

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

INTERIM REPORT
2024/25



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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 website of the Stock Exchange at www.hkexnews.hk 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 of the Company at www.barpacific.com.hk.



CONTENTS

Corporate Information	3
Report on Review of Condensed Consolidated Financial Statements	4
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Financial Statements	10
Management Discussion and Analysis	28
Corporate Governance and Other Information	33



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Chan Tsz Kiu Teresa (*Chairlady*)
Ms. Chan Ching Mandy (*Chief Executive Officer*)
Ms. Chan Tsz Tung

Independent Non-Executive Directors

Mr. Chan Chun Yeung Darren
Mr. Chin Chun Wing
Mr. Tang Wing Lam David

BOARD COMMITTEES

Audit Committee

Mr. Chan Chun Yeung Darren (*Chairman*)
Mr. Chin Chun Wing
Mr. Tang Wing Lam David

Remuneration Committee

Mr. Chin Chun Wing (*Chairman*)
Ms. Chan Tsz Kiu Teresa
Mr. Chan Chun Yeung Darren
Mr. Tang Wing Lam David

Nomination Committee

Mr. Tang Wing Lam David (*Chairman*)
Ms. Chan Tsz Kiu Teresa
Mr. Chan Chun Yeung Darren
Mr. Chin Chun Wing

COMPANY SECRETARY

Mr. Chow Tsz Lun

COMPLIANCE OFFICER

Ms. Chan Tsz Tung

AUTHORISED REPRESENTATIVES

Ms. Chan Ching Mandy
Mr. Chow Tsz Lun

INDEPENDENT AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Level 8, K11 ATELIER King's Road
728 King's Road, Quarry Bay
Hong Kong

LEGAL ADVISOR

as to Hong Kong laws
Sidley Austin

REGISTERED OFFICE

Third Floor
Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
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

Tricor Services (Cayman Islands) Limited
Third Floor
Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Admiralty
Hong Kong

PRINCIPAL BANKERS

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

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF BAR PACIFIC GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Bar Pacific Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 6 to 27, which comprise the condensed consolidated statement of financial position as at 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“**HKSRE 2410**”) issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the condensed consolidated financial statements, which indicates that as at 30 September 2024, the Group's current liabilities exceeded its current assets by HK\$95,808,000. In addition, as at 30 September 2024, the Group breached a covenant of its bank borrowings amounting to HK\$41,583,000. As stated in Note 2, these conditions, along with other matters as set forth in Note 2 to the condensed 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.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Chu, Johnny Chun Yin

Practising certificate number P08355

Hong Kong, 28 November 2024



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	NOTES	Six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	3	98,072	108,960
Other income	4	3,621	3,472
Cost of inventories sold		(24,953)	(29,837)
Staff costs		(32,415)	(35,237)
Depreciation of property, plant and equipment		(5,791)	(5,902)
Depreciation of right-of-use assets		(20,021)	(19,259)
Property rentals and related expenses		(4,539)	(3,865)
Other operating expenses		(13,797)	(14,139)
Finance costs	5	(2,563)	(2,460)
(Loss)/profit before income tax	6	(2,386)	1,733
Income tax credit/(expense)	7	243	(96)
(Loss)/profit for the period		(2,143)	1,637
Other comprehensive income for the period, net of income tax:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		59	–
Total comprehensive (expense)/income for the period		(2,084)	1,637
(Loss)/profit for the period attributable to:			
Owners of the Company		(2,143)	1,222
Non-controlling interests		–	415
		(2,143)	1,637
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(2,084)	1,222
Non-controlling interests		–*	415
		(2,084)	1,637
(Loss)/earnings per share			
– Basic (HK cents)		(0.25)	0.14
– Diluted (HK cents)		(0.25)	0.14

* Less than HK\$1,000

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	NOTES	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	23,533	26,213
Right-of-use assets	10	112,568	109,991
Investment properties	10	21,500	21,500
Deposit and prepayment for a life insurance policy	11	2,965	–
Prepayment for acquisition of property, plant and equipment	12	2,479	1,704
Rental deposits	12	8,736	8,025
Deferred tax assets		6	6
Total non-current assets		171,787	167,439
Current assets			
Inventories		5,989	3,006
Trade and other receivables	12	10,107	10,934
Tax recoverable		352	352
Cash and cash equivalents		3,463	2,107
Total current assets		19,911	16,399
Total assets		191,698	183,838
Current liabilities			
Trade and other payables	13	14,634	15,819
Bank borrowings	14	55,827	51,745
Lease liabilities	10	44,815	43,061
Tax payables		443	698
Total current liabilities		115,719	111,323
Net current liabilities		(95,808)	(94,924)
Total assets less current liabilities		75,979	72,515
Non-current liabilities			
Trade and other payables	13	1,103	995
Other borrowings	15	5,405	–
Lease liabilities	10	41,377	41,732
Deferred tax liabilities		101	426
Total non-current liabilities		47,986	43,153
Total liabilities		163,705	154,476
NET ASSETS		27,993	29,362
EQUITY			
Share capital	16	8,600	8,600
Reserves		12,660	14,029
Equity attributable to owners of the Company		21,260	22,629
Non-controlling interests		6,733	6,733
TOTAL EQUITY		27,993	29,362

