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

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8432

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*This report, for which the directors (collectively the “**Directors**” or individually a “**Director**”) of Bar Pacific Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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

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The background of the page is a soft, blue-toned image of a night sky. A bright crescent moon is visible on the right side, with its light reflecting on the surface of a body of water in the foreground. The sky is filled with numerous small, twinkling stars, and there are some wispy clouds near the horizon. The overall mood is peaceful and celestial.

CORPORATE INFORMATION

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. Chan Chun Yeung Darren (appointed on 7 July 2021)
Mr. Chin Chun Wing
Mr. Tang Wing Lam David
Mr. Yung Wai Kei

BOARD COMMITTEES

Audit Committee

Mr. Yung Wai Kei *(Chairman)*
Mr. Chan Chun Yeung Darren
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

Ms. Chan Hau Lai (resigned on 11 November 2021)
Ms. Leung Ho Yee (appointed on 11 November 2021)

COMPLIANCE OFFICER

Ms. Chan Tsz Tung

AUTHORISED REPRESENTATIVES

Ms. Tse Ying Sin Eva
Ms. Chan Ching Mandy (alternative to Ms. Tse Ying Sin Eva)
Ms. Chan Hau Lai (resigned on 11 November 2021)
Ms. Leung Ho Yee (appointed on 11 November 2021)

INDEPENDENT AUDITOR

BDO Limited

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

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

COMPANY'S WEBSITE

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

LISTING INFORMATION

Place of Listing

GEM of The Stock Exchange of Hong Kong Limited

Stock Code

8432

Board Lots

10,000 shares

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	3	38,232	10,897	46,727	38,351
Other income	4	877	4,079	10,118	16,794
COVID-19-related rent concessions		31	809	1,045	809
Cost of inventories sold		(10,644)	(1,808)	(12,492)	(8,706)
Staff costs		(11,178)	(9,107)	(18,094)	(19,755)
Depreciation of property, plant and equipment		(1,990)	(2,389)	(3,804)	(4,728)
Depreciation of right-of-use assets		(5,907)	(7,564)	(10,929)	(15,223)
Property rentals and related expenses		(1,356)	(741)	(2,216)	(1,450)
Other operating expenses		(7,861)	(4,893)	(12,154)	(10,629)
Finance costs	5	(1,134)	(746)	(1,963)	(1,551)
Loss before income tax expense	6	(930)	(11,463)	(3,762)	(6,088)
Income tax expense	7	(210)	23	(210)	–
Loss and total comprehensive income for the period		(1,140)	(11,440)	(3,972)	(6,088)
Loss and total comprehensive income for the period attributable to:					
Owners of the Company		(1,322)	(10,720)	(4,103)	(5,857)
Non-controlling interests		182	(720)	131	(231)
		(1,140)	(11,440)	(3,972)	(6,088)
Loss per share					
– Basic and diluted (HK cents)	9	(0.16)	(1.25)	(0.48)	(0.68)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	NOTES	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	21,881	19,436
Right-of-use assets	10	108,588	95,104
Investment properties	10	22,430	22,430
Prepayment for acquisition of property, plant and equipment	11	2,557	3,000
Rental deposits	11	6,373	4,844
Deferred tax assets		936	936
		162,765	145,750
Current assets			
Inventories		2,483	1,971
Trade and other receivables	11	9,435	9,401
Tax recoverable		290	291
Bank balances and cash		5,119	3,512
		17,327	15,175
Current liabilities			
Trade and other payables	12	17,187	10,024
Bank borrowings	13	58,028	52,680
Other borrowings	14	2,000	–
Lease liabilities	10	25,698	25,846
Tax payable		1,012	1,124
		103,925	89,674
Net current liabilities		(86,598)	(74,499)
Total assets less current liabilities		76,167	71,251
Non-current liabilities			
Trade and other payables	12	836	872
Lease liabilities	10	51,865	42,941
Deferred tax liabilities		37	37
		52,738	43,850
Net assets		23,429	27,401
Share capital and reserves			
Share capital	15	8,600	8,600
Reserves		9,200	13,303
		17,800	21,903
Non-controlling interests		5,629	5,498
Total equity		23,429	27,401

