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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The board of directors (the “**Directors**”) of Bar Pacific Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited condensed consolidated financial results of the Group for the six months ended 30 September 2019. This announcement, containing the full text of the 2019 interim report of the Company (the “**2019 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to the information to accompany the preliminary announcement of interim results. The printed version of the 2019 Interim Report containing the information required by the GEM Listing Rules will be dispatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.barpacific.com.hk in due course in the manner as required by the GEM Listing Rules.

For and on behalf of

Bar Pacific Group Holdings Limited

Tse Ying Sin Eva

Chairlady, Chief Executive Officer and Executive Director

Hong Kong, 14 November 2019

As at the date of this announcement, the executive Directors are Ms. Tse Ying Sin Eva (Chairlady and Chief Executive Officer) and Ms. Chan Tsz Tung; and the independent non-executive Directors are 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 Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.barpacific.com.hk.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND “GEM”, RESPECTIVELY)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board on the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Tse Ying Sin Eva
(*Chairlady and Chief Executive Officer*)
Ms. Chan Tsz Tung

Independent Non-Executive Directors

Mr. Tang Wing Lam David
Mr. Chin Chun Wing
Mr. Yung Wai Kei

BOARD COMMITTEES

Audit Committee

Mr. Yung Wai Kei (*Chairman*)
Mr. Chin Chun Wing
Mr. Tang Wing Lam David

Remuneration Committee

Mr. Chin Chun Wing (*Chairman*)
Ms. Tse Ying Sin Eva
Mr. Yung Wai Kei

Nomination Committee

Ms. Tse Ying Sin Eva (*Chairlady*)
Mr. Chin Chun Wing
Mr. Yung Wai Kei

JOINT COMPANY SECRETARIES

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

COMPLIANCE OFFICER

Ms. Chan Tsz Tung

AUTHORISED REPRESENTATIVES

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

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu (resigned on 29 October 2019)
BDO Limited (appointed on 30 October 2019)

COMPLIANCE ADVISER

Red Solar Capital Limited (resigned on 26 June 2019)

LEGAL ADVISOR

as to Hong Kong laws

Victor Chan & Co.

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room D2, 11/F, Phase 2
Hang Fung Industrial Building
2G Hok Yuen Street
Hung Hom
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

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

COMPANY'S WEBSITE

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

LISTING INFORMATION

Place of Listing

GEM of The Stock Exchange of Hong Kong Limited

Stock Code

8432

Board Lots

10,000 shares

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

	NOTES	Three months end 30 September		Six months ended 30 September	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue	3	42,498	39,177	81,376	76,053
Other income	4	1,688	707	1,892	1,503
Cost of inventories sold		(9,613)	(7,337)	(19,038)	(16,413)
Staff costs		(10,770)	(13,357)	(21,501)	(23,959)
Depreciation		(8,310)	(2,143)	(17,511)	(4,136)
Property rentals and related expenses		(1,944)	(7,439)	(2,636)	(14,581)
Other operating expenses		(6,551)	(6,149)	(11,899)	(12,085)
Finance costs	5	(1,260)	(8)	(1,849)	(16)
Profit before taxation	6	5,738	3,451	8,834	6,366
Taxation	7	(1,446)	(816)	(2,017)	(1,364)
Profit and total comprehensive income for the period		4,292	2,635	6,817	5,002
Profit and total comprehensive income for the period attributable to:					
Owners of the Company		3,862	2,389	6,007	4,463
Non-controlling interests		430	246	810	539
		4,292	2,635	6,817	5,002
		HK cents	HK cents	HK cents	HK cents
Earnings per share					
Basic	9	0.45	0.28	0.70	0.52