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company								Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserve HK\$'000	Capital reserve HK\$'000 (Note a)	Special reserve HK\$'000 (Note b)	Translation reserve HK\$'000	Other reserve HK\$'000 (Note c)	Accumulated losses HK\$'000			
At 1 April 2024 (audited)	8,600	57,060	715	6,065	(8,093)	(5)	(1,347)	(40,366)	22,629	6,733	29,362
Loss for the period	-	-	-	-	-	-	-	(2,143)	(2,143)	-*	(2,143)
Currency translation differences	-	-	-	-	-	59	-	-	59	-	59
Total comprehensive income for the period	-	-	-	-	-	59	-	(2,143)	(2,084)	-	(2,084)
Recognition of share-based payments	-	-	715	-	-	-	-	-	715	-	715
At 30 September 2024 (unaudited)	8,600	57,060	1,430	6,065	(8,093)	54	(1,347)	(42,509)	21,260	6,733	27,993
At 1 April 2023 (audited)	8,600	57,060	-	6,065	(8,093)	-	(1,347)	(40,970)	21,315	6,546	27,861
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	1,222	1,222	415	1,637
At 30 September 2023 (unaudited)	8,600	57,060	-	6,065	(8,093)	-	(1,347)	(39,748)	22,537	6,961	29,498

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.

* Less than HK\$1,000.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	22,099	23,718
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,887)	(6,341)
Payment for a life insurance policy	(2,965)	–
Bank interest received	4	3
Others	(112)	–
NET CASH USED IN INVESTING ACTIVITIES	(6,960)	(6,338)
FINANCING ACTIVITIES		
Drawdown of bank borrowings	18,435	20,664
Loan from a shareholder	6,800	–
Repayment of bank borrowings	(13,386)	(15,993)
Repayment of loan from a shareholder	(1,420)	–
Interest paid	(2,538)	(2,460)
Repayment of principal portion of lease liabilities	(20,908)	(19,496)
Government subsidy received	204	281
NET CASH USED IN FINANCING ACTIVITIES	(12,813)	(17,004)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,326	376
Effect of foreign exchange rate changes	(3)	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(869)	1,568
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,454	1,944
Represented by:		
Cash and bank balances	3,463	2,107
Bank overdrafts	(2,009)	(163)
	1,454	1,944



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES

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**”). Its immediate holding company is Moment to Moment Company Limited (incorporated in British Virgin Islands (“**BVI**”)) and its ultimate holding Company is Harneys Trustees Limited (incorporated in the BVI).

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (the “**Group**”) are the operation of chain of bars and restaurants in Hong Kong and the People’s Republic of China (“**PRC**”) under the brands of “Bar Pacific”, “Katachi”, “Moon Ocean” and “Pacific”, as well as property investments in Hong Kong.

Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties that are measured at fair values.

Other than additional/change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

New principal accounting policies

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset, which is included in the "other gains and losses" line item.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statement for the year ended 31 March 2024.

Going concern assessment

As at 30 September 2024, the Group's current liabilities exceeded its current assets by HK\$95,808,000. In addition, the Group breached a covenant of its bank borrowings amounting to approximately HK\$41,583,000 (Note 14).

For the purpose of assessing the appropriateness of the use of going concern basis in preparing these condensed consolidated financial statements, 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 cash flows generated from its principal operations and the following plans and measures taken by management to improve the Group's liquidity and financial position in the preparation of the Forecast:

- (i) having communicated with the bank about the breach of the covenant of its bank borrowings amounting to approximately HK\$41,583,000 (Note 14) and the bank has agreed with the Company for it to rectify its breach on or before 17 May 2025. Accordingly, management expects that the Group would be able to maintain such banking loan facilities as same as previously. In addition, when necessary, the Group would dispose of the properties owned by the Group which are pledged as collaterals for securing the banking facilities in order to repay the Group's bank borrowings and use any remaining proceeds to finance the Group's operations; and
- (ii) where necessary, the Group would apply for additional loans under the SME Financing Guarantee Scheme that is launched by The Hong Kong Mortgage Corporation Insurance Limited ("HKMCI Limited") and the loans under such scheme are 80% guaranteed by the Government of the Hong Kong Special Administrative Region ("HKSAR") and the personal guarantees from Ms. Chan Ching Mandy, Ms. Chan Tsz Kiu Teresa and Ms. Chan Tsz Tung, the executive directors of the Company, and Mr. Chan Wai ("Mr. Chan") and Ms. Tse Ying Sin Eva ("Ms. Tse"), who are deemed to be interested in the shares held by the Company's substantial shareholders in accordance with the Hong Kong Securities and Future Ordinance ("SFO").

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. BASIS OF PREPARATION *(Continued)*

Going concern assessment *(Continued)*

In addition to the above, Mr. Chan has 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.

Notwithstanding that there is inherent uncertainty associated with the future outcomes of the Group's plans and measures as described above, including whether the Group is able to maintain the Group's banking facilities, realise its assets to obtain additional funds and obtain additional sources of financing when needed, 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 of the Company believe that it is appropriate to prepare the condensed consolidated financial statements of the Group for the six months ended 30 September 2024 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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.