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company						Non-controlling interests		Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note a)	Special reserve HK\$'000 (Note b)	Other reserve HK\$'000 (Note c)	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 April 2021 (audited)	8,600	57,060	6,065	(8,093)	(1,347)	(40,382)	21,903	5,498	27,401
Loss and total comprehensive income for the period	-	-	-	-	-	(4,103)	(4,103)	131	(3,972)
At 30 September 2021 (unaudited)	8,600	57,060	6,065	(8,093)	(1,347)	(44,485)	17,800	5,629	23,429
At 1 April 2020 (audited)	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 period	-	-	-	-	-	(5,857)	(5,857)	(231)	(6,088)
Dividend	-	-	-	-	-	(4,730)	(4,730)	-	(4,730)
At 30 September 2020 (unaudited)	8,600	57,060	6,065	(8,093)	(1,347)	(9,332)	52,953	6,805	59,758

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 (the "**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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	9,572	(2,451)
INVESTING ACTIVITIES		
Interest income	–	50
Purchase of property, plant and equipment	(5,806)	(9,732)
Deposits paid for acquisition of property, plant and equipment	–	(5,775)
Addition of right-of-use assets	–	(66)
NET CASH USED IN INVESTING ACTIVITIES	(5,806)	(15,523)
FINANCING ACTIVITIES		
Drawdown of bank borrowings	17,106	4,213
Repayment of bank borrowings	(11,758)	(4,535)
Repayment of principal portion of lease liabilities	(15,344)	(13,132)
Drawdown of other borrowings	3,000	–
Repayment of other borrowings	(1,000)	–
Dividend paid	–	(4,730)
Interest paid	(1,963)	(1,551)
Government subsidies received	7,800	13,135
NET CASH USED IN FINANCING ACTIVITIES	(2,159)	(6,600)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,607	(24,574)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,512	32,586
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, representing bank balances and cash	5,119	8,012

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

The Company is an investment holding company and its subsidiaries are principally engaged in operation of chain of bars and restaurants in Hong Kong under brands “Bar Pacific”, “Pacific”, “Moon Ocean”, “Katachi” and property investment in Hong Kong.

The unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2021 (the “**Period**”) are presented in Hong Kong dollars (“**HK\$**”), which is also the same as the functional currency of the Company.

The Group has incurred a net loss of HK\$3,972,000 for the six months ended 30 September 2021 and at the end of reporting period, the Group’s current liabilities exceeded its current assets by HK\$86,598,000. In addition, as at 30 September 2021, the Group breached a covenant of its bank borrowings amounting to HK\$58,028,000 (Note 13).

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 condensed 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 condensed 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 (as defined in Note 13) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION *(Continued)*

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 condensed consolidated financial statements of the Group for the six months ended 30 September 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 condensed consolidated financial statements.

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

(a) Application of new and amendments to HKFRSs

The following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are adopted for the first time for the current accounting period of the Group:

Amendments to HKAS 39, HKFRS 4,
HKFRS 7, HKFRS 9 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

The following new/revised HKFRSs, potentially relevant to the unaudited condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Disclosure of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ¹

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

² 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 revised HKFRSs is expected to be in the period of initial application. So far, the Directors have concluded that the adoption of the new HKFRSs will have no material impact on the amounts reported in the unaudited condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

3. 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.

Business segment

The following is an analysis of the Group’s revenue and results by operating and reportable segments for the six months ended 30 September 2021 and 2020:

For the six months ended 30 September 2021

	Operation of bars and restaurants HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Inter-segment elimination HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Revenue				
Revenue from external customers	46,424	303	–	46,727
Revenue from inter-segment	–	971	(971)	–
Reportable segment revenue	46,424	1,274	(971)	46,727
Reportable segment results	(3,173)	216	–	(2,957)
Unallocated:				
Corporate and other unallocated expenses				(1)
Depreciation of property, plant and equipment				(43)
Depreciation of right-of-use assets				(114)
Interest income				–
Interest income from rental deposits				1
Finance costs				(648)
Loss before income tax expense				(3,762)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