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2019

	NOTES	30 September 2019 HK\$'000 (unaudited)	31 March 2019 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	18,718	19,828
Deposits for acquisition of property, plant and equipment		2,756	–
Right-of-use assets		49,751	–
Deposit for acquisition of a subsidiary		5,590	–
Rental deposits	11	5,431	5,584
		82,246	25,412
Current assets			
Inventories		1,644	1,941
Right-of-use assets		27,905	–
Trade and other receivables	11	6,497	6,433
Tax recoverable		–	187
Bank balances and cash		62,967	50,277
		99,013	58,838
Current liabilities			
Trade and other payables	12	7,935	8,218
Bank borrowings – due within one year	13	7,419	–
Lease liabilities		26,747	–
Tax payable		1,884	–
Obligations under finance leases – amount due within one year		–	306
		43,985	8,524
Net current assets		55,028	50,314
Total assets less current liabilities		137,274	75,726
Non-current liabilities			
Bank borrowings – due over one year	13	7,811	–
Lease liabilities		51,697	–
Obligations under finance leases – amount due over one year		–	477
Net assets		77,766	75,249
Share capital and reserves			
Share capital	14	8,600	8,600
Reserves		61,386	59,679
		69,986	68,279
Non-controlling interests		7,780	6,970
Total equity		77,766	75,249

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

	Attributable to owners of the Company							Non-controlling interests	Total
	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	HK\$'000	HK\$'000
At 1 April 2019 (audited)	8,600	57,060	6,065	(8,093)	(1,209)	5,856	68,279	6,970	75,249
Profit and total comprehensive income for the period	-	-	-	-	-	6,007	6,007	810	6,817
Dividend	-	-	-	-	-	(4,300)	(4,300)	-	(4,300)
At 30 September 2019 (unaudited)	8,600	57,060	6,065	(8,093)	(1,209)	7,563	69,986	7,780	77,766
At 1 April 2018 (audited)	8,600	57,060	6,065	(8,093)	(1,252)	2,858	65,238	6,578	71,816
Profit and total comprehensive income for the period	-	-	-	-	-	4,463	4,463	539	5,002
Acquisition of additional interests in subsidiaries	-	-	-	-	43	-	43	(63)	(20)
At 30 September 2018 (unaudited)	8,600	57,060	6,065	(8,093)	(1,209)	7,321	69,744	7,054	76,798

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") to rationalise the structure of the Group in preparation for the listing of the Company's shares on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 15 December 2016 with the issue of shares of the Company to acquire Bar Pacific BVI from the then shareholders.

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

- (c) The other reserve represents the difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received due to the changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries other than set out in note (a) above.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	Six months ended 30 September	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
NET CASH FROM OPERATING ACTIVITIES	25,869	9,012
INVESTING ACTIVITIES		
Interest income	150	106
Proceeds from disposal of property, plant and equipment	–	25
Purchase of property, plant and equipment	(4,121)	(4,129)
Deposits paid for acquisition of property, plant and equipment	(2,756)	–
Deposit paid for acquisition of a subsidiary	(5,590)	–
NET CASH USED IN INVESTING ACTIVITIES	(12,317)	(3,998)
FINANCING ACTIVITIES		
New bank borrowings raised	16,441	–
Repayment of bank borrowings	(1,211)	–
Repayment of lease liabilities	(11,715)	–
Dividend paid	(4,300)	–
Principal payments for obligations under finance leases	–	(147)
Acquisition of additional interests in subsidiaries	–	(20)
Interest paid	(77)	(16)
NET CASH USED IN FINANCING ACTIVITIES	(862)	(183)
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,690	4,831
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	50,277	48,826
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, representing bank balances and cash	62,967	53,657

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

1. GENERAL AND BASIS OF PREPARATION

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. At the date of this report, the Company's immediate holding company and ultimate holding company are Moment to Moment Company Limited and Harneys Trustees Limited, respectively, both incorporated in the British Virgin Islands. The Company acts as an investment company and the principal activity of its subsidiaries is operation of chain of bars in Hong Kong under brands "Bar Pacific" and "Pacific". The condensed consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2019 (the "**Condensed Consolidated Financial Statements**") are presented in Hong Kong dollars ("**HK\$**"), which is also the same as the functional currency of the Company.

The Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

2. PRINCIPAL ACCOUNTING POLICIES

The Condensed Consolidated Financial Statements have been prepared on the historical cost basis.

Other than changes in accounting policies, resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2019.

The Condensed Consolidated Financial Statements have not been reviewed or audited by the Company's independent auditors, but have been reviewed by the audit committee of the board (the "**Audit Committee**").

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA, which are mandatory effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKFRS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs has had no material effect on the amounts reported in the Condensed Consolidated Financial Statements and/or disclosures set out in the Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17") and the related interpretations.

The Group has applied HKFRS 16 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4. Determining whether an arrangement contains a lease and not to apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group elects the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to the opening retained earnings without restating comparative information.

Definition of a lease

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

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at the inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 16 Leases *(Continued)*

As a lessee *(Continued)*

Right-of-use assets *(Continued)*

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

Right-of-use assets are presented as separate line item

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

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

The lease payments include:

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

HKFRS 16 Leases (Continued)

As a lessee (Continued)

Lease modifications

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

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

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

Taxation

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

Applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to the application of the initial recognition exemption.

Summary of effects arising from initial application of HKFRS 16

The following tables summarise the impacts of applying HKFRS 16 on the Group's consolidated statement of financial position as at 30 September 2019 and its consolidated statement of profit or loss for the current interim period for each of the line items affected.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

HKFRS 16 Leases (Continued)

Summary of effects arising from initial application of HKFRS 16 (Continued)

Impact on the condensed consolidated statement of profit or loss

	Six months ended 30 September 2019 HK\$'000 (unaudited)
Impact on profit for the period	
Increase in other income	142
Increase in depreciation expense	(13,096)
Decrease in property rentals and related expenses	13,324
Decrease in other operating expenses	111
Increase in finance costs	(1,761)
Decrease in profit for the period	(1,280)
Impact on profit per share	
Decrease in profit per share, basic (HK cents)	0.002

Impact on the condensed consolidated statement of financial position

	31 March 2019 HK\$'000	Impact on adoption of HKFRS 16 HK\$'000	1 April 2019 HK\$'000
Non-current Assets			
Property, plant and equipment	794	(794)	–
Right-of-use assets	–	52,769	52,769
Rental deposits	752	(752)	–
Current Assets			
Right-of-use assets	–	11,564	11,564
Current Liabilities			
Trade and other payables	594	(594)	–
Lease liabilities	–	10,342	10,342
Obligations under finance leases	306	(306)	–
Non-current Liabilities			
Lease liabilities	–	53,822	53,822
Obligations under finance leases	477	(477)	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

3. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts receivable from operation of bars in provision of beverages and light refreshments to its customers, net of discounts and is recognised at a point in time.

A. For the six months ended 30 September 2019

i. Disaggregation of revenue from contracts with customers Segments

	Three months ended 30 September 2019 HK\$'000 (unaudited)	Six months ended 30 September 2019 HK\$'000 (unaudited)
Operation of bars		
Beverages and light refreshments	40,942	78,357
Electronic dart machines	1,556	3,019
	42,498	81,376
Timing of revenue recognition		
A point in time	42,498	81,376

ii. Performance obligations for contracts with customers

The Group recognises revenue from operation of bars. The revenue of the Group is recognised at a point in time. Under the transfer-of-control approach in HKFRS 15, revenue from operation of bars is recognised at the point of sales to customers, which is the point of time when the customer who has the ability to direct the use of the goods and services 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 2019

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

B. For the six months ended 30 September 2018

An analysis of the Group's revenue for the period is as follows:

	Three months ended 30 September 2018 HK\$'000 (unaudited)	Six months ended 30 September 2018 HK\$'000 (unaudited)
Operation of bars	39,177	76,053

Operating segments are determined by reference to the reports and financial information reviewed by the Directors and the officers of the Company responsible for finance and accounting matters, being the chief operating decision maker (the "CODM") of the Group, for assessment of performance and allocation of resources. The Group has only a single operating segment which is operation of a chain of bars in Hong Kong.