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

- Operation of bars and restaurants – sales of beverages, light refreshments and food in bars and restaurants in Hong Kong and the PRC; and
- Property investment – leasing of property in Hong Kong.

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 2024 and 2023:

For the six months ended 30 September 2024

	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	97,785	287	–	98,702
Revenue from inter-segment	–	971	(971)	–
Reportable segment revenue	97,785	1,258	(971)	98,702
Reportable segment results	(1,363)	217	–	(1,146)
Unallocated:				
Corporate and other unallocated expenses				(44)
Depreciation of property, plant and equipment				(215)
Depreciation of right-of-use assets				(319)
Imputed interest income from rental deposits				1
Finance costs				(663)
Loss before income tax				(2,386)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. REVENUE AND SEGMENT INFORMATION (Continued)

Business segment (Continued)

For the six months ended 30 September 2023

	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	108,564	396	–	108,960
Revenue from inter-segment	–	971	(971)	–
Reportable segment revenue	108,564	1,367	(971)	108,960
Reportable segment results	2,600	330	–	2,930
Unallocated:				
Corporate and other unallocated expenses				(4)
Depreciation of property, plant and equipment				(68)
Depreciation of right-of-use assets				(215)
Imputed interest income from rental deposits				1
Finance costs				(911)
Profit before income tax				1,733

As at 30 September 2024

	Operation of bars and restaurants HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Assets				
Reportable segment assets	164,147	21,576	5,975	191,698
Liabilities				
Reportable segment liabilities	(101,239)	(449)	(62,017)	(163,705)
Reportable segment net assets/(liabilities)	62,908	21,127	(56,042)	27,993

As at 31 March 2024

	Operation of bars and restaurants HK\$'000 (audited)	Property investment HK\$'000 (audited)	Unallocated HK\$'000 (audited)	Consolidated HK\$'000 (audited)
Assets				
Reportable segment assets	159,287	21,623	2,928	183,838
Liabilities				
Reportable segment liabilities	(90,509)	(582)	(63,385)	(154,476)
Reportable segment net assets/(liabilities)	68,778	21,041	(60,457)	29,362

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. REVENUE AND SEGMENT INFORMATION (Continued)

Other information

For the six months ended 30 September 2024

	Operation of bars and restaurants HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Imputed interest income from rental deposits	178	–	1	179
Bank interest income	4	–	–	4
Finance costs	1,900	–	663	2,563
Purchase of property, plant and equipment	3,085	–	21	3,106
Addition of right-of-use assets	4,114	–	–	4,114
Depreciation of property, plant and equipment	5,576	–	215	5,791
Depreciation of right-of-use assets	19,702	–	319	20,021

For the six months ended 30 September 2023

	Operation of bars and restaurants HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Imputed interest income from rental deposits	157	–	1	158
Bank interest income	3	–	–	3
Finance costs	1,549	–	911	2,460
Purchase of property, plant and equipment	8,013	–	48	8,061
Addition of right-of-use assets	673	–	–	673
Depreciation of property, plant and equipment	5,834	–	68	5,902
Depreciation of right-of-use assets	19,044	–	215	19,259



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	Six months ended 30 September		As at 30 September 2024	As at 31 March 2024
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)	2024 HK\$'000 (audited)
Hong Kong	97,834	108,960	151,930	158,990
PRC	238	–	8,150	418
	98,072	108,960	160,080	159,408

Note: Non-current assets excluded financial instruments and deferred tax assets.

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 for both periods.

Disaggregation of revenue

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue from contracts with customers under HKFRS 15		
"Revenue from Contracts with Customers"		
Operation of bars and restaurants		
Sales of food, beverage and refreshment	95,361	106,308
Electronic dart machines	2,424	2,256
	97,785	108,564
Revenue from other sources		
Property investment		
Rental income from investment properties	287	396
	98,072	108,960

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue *(Continued)*

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
By timing of revenue recognition under HKFRS 15		
A point in time	97,785	108,564

Performance obligations for contracts with customers under HKFRS 15

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 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. OTHER INCOME

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Government subsidies (<i>Note</i>)	204	281
Sponsorship income	2,823	2,390
Bank interest income	4	3
Imputed interest income from rental deposits	179	158
Others	411	640
	3,621	3,472

Note: During the six months ended 30 September 2024, the Group recognised government subsidies of HK\$204,000 in respect of Hong Kong Night Treats for Locals Scheme. (six months ended 30 September 2023: HK\$281,000 represented Catering Business Subsidy Scheme under Anti-epidemic Fund launched by the Government of HKSAR for each of the Group's subsidiaries which held general restaurant, light refreshment restaurant or liquor licences). There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

5. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest on bank borrowings	1,219	1,126
Interest on other borrowings (<i>Note</i>)	25	–
Interest on lease liabilities	1,319	1,334
	2,563	2,460

Note: Other borrowings represent loan from a shareholder. For the details, please refer to Note 15.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

6. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Auditor's remuneration (included in other operating expenses)	460	475
Gross rental income from investment properties	(287)	(396)
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	38	61
Direct operating expenses incurred for investment properties that did not generate rental income during the period	10	–
	(239)	(335)
Operating lease payments (included in other operating expenses)		
– Practical expedient in respect of		
– Low-value lease expenses	24	35
– Short-term lease expenses	570	537
	594	572
Directors' remuneration (Note)	2,680	1,965
Other staff costs		
– Salaries and other benefits	28,457	31,822
– Retirement benefit scheme contributions	1,278	1,450
Total staff costs	32,415	35,237
Other operating expenses included the followings:		
– Cleaning expenses	1,696	1,670
– License fees	406	167
– Utilities	3,307	3,236
– Repair and maintenance	1,438	1,408
– Internet and cable expenses	1,293	1,252

Note: The directors' remuneration included share-based payment expense of HK\$715,000 for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current tax		
– Hong Kong Profits Tax	71	96
– PRC Enterprise Income Tax	11	–
	82	96
Deferred tax		
– Origination of temporary difference	(325)	–
Income tax (credit)/expense	(243)	96

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%.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the interim period. The directors of the Company have determined no dividend will be paid or proposed in respect of the interim period.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. (LOSS)/EARNINGS PER SHARE

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
(Loss)/earnings for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	(2,143)	1,222
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	860,105,000	860,000,000
Add: Effect of dilutive potential ordinary shares arising from share awards (Note)	–	14,000
Weighted average number of ordinary shares from purpose of calculating diluted earnings per share	860,105,000	860,014,000

Note: The computation of diluted loss per share for the period ended 30 September 2024 does not consider the effect of potential ordinary shares arising from the share award since those potential ordinary shares are anti-dilutive

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

Property, plant and equipment

During the current period, the Group acquired property, plant and equipment of HK\$3,106,000 (six months ended 30 September 2023: HK\$8,061,000).

Right-of-use assets and lease liabilities

During the current period, the Group renewed/entered into certain new lease agreements for 1 to 3 years, which is mainly for the operation of bars and restaurants. 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 HK\$4,114,000 (six months ended 30 September 2023: HK\$673,000) and lease liabilities of HK\$4,089,000 (six months ended 30 September 2023: HK\$606,000).

Investment properties

The fair values of the Group's investment properties as at 30 September 2024 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 were of the opinion that there was no fair value change on the investment properties of the Group for the current period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11. DEPOSIT AND PREPAYMENT FOR A LIFE INSURANCE POLICY

During the six months ended 30 September 2024, the Group took out a life insurance policy (the “**Policy**”) to insure an executive director of the Company. Under the Policy, the beneficiary and policy holder is an indirect wholly-owned subsidiary of the Company, Hacienda International Corporation Limited (“**Hacienda**”). Hacienda is required to pay an upfront payment for the Policy. Hacienda may request a partial surrender or full surrender of the Policy at any time and receive cash back based on the value of the Policy at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated interest earned and minus policy expense and insurance premium charged (the “**Cash Value**”). If such withdrawal is made at any time during the 1st to the 18th policy year, as appropriate, a pre-determined specified surrender charge would be imposed. The financial asset at FVTPL carries guaranteed interests at interest rates ranging from 2% to 5.25% plus a premium determined by the insurance company during the tenures of the Policy.

Particulars of the Policy are as follows:

Insured sum	Upfront payment	Guaranteed interest rates	
		First year	Second year and onwards
US\$3,000,000 (equivalent to approximately HK\$23,400,000)	Approximately US\$378,245 (equivalent to approximately HK\$2,965,000)	5.25% per annum	2% per annum

The financial assets at FVTPL are categorised in Level 2 of the fair value hierarchy. These financial assets were mandatorily classified as financial assets at FVTPL under HKFRS 9 as its contractual cash flows is not solely payments of principal and interest. The carrying amount of the financial assets at FVTPL as at 30 September 2024 approximate the Cash Value of the Policy and the expected life of the Policy remained unchanged from the initial recognition. The entire balances of the Policy are denominated in United States dollar (“**US\$**”).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

12. TRADE AND OTHER RECEIVABLES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Trade receivables (Note (a))	1,286	2,568
Lease receivables (Note (b))	53	93
Other receivables	441	115
Prepayments	3,917	2,421
Rental deposits	11,825	11,839
Utilities deposits	3,800	3,627
	21,322	20,663
Less: Non-current assets		
Rental deposits	(8,736)	(8,025)
Prepayment for acquisition of property, plant and equipment	(2,479)	(1,704)
	10,107	10,934

Notes:

(a) Trade receivables

As at 30 September 2024 and 31 March 2024, trade receivables from contracts with customers amounted to HK\$1,286,000 and HK\$2,568,000, respectively.

The Group's sales are mainly on cash or credit card settlement. As at 30 September 2024 and 31 March 2024, the Group's trade receivables mainly represents credit card sales receivable from financial institutions. None of the Group's trade receivables was considered to be impaired. The Group does not hold any collateral over these balances.

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

(b) Lease receivables

All lease receivables, based on invoice date, 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 2024

13. TRADE AND OTHER PAYABLES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Current:		
Trade payables	8,005	8,714
Salary accruals and payables	4,202	3,546
Other accruals and payables	1,939	3,071
Provision for reinstatement costs	488	488
	14,634	15,819
Non-current:		
Rental deposits received	154	46
Provision for reinstatement costs	949	949
	1,103	995

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:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Trade payables:		
0 – 30 days	3,973	3,418
31 – 60 days	2,742	4,533
61 – 90 days	1,154	763
91 – 120 days	136	–
	8,005	8,714

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. BANK BORROWINGS

The bank loans carry interest at effective interest rates of 3.13% to 6.58% per annum (six months ended 30 September 2023: 3.4% to 7.5% per annum). The proceeds were used to finance the daily operation of the Group.