3. REVENUE AND SEGMENT INFORMATION (Continued)

Business segment (Continued)

For the six months ended 30 September 2020

	Operation of bars HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Inter-segment elimination HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Revenue				
Revenue from external customers	38,178	173	–	38,351
Revenue from inter-segment	–	408	(408)	–
Reportable segment revenue	38,178	581	(408)	38,351
Reportable segment results	(5,292)	70	–	(5,222)
Unallocated:				
Corporate and other unallocated expenses				(6)
Depreciation of property, plant and equipment				(96)
Depreciation of right-of-use assets				(394)
Interest income				50
Interest income from rental deposits				1
Finance costs				(421)
Loss before income tax expense				(6,088)

As at 30 September 2021

	Operation of bars HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Assets				
Reportable segment assets	152,218	22,468	5,406	180,092
Liabilities				
Reportable segment liabilities	(96,040)	(594)	(60,029)	(156,663)
Reportable segment net assets	56,178	21,874	(54,623)	23,429

As at 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

3. REVENUE AND SEGMENT INFORMATION (Continued)

Other information

For the six months ended 30 September 2021

	Operation of bars and restaurants HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Interest income	–	–	–	–
Interest income from rental deposits	130	–	1	131
Finance costs	1,315	–	648	1,963
Purchase of property, plant and equipment	6,249	–	–	6,249
Addition of right-of-use assets	21,551	–	–	21,551
Depreciation of property, plant and equipment	3,761	–	43	3,804
Depreciation of right-of-use assets	10,815	–	114	10,929

For the six months ended 30 September 2020

	Operation of bars HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Interest income	–	–	50	50
Interest income from rental deposits	126	–	1	127
Finance costs	1,130	–	421	1,551
Purchase of property, plant and equipment	6,743	–	–	6,743
Addition of right-of-use assets	28,775	–	–	28,775
Depreciation of property, plant and equipment	4,632	–	96	4,728
Depreciation of right-of-use assets	14,829	–	394	15,223

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

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

Disaggregation of revenue

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue from contracts with customers under HKFRS 15				
Operation of bars and restaurants				
Sales of food, beverages and light refreshments	36,878	10,411	44,965	36,891
Electronic dart machines	1,171	401	1,459	1,287
	38,049	10,812	46,424	38,178
Revenue from other sources				
Property investment				
Rental income from investment properties	183	85	303	173
	38,232	10,897	46,727	38,351
By timing of revenue recognition under HKFRS 15				
A point in time	38,049	10,812	46,424	38,178

Performance obligations for contracts with customers

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

The Group recognises revenue from operation of bars and restaurants. 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 and restaurants is recognised at the point of sales to customers, which is the point of time when the customer who has the ability to direct the use of the goods and services and obtains 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

4. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Government subsidies	300	2,655	8,100	15,242
Sponsorship income	32	1,070	865	1,070
Bank Interest income	–	42	–	50
Interest income from rental deposits	67	66	131	127
Others	478	246	1,022	305
	877	4,079	10,118	16,794

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on lease liabilities	775	550	1,267	1,130
Interest on bank borrowings	346	196	668	421
Interest on other borrowings	13	–	28	–
	1,134	746	1,963	1,551

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

6. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense has been arrived at after charging/(crediting):

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Auditor's remuneration (included in other operating expenses)	410	220	660	520
Direct operating expenses incurred for investment properties that generated rental income during the period	15	25	44	50
Loss on disposal of property, plant and equipment	–	53	–	53
Depreciation of property, plant and equipment	1,990	2,389	3,804	4,728
Depreciation of right-of-use assets	5,907	7,564	10,929	15,223
	7,897	9,953	14,733	19,951
Operating lease payments (included in other operating expenses)	595	235	822	537
COVID-19-related rent concessions	(31)	(809)	(1,045)	(809)
Director's remuneration	519	558	1,050	1,004
Other staff costs				
– salaries and other benefits	10,062	8,135	16,170	17,875
– retirement benefits scheme contributions	597	414	874	876
Total staff costs	11,178	9,107	18,094	19,755
Other operating expenses				
– Bank and credit card handling charge	415	186	650	501
– Cleaning expenses	645	237	742	675
– Utilities	1,664	991	2,243	1,760
– License fees	529	487	1,215	1,182
– Repair and maintenance	1,130	702	1,858	1,703

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

7. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current tax				
– Hong Kong Profits Tax	210	–	210	–
– Over-provision of prior period	–	(23)	–	–
	210	(23)	210	–

Under the two-tiered profits tax 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 regime will continue to be taxed at a flat rate of 16.5%.

