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)

MAJOR TRANSACTION
ACQUISITION OF TARGET

THE ACQUISITION

The Board is pleased to announce that, after trading hours on 23 July 2019, HTS entered into the Agreement with the Vendors, pursuant to which the Vendors has agreed to sell the Sale Shares and the Shareholder's Loan, and HTS has agreed to acquire the same for a Consideration of HK$50,000,000 on and subject to the terms and conditions contained in the Agreement.

HONG KONG GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisition exceeds 25% but less than 100%, the Acquisition constitutes a major transaction under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

To the best of the Director' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting approving the Acquisition. Moment to Moment, being the controlling Shareholders holding 431,543,700 Shares (representing approximately 50.18% of the issued share capital of the Company as at the date of this announcement), has given its written approval in respect of the Acquisition for the Agreement and the transactions contemplated thereunder, and such written approval is accepted in lieu of holding a general meeting pursuant to Rules 19.44 of the GEM Listing Rules. As a result, no extraordinary general meeting will be convened for the purpose of approving the Acquisition pursuant to Rule 19.44 of the GEM Listing Rules.

A circular containing, among other things, details of the Acquisition and other information as required under the GEM Listing Rules is expected to be despatched to the Shareholders on or before 13 August 2019. If additional time is required for preparing the Circular, the Company may apply for a waiver from strict compliance of Rule 19.41(a) of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that the Acquisition may or may not proceed as they are subject to a number of Conditions, which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

On 23 July 2019 (after trading hours), HTS entered into the Agreement with the Vendors, pursuant to which the Vendors have agreed to sell the Sale Shares and the Shareholder's Loan, and HTS has agreed to acquire the same for a Consideration of HK$50,000,000 on and subject to the terms and conditions contained in the Agreement.

KEY TERMS OF THE AGREEMENT

Key terms of the Agreement are summarized below:

Date : 23 July 2019

Parties : (i) The Vendors as the vendors; and

(ii) HTS as the purchaser.

Subject matter

HTS has agreed to acquire the Sale Shares and the Shareholder's Loan from the Vendors pursuant to the terms of the Agreement.

The Sale Shares represents the entire issued share capital of the Target and is legally and beneficially held by the Vendors. The Shareholder's Loan represents all such sum of money advanced by way of loan by the Vendors to the Target and due and owing by the Target to the Vendors as at Completion Date. Part of the Consideration received by the Vendors will be used to discharge the mortgage which the Property is currently subject to.

Consideration

The Consideration was determined after arm's length negotiations between HTS and the Vendors on normal commercial terms with reference to the market value of similar properties in similar locations. The Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration of the Acquisition shall be in the total aggregate sum of HONG KONG DOLLARS FIFTY MILLION ONLY (HK$50,000,000), and the consideration for the Shareholder's Loan shall be an amount equal to the Shareholder's Loan, and the consideration for the Sale Shares shall be an amount equal to the Consideration less the consideration for the Shareholder's Loan.

The Consideration shall be payable in the following manner:

(i) HK$5,000,000 was paid by HTS as the initial deposit upon signing of the Agreement.

(ii) The remaining balance of HK$45,000,000 shall be fully paid upon Completion.

Condition precedent to Completion

Completion of the Acquisition is subject to the following conditions precedent:

(a) HTS having completed the due diligence investigation on the business, financial and legal aspects of the Target and satisfied that the Target has no liabilities other than the Shareholder's Loan; all tax liabilities, deferred tax liabilities (including any contingent tax liability arising as a result of rental income) (if any); rental deposit received, prepayment received (including but not limited to rental received in advance) and accrued accounts payable and accounts payable in the ordinary course of business (if any), and it has complied with the applicable laws in all material aspects;

(b) the Vendors, shall at the Vendors' own cost, procure Target to prove and show a good title to the Properties in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong) and has at the Vendors' own expenses furnished to HTS such certified copies of any deeds or documents of title, wills and matters of public records as may be necessary to prove such good title;

(c) the Target is and remains to be the sole legal and beneficial owner of the Properties which is free from encumbrances as at Completion;

(d) the Vendors as legal and beneficial owner shall sell and HTS shall purchase or procure the acquisition of the Sale Shares free from all right of pre-emption, option, liens, claims, equities, charges, encumbrances or third-party rights of any nature;

(e) one of the Vendors who owns 50% of the entire issued shares of the Target as legal and beneficial owner shall assign and HTS shall take up the assignment of the Shareholder's Loan free from all right of pre-emption, option, liens, claims, equities, charges, encumbrances or third-party rights of any nature;

(f) the Acquisition shall be duly approved by the Shareholders in accordance with the applicable laws and the GEM Listing Rules;

(g) all the representations, undertakings and warranties given by the Company under the Agreement are and shall remain true, accurate, correct and complete and not misleading in all material respects up to the Completion; and

(h) the Vendors are required to discharge the existing mortgage.

If any of the foregoing conditions is not fulfilled (or waived by HTS) on or before the Completion Date, HTS shall be entitled by sending a written notice to the Vendors on or before the Completion Date to cancel the transaction under the Agreement whereupon the Vendors shall return all the deposits paid to HTS forthwith without interest and neither party shall be entitled to claim against the other party for any relief thereafter.

Completion

Completion is expected to take place at or before 12:00 noon on 31 October 2019.