As at 30 September 2024, the Group had bank borrowings amounting to HK\$55,827,000 (31 March 2024: HK\$51,745,000) out of which HK\$36,772,000 (31 March 2024: HK\$35,916,000) 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 statements.

Certain of the Group's banking facilities contain both financial and non-financial covenants, which include the maintenance of net tangible worth of the Group (as defined in the banking facility letter) at HK\$30,000,000 (2023: HK\$30,000,000) at all times. As at 30 September 2024, the Group had bank borrowings in an aggregate amount of HK\$50,204,000 (31 March 2024: HK\$39,149,000) drawn under these banking facilities. If the Group breached these covenants, the relevant bank would be entitled to demand immediate repayment of the outstanding principal and interest from the Group.

The directors of the Company were aware that the Group's net tangible worth dropped below HK\$30 million and failed the compliance of the aforesaid covenant as at 30 September 2024. The Group has communicated with the bank about the breach and the bank has agreed for the Company to rectify the breach on or before 17 May 2025.

15. OTHER BORROWINGS

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Other borrowings	5,405	–

As at 30 September 2024, other borrowings represent loan from a shareholder, Mr. Chan of HK\$5.4 million (31 March 2024: Nil). The loan is interest-bearing at HSBC's HK\$ BLR minus 0.375% per annum, unsecured, repayable within two years and the Group may early repay any amounts at its sole discretion.

16. SHARE CAPITAL

	Number of shares	Share capital HK\$
Ordinary shares of the Company of HK\$0.01 each		
Authorised:		
At 1 April 2023, 30 September 2023, 31 March 2024 and 30 September 2024	10,000,000,000	100,000,000
Issued and fully paid:		
At 1 April 2023, 30 September 2023, 31 March 2024 and 30 September 2024	860,000,000	8,600,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. SHARE-BASED PAYMENTS

Pursuant to an ordinary resolution passed on 17 December 2016, a share option scheme (the “**Old Scheme**”) was adopted for the primary purpose of providing incentives to directors, employees and eligible participants.

Originally the Old Scheme will expire on 16 December 2026, however, pursuant to a resolution passed on 29 September 2023, the Old Scheme was terminated, and a new share scheme (the “**Share Scheme**”) was adopted with the primary purpose of providing incentives to directors and eligible employees. The Share Scheme will expire on 28 September 2033. Under the Share Scheme, the directors may grant shares or share options (collectively, the “**Awards**”) to eligible employees including directors of the Company and its subsidiaries.

The total number of shares which may be issued upon exercise of all Awards together with options and share awards which may be granted under any other schemes of the Company shall not exceed 10% of the shares of the Company in issue at 29 September 2023, being 86,000,000 shares. The total number of shares which may be issued upon exercise of all Awards and any awards to be granted under other schemes of the Company granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Awards granted under the Share Scheme to substantial shareholders or independent non-executive directors resulting in shares issued and to be issued representing more than 0.1% of the Company's share capital must be approved in advance by the Company's shareholders.

A share option granted under the Share Scheme may be exercised at any point in time during the period stipulated in the offer letter to the eligible employees or directors, provided that such period shall not go beyond the day immediately prior to the 10th anniversary of the date of the grant. The exercise price is determined by the directors of the Company and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share. No share options has been granted under the Share Scheme.

On 29 September 2023, the Company awarded 28,896,000 shares (the “**Award Shares**”) to certain directors of the Company at nil consideration. The Award Shares will be vested over a period of 3 years in 3 equal tranches. The first tranche will be vested within twelve months from the date of grant (i.e. 29 September 2024) and the remaining two tranches will become vested equally in each of the subsequent two years (i.e. 29 September 2025 and 29 September 2026). Upon vesting, the awardee will have the unconditional right to obtain the Award Shares. The Award Shares upon issue shall rank pari passu in all respects with shares in issue at the date of allotment.

As at 30 September 2024, the Company has 19,264,000 (31 March 2024: 28,896,000) unvested shares outstanding representing 2.24% (31 March 2024: 3.36%) of the shares of the Company in issue at that date. Subsequent to 30 September 2024, the Company issued 9,632,000 ordinary shares to the directors on meeting the vesting conditions for the first tranche of the Award Shares.

The fair value of the Award Shares at the date of grant determined with reference to the closing market price at the date of grant was HK\$2,341,000. During the period, the Company recognised share-based payment expense of HK\$715,000 (six months ended 30 September 2023: nil) on the Award Shares.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in these condensed consolidated financial statements, the Group had the following related party transactions during the period:

- (a) During the six months ended 30 September 2024, the Group recognised interest expenses of HK\$25,000 in respect of the loan from Mr. Chan.
- (b) The remuneration paid or payable to the key management personnel, which are the executive directors during the six months ended 30 September 2024, is set out below. The remuneration was determined with reference to the performance of the individuals and market trends.