8. DIVIDENDS

The board of Directors (“Board”) has resolved not to declare the payment of any interim dividend for six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

9. LOSS PER SHARE

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	(1,322)	(10,720)	(4,103)	(5,857)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	860,000	860,000	860,000	860,000
Basic and diluted loss per share (HK cents)	(0.16)	(1.25)	(0.48)	(0.68)

There were no potential ordinary shares in issue for the six months ended 30 September 2021 and 2020. Accordingly, the diluted loss per share presented are the same as basic loss per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

10. RIGHT-OF-USE ASSETS, LEASE LIABILITIES, INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Right-of-use assets and lease liabilities

During the current period, the Group renewed/entered into certain new lease agreements for 2 to 6 years, which is mainly for chain bars and restaurants operation. The Group is required to make minimum fixed payments and additional variable payments depending on the certain percentage of sales whenever the Group's sales achieved prescribed amounts as specified in relevant lease agreements. On lease commencement, the Group recognised right-of-use asset of approximately HK\$21,551,000 (six months ended 30 September 2020: HK\$28,775,000) and lease liabilities of approximately HK\$21,275,000 (six months ended 30 September 2020: HK\$28,438,000).

Pursuing to the orders of compulsory shut-down of all the bars and pubs (the "**Mandatory Closure**") which were imposed by the Hong Kong Government during these three periods: from 3 April to 7 May 2020, from 15 July to 18 September 2020, and from 26 November 2020 to 28 April 2021 (the "**Mandatory Closure Periods**"), the Group had to pause its operation of bars. Given the fact that no revenue being generated in such periods, certain lessors of the bars granted the Group rent concessions through rent reductions ranging from 5% to 50% over 2 to 6 months (six months ended 30 September 2020: 5% to 50% over 2 to 6 months).

These rent concessions occurred as a direct consequence of COVID-19 pandemic and met of all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. During the current period, the effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of approximately HK\$1,045,000 (six months ended 30 September 2020: HK\$809,000) were recognised as negative variable lease payments.

Investment properties

The fair values of the Group's investment properties as at 30 September 2021 were determined by the directors of the Company with reference to recent transaction prices of similar properties. Based on such assessment, the directors of the Company not suggested to recognise fair value loss of the investment properties for the current period.

As at 31 March 2021, the fair value of the Group's investment properties 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.

Property, plant and equipment

During the current period, the Group acquired property, plant and equipment of approximately HK\$6,249,000 (six months ended 30 September 2020: HK\$6,743,000).

During the current period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of Nil (six months ended 30 June 2020: HK\$53,000) for cash proceeds of Nil (six months ended 30 June 2020: Nil), resulting in a loss on disposal of Nil (six months ended 30 June 2020: a loss on disposal of HK\$53,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

11. TRADE AND OTHER RECEIVABLES

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Trade receivables (Note (a))	1,003	3
Lease receivables (Note (b))	24	24
Other receivables	1,214	1,231
Prepayments	3,626	4,702
Rental deposits	9,664	8,754
Utilities deposits	2,834	2,531
	18,365	17,245
Less: Non-current assets		
Rental deposits receivable over one year shown under non-current assets	(6,373)	(4,844)
Prepayment for acquisition of property, plant and equipment	(2,557)	(3,000)
	9,435	9,401

Notes:

(a) Trade receivables

As at 30 September 2021 and 31 March 2021, trade receivables from contracts with customers amounted to HK\$1,003,000 and HK\$3,000, respectively.