INFORMATION ABOUT THE TARGET

The Target is a company incorporated in Hong Kong on 20 March 2015 with limited liability company. The principal business activity of the Target is investment property. The Property is the main asset of the Target and the current use of the Property is investment purpose by leasing out for rental income.

The Company confirms that to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

INFORMATION OF PROPERTY

The Property is shops unit located at the all those shops on the Ground Floor Yau Shing Building Nos. 501/503 & 507/511 Castle Peak Road Kwai Chung New Territories. The Property is currently leased to tenants, while three tenants being Independent Third Parties and one is leased to a wholly-owned subsidiary of the Company. Based on the information provided by the Vendors, the period of tenancies ranges from 1 to 6 years and the monthly rental income under the current tenancy arrangement in aggregate is approximately HK$135,000.

INFORMATION ABOUT THE GROUP AND REASONS FOR THE ACQUISITION

The Group is principally engaged in the operation of a chain of bars in Hong Kong under two own brand names, namely "Bar Pacific" and "Pacific". The Target is the landlord of a wholly-owned subsidiary of the Group. Currently part of the Property is leased to a wholly-owned subsidiary of the Company and will remain to be used the same purpose after the Acquisition, and other parts of the Property would be used for investment purpose. Upon the expiry of the existing tenancy agreement, the Group shall evaluate the benefit of continuing leasing of the Property against the benefit of using the Property as one of the Group's shops.

It is anticipated that the rental income generated from the Property will provide another steady income stream to the Company. In addition, the Directors consider that the Acquisition will reduce the Group's exposure to future rental expenditure increment and ensures the continuity of its operation.

The Board (including the independent non-executive Directors) is of the view that the entering into the Agreement is on normal commercial terms and the terms of the Agreement are fair and reasonable and in interests of the Shareholders and the Company as a whole. The Directors consider that the Acquisition represents a good investment opportunity for the Company.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisition exceeds 25% but less than 100%, the Acquisition constitutes a major transaction under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

To the best of the Director' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for such approval. Moment to Moment, being the controlling Shareholders holding 431,543,700 Shares (representing approximately 50.18% of the issued share capital of the Company as at the date of this announcement), has given its written approval for the Agreement and the transactions contemplated thereunder, and such written approval is accepted in lieu of holding a general meeting pursuant to Rules 19.44 of the GEM Listing Rules. As a result, no extraordinary general meeting will be convened for the purpose of approving the Acquisition pursuant to Rule 19.44 of the GEM Listing Rules.

A circular containing, among other things, details of the Acquisition and other information as required under the GEM Listing Rules is expected to be despatched to the Shareholders on or before 13 August 2019. If additional time is required for preparing the Circular, the Company may apply for a waiver from strict compliance of Rule 19.41(a) of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall be defined as follows:

"Acquisition"	The acquisition of 100% legal and equity interests of the Target by HTS pursuant to the Agreement
"Agreement"	the formal sale and purchase agreement to be entered into on or before 23 July 2019 between HTS and the Vendors regarding the sale and purchase of the entire issued share capital of the Target and all Shareholder's loans owing by the Target to the Vendors
"Board"	the board of Directors of the Company
"Circular"	a circular of the Company containing, among other things, details of the Acquisition and other information as required under the GEM Listing Rules
"Company"	Bar Pacific Group Holdings Limited (太平洋酒吧集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8432)
"Completion"	Completion of the Acquisition
"Completion Date"	the date on which Completion takes place
"Condition"	The conditions precedent to which Completion is subject to as set out in the paragraphs headed "Conditions precedent to Completion" under the section headed "Key terms of the Agreement" in this announcement
"Consideration"	HK$50,000,000, being the consideration for the Acquisition
"Director(s)"	the director(s) of the Company
"GEM Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Group"	The Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HTS"	HTS Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Independent Third Parties"	Third parties independent of and not connected to the Company and any of its connected persons or any of their respective associates
"Moment to Moment"	Moment to Moment Company Limited, being a controlling Shareholders holding 431,543,700 Shares (representing approximately 50.18% of the issued share capital of the Company as at the date of this announcement)
"Property"	All the shops on the Ground Floor Yau Shing Building Nos. 501/503 & 507/511 Castle Peak Road Kwai Chung New Territories
"Sale Shares"	the entire issued share capital in the Target held by Vendors as at the date of the Agreement
"Shareholder(s)"	Holder(s) of the ordinary Share(s) of HK$1.00 each in the share capital of the Target
"Shareholder's Loan"	all such sum of money advanced by way of loan by the Vendors to the Target and due and owing by the Target to the Vendors as at Completion Date
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target"	Smart Express Development Limited (駿添發展有限公司), a company incorporated in Hong Kong with limited liability and the sole and beneficial owner of the Property

"Vendors"	Shareholders of the Target as at the date of this announcement
"%"	per cent

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

Hong Kong, 23 July 2019

As at the date of this announcement, the Board comprises two executive Directors namely Ms. Tse Ying Sin Eva (Chairlady) and Ms. Chan Tsz Tung and three independent non-executive Directors namely Mr. Tang Wing Lam David, Mr. Chin Chun Wing and Mr. Yung Wai Kei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM's website at www.hkgem.com for at least 7 days from the day of its posting. This announcement will also be published on the Company's website at www.barpacific.com.hk.