\$13,000, HK\$1,017,000 and HK\$1,030,000 in respect of lease arrangement.

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of subsidiary	Place of Incorporation and operation	Paid-up share capital	Equity attributable to the Group		Principal activities
			2021	2020	
Hacienda International Corporation Limited	Hong Kong	HK\$1,000	100%	100%	Bulk purchase of beverages for fellow subsidiaries
Tank Success International Limited	Hong Kong	HK\$2	100%	100%	Recruitment and management services for fellow subsidiaries
Smart Express	Hong Kong	HK\$1,000	100%	100%	Property Investment
CW Property Limited	Hong Kong	HK\$1	100%	100%	Property Investment
Bar Pacific VII International Limited	Hong Kong	HK\$1,000	100%	100%	Operation of a bar
Bar Pacific VIII International Limited	Hong Kong	HK\$1,000	100%	100%	Operation of a bar
Bar Pacific IX International Limited	Hong Kong	HK\$1,000	95%	95%	Operation of a bar
Bar Pacific XII International Limited	Hong Kong	HK\$1,000	100%	100%	Operation of a bar
Bar Pacific XVI International Limited	Hong Kong	HK\$1,000	95%	95%	Operation of a bar
Bar Pacific XX International Limited	Hong Kong	HK\$1,000	90%	90%	Operation of a bar

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

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

Name of subsidiary	Place of Incorporation and operation	Paid-up share capital	Equity attributable to the Group		Principal activities
			2021	2020	
Bar Pacific XXI International Limited	Hong Kong	HK\$1,000	95%	95%	Operation of a bar
Bar Pacific XXVIII International Limited	Hong Kong	HK\$1,000	86.5%	86.5%	Operation of a bar
Bar Pacific XXIX International Limited	Hong Kong	HK\$188	88.8%	88.8%	Operation of a bar
Bar Pacific XXX International Limited	Hong Kong	HK\$171,398	79.4%	79.4%	Operation of a bar
Bar Pacific XXXI International Limited	Hong Kong	HK\$522,214	83.8%	83.8%	Operation of a bar
Bar Pacific XXXII International Limited	Hong Kong	HK\$228	85.1%	85.1%	Operation of a bar
Bar Pacific XXXIII International Limited	Hong Kong	HK\$579,728	90.5%	90.5%	Operation of a bar
Bar Pacific XXXVII International Limited	Hong Kong	HK\$964,799	90%	90%	Operation of a bar
Bar Pacific LXIII International Limited	Hong Kong	HK\$1,527,823	80%	80%	Operation of a bar
Bar Pacific LXVIII International Limited	Hong Kong	HK\$2,280,000	91.2%	91.2%	Operation of a bar
Bar Pacific LXXI International Limited	Hong Kong	HK\$1	100%	100%	Operation of a bar
Bar Pacific LXXII International Limited	Hong Kong	HK\$1	100%	100%	Operation of a bar
Bar Pacific XC International Limited	Hong Kong	HK\$1	100%	100%	Property Investment

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

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

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

Principal activities	Principal place of business	Number of subsidiaries	
		2021	2020
Operation of bars	Hong Kong	27	23
Investment holding	Hong Kong	2	2
Inactive	Hong Kong	6	6
		35	31

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2021 HK\$'000	2020 HK\$'000
Non-current assets		
Investment in a subsidiary	–	8,483
Amounts due from subsidiaries	27,198	52,078
	27,198	60,561
Current assets		
Cash and cash equivalents	2	10,009
Current liabilities		
Accrued expenses	–	1
Net current assets	2	10,008
Total assets less current liabilities	27,200	70,569
EQUITY		
Equity attributable to owners of the Company		
Share capital	8,600	8,600
Reserves (Note)	18,600	61,969
TOTAL EQUITY	27,200	70,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

Movement in the Company's reserves are as follows:

	Share premium HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
On 1 April 2019	57,060	5,954	63,014
Profit and total comprehensive income for the year	–	7,985	7,985
Dividend	–	(9,030)	(9,030)
At 31 March 2020 and 1 April 2020	57,060	4,909	61,969
Loss and total comprehensive income for the year	–	(30,039)	(30,039)
Dividend	–	(4,730)	(4,730)
At 31 March 2021	57,060	(29,860)	27,200

36. EVENTS AFTER THE REPORTING DATE

On 27 April 2021, the HKSAR Government announced that bars could resume operation if they could fulfill the requirements under the "vaccine bubble". One of the requirements was that all staff and customers had received the first COVID-19 vaccine dose. On 29 April 2021, certain bars of the Group resumed operation and gradually all bars of the Group reopened on 1 May 2021.

On 9 June 2021, according to the latest specification and directions in relation to catering business under Cap. 599F, bars could choose to operate business that mainly provides meals (the drinks sold or supplied are mainly non-alcoholic and the liquors served are only incidental when having meals) during the period from 10 June 2021 to 23 June 2021 (which was further extended to another period from 24 June 2021 to 7 July 2021), the premises may then choose one type (A, B, C or D) of the catering business mode of operation. The Group chose type C of the catering business mode of operation for the bars of the Group. Therefore, the bars of the Group could provide dine-in service with maximum 6 persons per table until midnight and serve the customers who have not received the first dose of COVID-19 vaccine.

On 21 June 2021, the HKSAR Government announced that the seating capacity increased from 50% to 75% for type C of the catering business mode of operation, with effect from 24 June 2021 for a period of 14 days till 7 July 2021.



FINANCIAL SUMMARY

	Year ended 31 March				2021 HK\$'000
	2017 HK\$'000	2018 HK\$'000	2019 HK\$'000	2020 HK\$'000	
Revenue	126,212	134,251	150,340	167,171	57,839
Profit (loss) before taxation	(1,790)	7,766	10,116	7,249	(37,414)
Taxation	(1,590)	(1,229)	(1,545)	(1,008)	(1,031)
Profit (loss) for the year	(3,380)	6,537	8,571	6,241	(38,445)
Attributable to:					
Owners of the Company	(4,275)	5,698	7,298	4,429	(36,907)
Non-controlling interests	895	839	1,273	1,812	(1,538)
	(3,380)	6,537	8,571	6,241	(38,445)

	At 31 March				2021 HK\$'000
	2017 HK\$'000	2018 HK\$'000	2019 HK\$'000	2020 HK\$'000	
Assets and liabilities					
Total assets	80,080	82,469	84,250	185,383	160,925
Total liabilities	(9,153)	(10,653)	(9,001)	(114,807)	(133,524)
	70,927	71,816	75,249	70,576	27,401
Equity contributable to:					
Owners of the Company	64,162	65,238	68,279	63,540	21,903
Non-controlling interests	6,765	6,578	6,970	7,036	5,498
	70,927	71,816	75,249	70,576	27,401



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