The Group's sales are mainly on cash or credit card settlement. As at 30 September 2021 and 31 March 2021, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

12. TRADE AND OTHER PAYABLES

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Current:		
Trade payables	6,941	2,416
Salary accruals and payables	2,068	877
Other accruals and payables	7,666	6,316
Rental deposits received	36	–
Provision for reinstatement costs	476	415
	17,187	10,024
Non-current:		
Rental deposits received	133	169
Provision for reinstatement costs	703	703
	836	872

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

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
0 to 30 days	3,347	41
31 to 60 days	2,408	58
61 to 90 days	1,073	455
91 to 120 days	60	1,677
121 to 180 days	53	–
Over 180 days	–	185
	6,941	2,416

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

13. BANK BORROWINGS

During the period, the Group obtained new bank loans amounting to HK\$17,106,000 (six months ended 30 September 2020: HK\$4,213,000). The bank loans carry interest at effective interest rates of 2.0% to 3.2% per annum (six months ended 30 September 2020: 2.5% to 3.0% per annum). The proceeds were used to finance the daily operation of the Group.

As at 30 September 2021, the Group had bank borrowings amounting to HK\$58,028,000 (31 March 2021: HK\$52,680,000) out of which HK\$45,922,000 (31 March 2021: HK\$49,777,000) is due over one year based on the repayment schedule but the lender has the unconditional right to demand repayment at any time at its own discretion and therefore these borrowings are classified as current liabilities in the condensed consolidated financial statement.

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\$58,028,000 as at 30 September 2021 (31 March 2021: HK\$52,680,000), 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 (31 March 2021: HK\$30 million) at all time.

As at 30 September 2021, the Group had net tangible assets of HK\$17,800,000 (31 March 2021: HK\$21,903,000), 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 condensed consolidated financial statements for the six months ended 30 September 2021. The Group communicated with the bank to deal with the breach of the covenant in order to maintain the existing banking facilities utilised.

14. OTHER BORROWINGS

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Other borrowings	2,000	–

As at 30 September 2021, other borrowings amounted to HK\$2 million (31 March 2021: Nil) is due to Mr. Chan. The amount is interest-bearing at 2% per annum, unsecured and repayable within 1 year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

15. SHARE CAPITAL

	Number of shares	Share capital HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2020, 30 September 2020, 31 March 2021 and 30 September 2021	10,000,000,000	100,000,000
Issued and fully paid:		
At 1 April 2020, 30 September 2020, 31 March 2021 and 30 September 2021	860,000,000	8,600,000

16. RELATED PARTY TRANSACTIONS

The remuneration paid or payable to the key management personnel during the period is set out below. The remuneration of key management personnel was determined by reference to the performance of the individuals and market trends.

	Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Fees, salaries and other benefits	797	788
Retirement benefit scheme contributions	24	18
	821	806

17. CAPITAL COMMITMENTS

As at 30 September 2021, the Group had capital commitments of approximately HK\$3.9 million (31 March 2021: approximately HK\$3 million).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a chained bar and restaurant group under the brands of “Bar Pacific”, “Pacific”, “Moon Ocean” and “Katachi” with locations scattered over Hong Kong. The growth strategies of the Group focuses on the expansion and upgrade of the facilities of existing shops. As at 30 September 2021, we operated 44 shops throughout Hong Kong.

During the Period, we opened three new shops located at Causeway Bay under the brand of “Moon Ocean” and Mong Kok and Tseung Kwan O under the brand of “Katachi”. Different brands focus on different target customers. “Bar Pacific” is a neighborhood bar in different districts in Hong Kong and is for customers looking for social connection and relaxation, “Pacific” is a mid-range bar at urban areas. “Moon Ocean” is a luxury bar located at Causeway Bay. “Katachi” is a yakiniku (Japanese skewers) restaurant.

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 in leveraging its extensive network in Hong Kong. During the period from the Listing Date to the Reporting Date, we opened twelve new shops and will open two new shops to further expand our network within 2021.