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Fees salaries and other benefits	2,455	1,740
Retirement benefit scheme contributions	27	27
	2,482	1,767

19. CAPITAL COMMITMENTS

As at 30 September 2024, the Group had capital commitments of HK\$0.2 million (31 March 2024: HK\$0.9 million).



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a chained bar and restaurant group under the brands of “Bar Pacific”, “Katachi”, “Moon Ocean” and “Pacific” with locations scattered all over Hong Kong. The growth strategies of the Group focus on the expansion and upgrade of the facilities of existing bars/restaurants. As at 30 September 2024, we operated 56 bars/restaurants throughout Hong Kong and the People’s Republic of China (“PRC”).

During the six months ended 30 September 2024 (the “Period”), we opened two new bars located in Huizhou and Guangzhou, PRC, under the brand of “Bar Pacific”. 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 in urban areas; “Moon Ocean” is a luxury bar in urban areas; and “Katachi” is a skewer restaurant and bar.

FINANCIAL REVIEW

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

The revenue from the operation of bars and restaurants amounted to HK\$97.8 million for the Period, as compared to HK\$108.6 million for the corresponding period in 2023 (the “Previous Period”), representing a decrease of 9.9%. Such decrease was primarily attributed to the consumption downgrade in Hong Kong during the Period.

The gross profit from the operation of bars and restaurants for the Period amounted to HK\$72.8 million, in comparison with HK\$78.7 million for the Previous Period, representing a decrease of 7.5%. The gross profit margin for the Period remained stable at 74.5% (Previous Period: 72.5%).

Revenue from property investment

The revenue from property investment decreased by 27.5% to HK\$287,000 for the Period as compared to HK\$396,000 for the Previous Period due to the reduction of occupancy rate during the Period.

Other income

For the Period, other income amounted to HK\$3.6 million, as compared to HK\$3.5 million for the Previous Period, representing an increase of 4.3%. Such increase was mainly due to the increase in sponsorship income during the Period.

Staff costs

Staff costs represent wages, salaries, bonuses, retirement benefit costs and other allowances paid or payable to all Directors and staff of the Group, which amounted to HK\$32.4 million for the Period, as compared to HK\$35.2 million for the Previous Period, representing a decrease of 8.0%. Staff costs decreased since the Group reduced part-time staff hours in response to the decline in sales orders during the Period.

Depreciation of property, plant and equipment

Depreciation represents depreciation charges on its property, plant and equipment, including buildings, leasehold improvements, computer equipment, furniture and fixtures and motor vehicles. Our depreciation charges decreased to approximately HK\$5.8 million for the Period from approximately HK\$5.9 million for the Previous Period, representing a decrease of approximately 1.9%, as certain property, plant, and equipment acquired in prior years reached full depreciation during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Depreciation of right-of-use assets

The depreciation charged on the right-of-use assets amounted to HK\$20.0 million for the Period, in comparison with HK\$19.3 million for the Previous Period, representing an increase of 4.0%, which was primarily attributed to the expansion of business during the Period.

Property rentals and related expenses

Operating lease payments, property management fees, government rates and other related expenses increased to HK\$4.5 million as compared to HK\$3.9 million for the Previous Period, representing an increase of 17.4%. The increase was primarily attributed to the increase in building management fees, which corresponds with the Group's expansion of bars and restaurants as compared to the Previous Period.

Other operating expenses

For the Period, other operating expenses decreased by 2.4% to HK\$13.8 million from HK\$14.1 million for the Previous Period as the Group experienced a reduction in variable costs, which was directly related to the decline in sales revenue during the Period.

Finance costs

Finance costs represented interest paid or payable on bank loans, lease liabilities and other borrowings, which amounted to HK\$2.6 million for the Period, in comparison with HK\$2.5 million for the Previous Period, representing an increase of 4.2%. The main reason for the increase in finance costs for the Period was due to the increase in bank loan amount.

Taxation

The net tax credit for the Period amounted to approximately HK\$243,000, which comprised the deferred tax income of HK\$325,000 (total tax expenses in Previous Period: HK\$96,000). The primary reason for the decrease was the utilization of unrecognized deferred tax assets for the Period.

Capital commitments

As at 30 September 2024, the Group had capital commitments of approximately HK\$174,000 (as at 31 March 2024: HK\$949,000).

Contingent liabilities

The Group did not have any contingent liabilities as at 30 September 2024 (as at 31 March 2024: 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:

	Net carrying amount	
	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Assets		
Building	4,282	4,367
Right-of-use assets – leasehold land	41,847	42,696
Investment properties	21,500	21,500
	67,629	68,563

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Dividend

The Board has resolved not to recommend the payment of dividend for the Period (Previous Period: Nil).

Foreign currency exposure

Since the Group's business activities are mainly 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 30 September 2024, the Group had 523 employees (as at 30 September 2023: 519 employees). Total staff costs (including Directors' remuneration) were approximately HK\$32.4 million for the Period (Previous Period: HK\$35.2 million). Remuneration is determined with 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 also adopted a share scheme on 29 September 2023 to provide incentives to the Directors and employees of any member of the Group.