For the purpose of resource allocation and performance assessment, the CODM reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies of the Group.

No geographical information is shown as the revenue and results from operations of the Group are all derived from its activities in Hong Kong.

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

4. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Sponsorship income	1,220	495	1,220	1,004
Interest income – bank deposit	113	54	150	106
Interest income – rental deposits	142	–	142	–
Others	213	158	380	393
	1,688	707	1,892	1,503

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Interests on obligations under finance leases	–	8	–	16
Interest on lease liabilities	1,183	–	1,772	–
Interest on bank borrowings	77	–	77	–
	1,260	8	1,849	16

6. PROFIT BEFORE TAXATION

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Profit before taxation has been arrived at after charging:				
Director's remuneration	522	768	948	1,221
Other staff's salaries and other benefits	9,762	12,137	19,611	21,887
Other staff's retirement benefits scheme contributions	486	452	942	851
Total staff costs	10,770	13,357	21,501	23,959
Depreciation of property, plant and equipment				
– Owned assets	2,125	2,063	4,264	3,984
– Assets under finance lease	–	80	–	152
Depreciation on right-of-use assets	6,185	–	13,247	–
	8,310	2,143	17,511	4,136
Operating lease payments	1,502	7,111	1,690	13,805
Auditor's remuneration	137	262	400	500
Loss on disposal of property, plant and equipment	22	109	22	276

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

7. TAXATION

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
The taxation charge comprises:				
Hong Kong Profits Tax				
– Current period	1,446	816	2,017	1,364

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

8. DIVIDENDS

The board of Directors (the “**Board**”) has resolved to declare an interim dividend of HK0.55 cent per share for the six months ended 30 September 2019 (2018: HK0.5 cent).

9. EARNINGS PER SHARE

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Earnings for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	3,862	2,389	6,007	4,463
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	860,000	860,000	860,000	860,000
Basic earnings per share (HK cents)	0.45	0.28	0.70	0.52

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2019, the Group incurred HK\$4,121,000 (six months ended 30 September 2018: HK\$4,129,000) to acquire property, plant and equipment for its operation. Also during the period, the Group disposed of certain property, plant and equipment with carrying amount of HK\$22,000 (six months ended 30 September 2018: HK\$301,000) for proceeds of HK\$Nil (six months ended 30 September 2018: HK\$25,000), resulting in a loss on disposal of HK\$22,000 (six months ended 30 September 2018: HK\$276,000).

11. TRADE AND OTHER RECEIVABLES

	30 September 2019 HK\$'000 (unaudited)	31 March 2019 HK\$'000 (audited)
Deposits for acquisition of property, plant and equipment	2,756	–
Deposit for acquisition of a subsidiary	5,590	–
Trade receivables	405	725
Other receivables	664	98
Prepayments	947	1,670
Rental deposits	7,582	8,189
Utilities deposits	2,330	1,335
	20,274	12,017
Less: Rental deposits receivable over one year shown under non-current assets	(5,431)	(5,584)
Deposits for acquisition of property, plant and equipment	(2,756)	–
Deposit for acquisition of subsidiary	(5,590)	–
	6,497	6,433

The Group's sales are mainly on cash or credit card settlement. As at 30 September and 31 March 2019, the Group's trade receivables mainly represented credit card sales receivable from financial institutions. None of the Group's trade receivables was individually or collectively considered to be impaired. The Group does not hold any collateral over these balances.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

12. TRADE AND OTHER PAYABLES

	30 September 2019 HK\$'000 (unaudited)	31 March 2019 HK\$'000 (audited)
Trade payables	4,574	3,852
Salary payables	2,087	1,619
Accruals and other payables	1,274	2,747
	7,935	8,218

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 2019 HK\$'000 (unaudited)	31 March 2019 HK\$'000 (audited)
0 to 30 days	3,222	2,993
31 to 60 days	1,324	715
61 to 90 days	28	140
91 to 120 days	–	–
Over 120 days	–	4
	4,574	3,852

13. BANK BORROWINGS

During the period, the Group obtained new bank loans amounting to HK\$16,441,000 (2018: Nil). The bank loans carry interest at floating rates of 4.0% to 4.5% per annum. The proceeds were used to finance the daily operation of the Group.