Bars and pubs were allowed to resume business from 29 April 2021 by compulsory adapting the measures imposed by the Hong Kong Government under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F) (the “**Measures**”) (Note). The revenue recovered to a significant extent comparing with the revenue before the spreading of the novel coronavirus (COVID-19) disease (the “**COVID-19**” or the “**Pandemic**”, respectively).

Given the unstable situation 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.

Note:

As at the date of this Report, the Measures applicable to the businesses of the Group are as follows:

1. Type C Mode of Operation –
 - (a) operation until midnight;
 - (b) all staff members involved in the operation of the business in the premises must have received the first dose of COVID-19 vaccine and keep the vaccination record as proof of vaccination; and
 - (c) before the customer is allowed to enter the premises, he/she must scan the “LeaveHomeSafe” venue QR code using the “LeaveHomeSafe” mobile application on his/her mobile phone.
2. Type D Mode of Operation –
 - (a) operation until 2:00 a.m.;
 - (b) all staff members involved in the operation of the business in the premises must have completed the COVID-19 vaccination course and keep the vaccination record as proof of vaccination;
 - (c) at least two-thirds of the customers have received the first dose of COVID-19 vaccine; and
 - (d) before the customer is allowed to enter the premises, he/she must scan the “LeaveHomeSafe” venue QR code using the “LeaveHomeSafe” mobile application on his/her mobile phone.

For the latest amendments, directions and specifications of the Measures, please refer to the relevant website of the Food and Environmental Hygiene Department of the Hong Kong Government at https://www.fehd.gov.hk/english/events/covid19/vaccine_bubble_FP.html.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit from the operation of both bars and restaurants

The revenue amounted to HK\$46.4 million for the Period, as compared to HK\$38.2 million for the six months ended 30 September 2020 (the “**Previous Period**”), representing a rise of 21.5%. The Hong Kong Government imposed the orders of Mandatory Closure during the Mandatory Closure Period, thus no revenue was recorded by the Group during such periods. The Mandatory Closure order ceased on 29 April 2021, resulting in the increase in revenue during the Period as compared to that of the Previous Period.

The relevant gross profit amounted to HK\$33.9 million, in comparison to HK\$29.5 million for the Previous Period, representing an increase of 14.9%. During the Period, higher discounts were offered and more promotion events were held with the purpose to enhance the sales performance. As a result of such discounts and promotion events, the gross profit margin for the Period slightly decreased to 73.1% (Previous Period: 77.2%).

Revenue and gross profit from properties investment

The revenue increased by 75.1% to HK\$303,000 for the Period compared to HK\$173,000 for the Previous Period.

Other income

For the Period, other income amounted to HK\$10.1 million, as compared to HK\$16.8 million for the Previous Period, representing a significant decrease of 39.9%. Such decrease was mainly due to the reduction in the Catering Business (Social Distancing) Subsidy Scheme launched by the Food and Environmental Hygiene Department of the Hong Kong Government, which amounted to approximately HK\$8.1 million for the Period (Previous Period: HK\$15.2 million), representing a decrease of 46.7%.

Staff costs

Consisting of wages, salaries, bonuses, retirement benefit costs and other allowances paid or payable to all Directors and staff of the Group, staff costs amounted to HK\$18.1 million for the Period, as compared to HK\$19.8 million for the Previous Period, representing a year-over-year decrease of 8.6%. Staff costs were saved during the Mandatory Closure Period.

Depreciation of property, equipment and plant

Consisting of leasehold improvements, furniture and fixtures, computer equipment, motor vehicles, the property, plant and equipment shall be depreciated monthly over their estimated useful life and their recoverable amount reassessed annually.

The depreciation charges on property, equipment and plant amounted to HK\$3.8 million for the Period, as compared to HK\$4.7 million for the Previous Period, representing a decline of 19.1% which was primarily attributed to the impairment made during the year ended 31 March 2021 (the “**Previous Year**”).