Significant investment

There was no significant investment held by the Group with a value at 5% or more of the Group's total assets as at 30 September 2024 and 30 September 2023, nor was there any plan authorised by the Board for other material investment or additions of capital assets during the Period.

Material acquisition or disposal

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 30 September 2024 (unaudited)	As at 31 March 2024 (audited)
Cash and cash equivalents	HK\$3.5 million	HK\$2.1 million
Bank borrowings	HK\$55.8 million	HK\$51.7 million
Unutilised banking facilities	HK\$6.0 million	Nil
Gearing ratio	511%	458%

The Directors are of the view that as at the date of approval of this interim report, 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 net debt by total equity.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE *(Continued)*

As at 30 September 2024, the Group had total bank borrowings of approximately HK\$55,827,000 (31 March 2024: HK\$51,745,000) with maturity ranging from 60 days to 8 years. The interest rate is charged based on floating rate.

FOREIGN CURRENCY

During the Period, the transactions of the Group were mainly 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.

PROSPECT

Looking ahead, the Group will maintain its core business of bar operation and its existing branding strategy, targeting the mass market, with a view to increasing its market share in Hong Kong. With the existing client base garnered over the years, the Group will continue to leverage on its extensive network in Hong Kong. Currently, we are operating 56 bars & restaurants under four different brands. Our management is confident about our business and the Group intends to further expand our network for upcoming year.

SHARE SCHEME

A new share scheme was adopted by the Company in accordance with Chapter 23 of the GEM Listing Rules (the “**Share Scheme**”) at the extraordinary general meeting of the Company held on 29 September 2023. Pursuant to the Share Scheme, share awards or share options (collectively, the “**awards**”) may be granted to the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted awards under the Share Scheme as inducement to enter into employment contracts with any member of the Group).

On 29 September 2023, a total of 28,896,000 share awards were granted to Ms. Chan Tsz Kiu Teresa (“**Ms. TK Chan**”), Ms. Chan Tsz Tung (“**Ms. TT Chan**”) and Ms. Chan Ching Mandy (“**Ms. C Chan**”) (all being executive Directors and substantial shareholders of the Company). No share options have been granted under the Share Scheme.



MANAGEMENT DISCUSSION AND ANALYSIS

SHARE SCHEMES *(Continued)*

Particulars of the outstanding share awards under the Share Scheme and their movements during the Period are as follows:

Name of grantee	Position	Unvested share awards as at 1 April 2024	Share awards granted during the Period	Share awards vested during the Period	Share awards cancelled during the Period	Share awards lapsed during the Period	Unvested share awards as at 30 September 2024
Ms. TK Chan	Executive Director	9,632,000	–	(3,210,667)	–	–	6,421,333
Ms. TT Chan	Executive Director	9,632,000	–	(3,210,667)	–	–	6,421,333
Ms. C Chan	Executive Director	9,632,000	–	(3,210,666)	–	–	6,421,334
Total		28,896,000	–	(9,632,000)	–	–	19,264,000

Notes:

- The share awards were granted on 29 September 2023 (the “**Date of Grant**”).
- One-third (1/3) of the award shares will be vested 12 months from the Date of Grant (i.e. 29 September 2024); one-third (1/3) of the award shares will be vested 24 months from the Date of Grant (i.e. 29 September 2025); and one-third (1/3) of the award shares will be vested 36 months from the Date of Grant (i.e. 29 September 2026).
- The purchase price for the award shares is nil.
- Vesting of the share awards is not subject to any performance target. The awards will not be subject to any clawback mechanism of the Share Scheme.
- The closing price of the shares of the Company (the “**Shares**”) as quoted on the Stock Exchange on 28 September 2023, being the date immediately before the Date of Grant, was HK\$0.078.
- The fair value of the share awards as at the Date of Grant was HK\$0.081, calculated based on the fair value of the equity instruments as at the Date of Grant. The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share capital and share premium.

During the Period, a total of 9,632,000 Shares were vested as part of the share awards. The weighted average closing price of the Shares immediately prior to the vesting date was HK\$0.06.

The number of awards available for grant under the scheme mandate of the Share Scheme was 57,104,000 as at 1 April 2024 and 57,104,000 as at 30 September 2024.

During the Period, no award was granted under the Share Scheme. The number of Shares that may be issued in respect of awards granted under the Share Scheme during the Period divided by the weighted average number of Shares in issue for the Period is therefore not applicable.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30 September 2024, 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 Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("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 by the Company (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 interested	Approximate percentage of the issued Shares
			(Note 3)
Ms. Chan Tsz Kiu Teresa ("Ms. TK Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	9,632,000	1.12%
Ms. Chan Tsz Tung ("Ms. TT Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	9,632,000	1.12%
Ms. Chan Ching Mandy ("Ms. C Chan") (Note 2)	Interest of controlled corporation	431,543,700	50.18%
	Beneficial owner	9,632,000	1.12%

Notes:

1. Moment to Moment Company Limited ("Moment to Moment") held 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. TK Chan and Ms. TT Chan are beneficiaries. Ms. TK Chan and Ms. TT Chan were deemed to be interested in the Shares held by Moment to Moment under the SFO. Also, on 29 September 2023, 9,632,000 share awards were granted to each of Ms. TK Chan and Ms. TT Chan under the share scheme of the Company.
2. Pursuant to a deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. C Chan is the protector of the Bar Pacific Trust, and Harneys is required to exercise the voting rights in any company which the fund of the Bar Pacific Trust is invested in accordance with the joint written instruction from the protector (i.e. Ms. C Chan) and the settlor (i.e. Ms. Tse Ying Sin Eva ("Ms. Tse")) of the Bar Pacific Trust. Ms. C Chan was deemed to be interested in the Shares held by Moment to Moment under the SFO. Also, on 29 September 2023, 9,632,000 share awards were granted to Ms. C Chan under the share scheme of the Company.
3. The percentages 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 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 (note)	Percentage of shareholding (note)
Ms. TK Chan	Moment to Moment	Beneficiary of a trust	1	100%
Ms. TT Chan	Moment to Moment	Beneficiary of a trust	1	100%
Ms. C Chan	Moment to Moment	Interest of a controlled corporation	1	100%

Note: The sole shareholder of Moment to Moment is Harneys. Please refer to column "Capacity/Nature of interest" for details of capacity or nature of interest of each Director.

Save as disclosed above and so far as the Directors are aware, as at 30 September 2024, 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 Shares and underlying Shares of the Company

So far as the Directors are aware of, as at 30 September 2024, 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 were recorded in the register required to be kept by the Company 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	Approximate percentage of issued share capital in the Company (Note 3)
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. Tse <i>(Note 1)</i>	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	12,094	0.00%
Mr. Chan <i>(Note 2)</i>	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	24,925,038	2.90%

Notes:

1. Moment to Moment held 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. TK Chan and her mother Ms. Tse, 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. C 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. C Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Each of Harneys, Ms. TK Chan, Ms. C Chan and Ms. Tse was deemed to be interested in the Shares held by Moment to Moment under the SFO. Ms. Tse also directly owned 12,094 Shares.
2. On 7 June 2018, Mr. Chan and Ms. TT Chan became the beneficiaries of Bar Pacific Trust. Hence, both Mr. Chan and Ms. TT Chan were also deemed to be interested in the 431,543,700 Shares held by Moment to Moment under the SFO. In addition, 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 30 September 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS *(Continued)*

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

Long position in the Shares *(Continued)*

Save as disclosed above, as at 30 September 2024, 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Period, 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.

CORPORATE GOVERNANCE PRACTICES

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

During the Period, the Company has adopted corporate governance practices based on the principles of good corporate governance and complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code as contained in Appendix C1 to the GEM Listing Rules (the "CG Code").

SECURITIES TRANSACTIONS BY DIRECTORS

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 Period. Having made specific enquiries by the Company with each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings 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 any of the Company's listed securities.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

As at 30 September 2024, 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
30 August 2019	Term loan facility	HK\$10,000,000	No fixed term but subject to review and will continue up to and including 17 May 2025	<i>Note 1</i>
3 January 2020	Term loan facility	HK\$25,800,000	– ditto –	<i>Note 1</i>
30 November 2020	Term loan facility	HK\$21,500,000	– ditto –	<i>Note 1</i>
3 June 2021	Term loan facility	HK\$4,000,000	– ditto –	<i>Note 1</i>
17 May 2024	Revolving loan facility and combined facility	HK\$16,000,000 USD271,737	No fixed term but subject to periodic review and the bank's overriding right of repayment on demand	<i>Note 2</i>

Notes: (1) The Company had undertaken, among other things, that (i) Ms. TK Chan, an executive Director and the chairlady of the Company, shall remain as the single major shareholder of the Company through beneficial ownership, controlled corporation, trust or other means, (ii) Ms. C Chan, an executive Director and the chief executive officer of the Company (“**Chief Executive Officer**”), will serve as the Chief Executive Officer, (iii) Ms. C Chan is actively involved in the management and business of the Group, 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.

(2) The Company had undertaken, among other things, that (i) Ms. TK Chan shall remain as the single major shareholder of the Company through beneficial ownership, controlled corporation, trust or other means; and (ii) Ms. C Chan will serve as the Chief Executive Officer and be actively involved in the management and business of the Group.

Except as 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 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company established the audit committee (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 D.3.3 and D.3.7 of the CG Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of external auditor; review financial statements of the Company and provide advice and comments in respect of financial reporting; and oversee the effectiveness of the procedures of the internal control of the Group.

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

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the Period 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.

The unaudited condensed consolidated financial statements for the Period have also been reviewed by the Group’s external auditor, Baker Tilly Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

SUBSEQUENT EVENTS

Save as disclosed in this interim report, no other material events were undertaken by the Group subsequent to 30 September 2024 and up to the date of approval of this report.

By order of the Board
Bar Pacific Group Holdings Limited
Chan Tsz Kiu Teresa
Chairlady and Executive Director

Hong Kong, 28 November 2024

As at the date of this report, the executive Directors are Ms. Chan Tsz Kiu Teresa (Chairlady), Ms. Chan Ching Mandy (CEO) and Ms. Chan Tsz Tung; and the independent non-executive Directors are Mr. Chan Chun Yeung Darren, Mr. Chin Chun Wing and Mr. Tang Wing Lam David.