14. SHARE CAPITAL

	Number of shares	Share capital HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2018, 30 September 2018, 31 March 2019 and 30 September 2019	10,000,000,000	100,000,000
Issued and fully paid:		
At 1 April 2018, 30 September 2018, 31 March 2019 and 30 September 2019	860,000,000	8,600,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

15. 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 2019 HK\$'000 (unaudited)	30 September 2018 HK\$'000 (unaudited)
Fees, salaries and other benefits	1,135	1,203
Retirement benefit scheme contributions	47	18
	1,182	1,221

16. CAPITAL COMMITMENTS

As at 30 September 2019, the Group had capital commitments of approximately HK\$45 million (2018: Nil) in respect of acquisition of subsidiary Smart Express Development Limited.

17. EVENTS AFTER THE END OF THE REPORTING DATE

On 31 October 2019, the Group completed the acquisition of subsidiary Smart Express Development Limited.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a chained bar group offering beverages and light refreshments under the brand “Bar Pacific” and “Pacific” in Hong Kong. The main focuses of the Group’s growth strategies lie in its networks expansion and upgrading existing shops’ facilities. During the six months ended 30 September 2019 (the “**Period**”), the Group has entered into three rental contracts for new shops. We opened one shop in the third quarter of 2019 and another one in the fourth quarter of 2019 up to the date of this report (the “**Reporting Date**”). We expect to open one more shop in the fourth quarter of 2019. As at 30 September 2019, we operated 38 shops throughout Hong Kong.

Revenue of the Group is generated from beverages (including beer, other alcoholic drinks and other non-alcoholic beverages), light refreshments and others, including electronic dart machines. Sales incentives like bonuses and rewards are applied to all frontline and management staff, while strategic shifting of regional management is in place to constantly boost the Group’s revenue.

During the Period, the Group carried out internal measures to enhance its products and services. Innovative beverages were introduced to individual shops in consideration of customer feedback to widen beverages variety and match customer needs in changing trend. On top of this, shops are being renovated to modernize brand image and increase its visibility.

The Group has been taking initiatives to promote our brand “Bar Pacific” by participating in various marketing events and sponsorship programs in order to enhance our brand recognition and penetrate further into the mass market. In addition to our “Bar Pacific” brand, the Group rolled out our new brand “Pacific”, with the aim to attract more new customers through a new brand experience. While the image of the “Bar Pacific” brand aims at offering affordable luxury beverage services, the new “Pacific” brand will take along a sense of leisure-cafe style primarily targeting customers who look for premium enjoyment with luxurious fine wines.

The Group puts great emphasis on the staff management, in particular, the frontline staff as they play an essential role in providing quality services to our customers. Thus, professional training is routinely provided for our frontline staff. Standard operating procedures pertaining to service and safety policy are executed to all staff members, while job training is provided to our management to ensure continuous improvement of business operation.

PROSPECTS

Looking ahead, the Group will ride on its raised profile upon its listing on GEM on 11 January 2017 (the “**Listing Date**”) and maintain its core business of bar operation and its existing branding strategy, targeting the mass market, to increase market share in Hong Kong. With the existing client base garnered over the years, there is a superiority to leverage on its extensive network in Hong Kong. During the period from the Listing Date to the Reporting Date, we opened nine new shops and will open three new shops to further expand our network.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

The Shares were successfully listed on GEM on 11 January 2017 by way of placing 215,000,000 Shares at HK\$0.29 each (the “**Placing**”). The net proceeds from the Placing (the “**Net Proceeds**”) were about HK\$45.2 million after deduction of listing related expenses. During the Period, a portion of the Net Proceeds was utilised and a summary of use of Net Proceeds are set out in the table below:

	Proposed amount to be used HK\$ (million)	Proposed amount used up to 30 September 2019 HK\$ (million)	Approximate actual amount utilized up to 30 September 2019 HK\$ (million)	Changes and explanation
Expand our brand	35.5	32.6	27.0	The expansion plan was delayed as the Group could not find suitable shops for expansion. The Group opened one new shop in the third quarter of 2019. As at the Reporting Date, the Group opened one new shop in the fourth quarter of 2019 and expects to open one new shop in the same quarter.
Continue to upgrade our shop facilities	3.4	3.4	3.4	As the proposed amount was used up, the Group will continue the refurbishment on existing shops with internal generated capital.
Continue our promotion and marketing activities	3.5	3.5	3.5	As the proposed amount was used up, the Group will continue marketing and promotion activities with internal generated capital.
Total	42.4	39.5	33.9	

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately HK\$76.1 million for the six months ended 30 September 2018 (the “**Previous Period**”) to approximately HK\$81.4 million for the Period, representing a growth of approximately 7.0%. Such growth was primarily attributable to the opening of two new shops and the general increase in the performance of existing shops.

Cost of inventories, gross profit and gross profit margin

Cost of inventories sold mainly consists of the cost of beverages and light refreshment sold. Our cost of inventories sold increased from approximately HK\$16.4 million for the Previous Period to approximately HK\$19.0 million for the Period.

Gross profit for the Period amounted to HK\$62.4 million, representing an increase of approximately HK\$2.7 million or 4.5% as compared with that of approximately HK\$59.7 million for the Previous Period. Such increase was in line with the increase in revenue for the Period.

The gross profit margin for the Period remained stable at approximately 76.7% (2018: 78.5%).

Other income

Our other income remained stable recording approximately HK\$1.9 million for the Period, as compared to that of the Previous Period.

Staff costs

Our staff costs comprise salaries and benefits, including wages, salaries, bonuses, retirement benefit costs and other allowances to all our staff, including our directors, as well as head office and shop staff. Our staff costs decreased from approximately HK\$24.0 million for the Previous Period to approximately HK\$21.5 million for the Period, representing a decrease of approximately 10.4%. Such decrease was primarily attributable to the absence of a one-off special bonus in the Period.

Depreciation

Depreciation represents depreciation charges on its property, plant and equipment, and right-of-use assets. Our depreciation charges increased from approximately HK\$4.1 million for the Previous Period to approximately HK\$17.5 million for the Period, representing an increase of approximately 320%. Such increase was primarily attributable to the opening of two new shops, the Group’s adoption of HKFRS 16 “Leases” and the depreciation of right-of-use assets.

Property rentals and related expenses

Our property rentals and related expenses consist of operating lease payments, property management fee and government rate on our shops, storage and office premises. Our property rentals and related expenses decreased from approximately HK\$14.6 million for the Previous Period to approximately HK\$2.6 million for the Period, representing a decrease of approximately 82.2%. Such decrease was mainly due to the effect of the Group’s adoption of HKFRS 16 “Leases” and the rental expenses were measured as right-of-use assets.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Other operating expenses

Our other operating expenses decreased from approximately HK\$12.1 million for the Previous Period to approximately HK\$11.9 million for the Period, representing a slight decrease of approximately 1.7%.

Finance costs

Finance costs for the Period amounted to approximately HK\$1.8 million, representing an increase of 11,500%. Such increase was mainly due to the Group's adoption of HKFRS 16 "Leases" and the interest arising from the lease liabilities.

Taxation

Our taxation increased from approximately HK\$1.4 million for the Previous Period to approximately HK\$2.0 million for the Period, representing an increase of approximately 42.9%. Such increase was mainly attributable to the increase of operating profit for the Period.

Profit for the Period

As a result of the above and in particular of the decrease in staff costs due to the absence of a one-off special bonus, the Group recorded a profit of approximately HK\$6.8 million for the Period, as compared to the profit of approximately HK\$5.0 million recorded for the Previous Period.