Depreciation of right-of-use assets

The Depreciation charges on the right-of-use assets amounted to HK\$10.9 million for the Period, in comparison to HK\$15.2 million for the Previous Period, representing a decrease of 28.3% which was primarily attributed to the impairment made during the Previous Year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Property rentals and related expenses

Operating lease payments, property management fees, government rates and other related expenses added up to HK\$2.2 million, as compared to HK\$1.5 million for the Previous Period, representing a sharp increase of 46.7% due to the expansion of business during the Period. The increase in property rentals and related expenses was mainly due to increase in number of shops during the Period.

Other operating expenses

For the Period, other operating expenses increased by 15.1% to HK\$12.2 million from HK\$10.6 million for the Previous Period.

Finance costs

Consisting of interest paid or payable on bank loans, lease liabilities and other borrowings, finance costs amounted to HK\$2.0 million for the Period, in comparison to HK\$1.6 million for the Previous Period, representing an increase of 25%. The main reason for the increase in finance costs for the Period was due to increase in finance cost on new borrowing.

Taxation

Income tax expense of HK\$210,000 was provided for the Period (Previous Period: Nil).

Dividend

The Board resolved not to declare any interim dividend for the Period (Previous Period: Nil).

Contingent liabilities

As at 30 September 2021, the Group did not have any significant contingent liabilities (31 March 2021: Nil).

Capital commitments

As at 30 September 2021, the Group had capital commitments of approximately HK\$3.9 million (31 March 2021: approximately HK\$3 million).

Charges on the Group's assets

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

	Net carrying amount	
	30 September 2021 HK\$'000	31 March 2021 HK\$'000
Property, plant and equipment – building	4,794	4,880
Right-of-use assets – leasehold land	46,944	47,793
Investment properties	22,430	22,430
	74,168	75,103

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Foreign currency exposure

All business activities of the Group were solely carried on in Hong Kong and almost all transactions were denominated in Hong Kong dollar, thus the Directors consider the risk in foreign exchange is insignificant.

Significant investments

The Group did not hold any significant investments during the Period.

Material acquisition or disposal

There was no material acquisition or disposal of subsidiaries, associate and joint venture during the Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	30 September 2021	31 March 2021
Cash and cash equivalents	HK\$5.1 million	HK\$3.5 million
Bank borrowings	HK\$58.0 million	HK\$52.7 million
Unutilised banking facilities	HK\$10.3 million	HK\$8.4 million
Gearing ratio	550%	430%

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.

The gearing ratio is calculated by dividing the net debt by the total equity.

As at 30 September 2021, the Group had total bank borrowings of approximately HK\$58,028,000 (31 March 2021: HK\$52,680,000). The interest rate is charged based on floating rate. Details on bank borrowings of the Group are set out in note 13 to the condensed consolidated financial statements.

EMPLOYEE INFORMATION

As at 30 September 2021, the Group had approximately 390 employees (as at 30 September 2020: 380). Total staff costs (including Directors' remuneration) were approximately HK\$18.1 million for the Period (the Previous Period: HK\$19.8 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 has adopted a share option scheme to provide incentives to the directors, employees and eligible or participants of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30 September 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 (the "Register"); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

Interests in the Company

Long position in the Shares

Name of Directors	Capacity/ Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital of the Company (Note 3)
Ms. Tse Ying Sin Eva ("Ms. Tse") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	12,094	0.00%
Ms. Chan Tsz Tung ("Ms. G Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Ching Mandy ("Ms. M Chan") (Note 2)	Interest of a controlled corporation	431,543,700	50.18%

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS *(Continued)*

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

Interests in the Company *(Continued)*

Long position in the Shares *(Continued)*

Notes:

1. Moment to Moment holds 431,543,700 Shares, representing approximately 50.18% of the issued share capital in the Company. The sole shareholder of Moment to Moment is Harneys, the trustee of the Bar Pacific Trust, of which Ms. Tse, the chairlady of the Board (the "**Chairlady**") and the chief executive officer of the Company (the "**CEO**"), her daughter Ms. G Chan and others are beneficiaries. Ms. Tse and Ms. G 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. M Chan is the protector of the Bar Pacific Trust, and Harneys is required to exercise the voting rights in any company the fund of the Bar Pacific Trust is invested in accordance with the joint written instruction from the protector (i.e. Ms. M Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Ms. M 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 30 September 2021.

Interests in associated corporation of the Company

Long position in the shares of the associated corporation

Name of Directors	Nature 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. G Chan	Moment to Moment	Beneficiary of a trust	1	100%
Ms. M Chan	Moment to Moment	Interest of a controlled corporation	1	100%

Save as disclosed above and so far as the Directors are aware of, as at 30 September 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS *(Continued)*

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

So far as the Directors are aware of, as at 30 September 2021, the following entities/persons other than a Director or the chief executive of the Company had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO (the "**Substantial Shareholders' Register**"), or who were directly or indirectly interested in 5% or more of the issued voting Shares:

Long position in the Shares

Name of substantial shareholders	Capacity/ Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital of the Company (Note 3)
Moment to Moment (Note 1)	Beneficial owner	431,543,700	50.18%
Harneys (Note 1)	Trustee (other than a bare trustee)	431,543,700	50.18%
Ms. Chan Tsz Kiu Teresa ("Ms. T Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
Mr. Chan Wai ("Mr. Chan") (Note 2)	Beneficiary of a trust Beneficial owner	431,543,700 24,925,038	50.18% 2.90%

Notes:

- Moment to Moment holds 431,543,700 Shares, representing approximately 50.18% of the issued share capital of the Company. The sole shareholder of Moment to Moment is Harneys, the trustee of the Bar Pacific Trust, of which Ms. Tse and one of her daughters, namely Ms. T Chan, are the first batch of beneficiaries (Please refer to note 2 below). Pursuant to a deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. M Chan is the protector of the Bar Pacific Trust, and Harneys is required to exercise the voting rights in any company the fund of the Bar Pacific Trust is invested in accordance with the joint written instruction from the protector (i.e. Ms. M Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Each of Harneys, Ms. Tse, Ms. T Chan and Ms. M Chan is deemed to be interested in the Shares held by Moment to Moment under the SFO.
- On 7 June 2018, Mr. Chan and Ms. G Chan became the beneficiaries of Bar Pacific Trust. Hence, both Mr. Chan and Ms. G 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.
- 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 30 September 2021.

Save as disclosed above, as at 30 September 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPETING INTERESTS

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

CORPORATE GOVERNANCE CODE

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

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

DIRECTORS' SECURITIES TRANSACTIONS

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

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

During the Period, the Company had not redeemed any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

SHARE OPTION SCHEME

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

No share option has been granted since the Adoption Date and therefore, there was no share option outstanding as at 30 September 2021 and no share option was granted, exercised or cancelled or lapsed during the Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

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

Date of facilities	Nature of facilities	Aggregate amount	Life of the facilities	Specific performance obligation
12 June 2019	Term loan facility, revolving loan facility and combined facility	HK\$20,000,000	No fixed term but subject to review and will continue up to and including 15 May 2022	<i>Note</i>
30 August 2019	Term loan facility	HK\$10,000,000	– ditto –	<i>Note</i>
3 January 2020	Term loan facility	HK\$25,800,000	– ditto –	<i>Note</i>
30 November 2020	Term loan facility	HK\$21,500,000	– ditto –	<i>Note</i>

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

Except for disclosed above, the Group had no other circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules as at 30 September 2021 and the Reporting Date.

CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change to the information on the Director is as follows:

- On 7 July 2021, Mr. Chan Chun Yeung Darren has been appointed as an independent non-executive Director and a member of the Board's audit committee (the “**Audit Committee**”).

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved not to declare the payment of any interim dividend for the Period (2020: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

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

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

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 and this interim report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

By order of the Board
Bar Pacific Group Holdings Limited
Tse Ying Sin Eva
Chairlady, Chief Executive Officer and Executive Director

Hong Kong, 11 November 2021

As at the Reporting Date, the executive Directors namely Ms. Tse Ying Sin Eva (Chairlady and Chief Executive Officer), Ms. Chan Ching Mandy and Ms. Chan Tsz Tung and four independent non-executive Directors namely Mr. Chan Chun Yeung Darren, Mr. Chin Chun Wing, Mr. Tang Wing Lam David and Mr. Yung Wai Kei.