Dividend

The Board has declared the payment of an interim dividend of HK0.55 cent per Share (2018: HK0.5 cent), totalling HK\$4,730,000 (2018: HK\$4,300,000).

Contingent liabilities

As at 30 September 2019, the Group did not have any significant contingent liabilities.

Capital commitments

As at 30 September 2019, the Group had capital commitments of approximately HK\$45 million (2018: Nil) in respect of acquisition of subsidiary Smart Express Development Limited.

Foreign currency exposure

Since the Group's business activities are solely operated in Hong Kong and the relevant transactions are denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

Charges on the Group's assets

The Group did not have any charges on its assets as at 30 September 2019 (as at 30 September 2018: NIL).

Significant investments

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Material acquisition or disposal

On 23 July 2019, HTS Development Limited ("**HTS**"), a wholly-owned subsidiary of the Company, entered into an agreement (the "**Agreement**") with the shareholders of Smart Express Development Limited ("**Smart Express**" and the "**Vendors**", respectively), pursuant to which the Vendors had agreed to sell all the issued shares of Smart Express and the Shareholder's Loan (as defined in the Agreement), and HTS had agreed to acquire the same for a consideration of HK\$50,000,000 and subject to the terms and conditions contained in the Agreement.

The main asset of Smart Express is the shops located on the Ground floor, Yau Shing Building, Nos. 501/503 and 507/511 Castle Peak Road, Kwai Chung, New Territories, Hong Kong, which are currently subject to a mortgage and leased out for rental income.

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

Events after the end of the reporting period

On 31 October 2019, the Group completed the acquisition of subsidiary Smart Express.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at	
	30 September 2019 (Unaudited)	31 March 2019 (Audited)
Cash and cash equivalents	HK\$63.0 million	HK\$50.3 million
Unutilised banking facilities	HK\$14.8 million	Nil
Gearing ratio	19.6%	0%

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 total debts by total equity, and total debts are defined to include payables incurred not in the ordinary course of business.

As at 30 September 2019, the Group had total bank borrowings of approximately HK\$15,230,000 (2018: Nil). 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.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY

During the six months ended 30 September 2019, the transactions of the Group were denominated and settled in Hong Kong dollars, the functional and reporting currency of the Group.

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

EMPLOYEE INFORMATION

As at 30 September 2019, the Group had approximately 350 employees (as at 30 September 2018: 350). Total staff costs (including Directors' remuneration) were approximately HK\$21.5 million for the Period (the Previous Period: HK\$24.0 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.

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 2019, 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 in the Company
Ms. Tse Ying Sin Eva ("Ms. Tse")	Beneficiary of a trust	431,543,700	50.18%
(Note)	Beneficial owner	12,094	0.00%
Ms. Chan Tsz Tung	Beneficiary of a trust	431,543,700	50.18%
("Ms. Gloria Chan") (Note)			

Notes:

- Moment to Moment Company Limited ("Moment to Moment") holds 431,543,700 Shares, representing approximately 50.18% of the issued share capital in the Company. The sole shareholder of Moment to Moment is Harneys Trustees Limited ("Harneys"), the trustee of the Bar Pacific Trust, of which Ms. Tse and her daughter, namely Ms. Gloria Chan and others are beneficiaries. Ms. Tse and Ms. Gloria Chan are deemed to be interested in the Shares held by Moment to Moment under the SFO.
- 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 2019.

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 held	Percentage of shareholding
Ms. Tse	Moment to Moment	Beneficiary of a trust	1	100%
Ms. Gloria Chan	Moment to Moment	Beneficiary of a trust	1	100%

Save as disclosed above and so far as the Directors are aware, as at 30 September 2019, none of the Directors and the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the Register, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

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

So far as the Directors are aware of, as at 30 September 2019, 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 in the Company
Moment to Moment <i>(Note 1)</i>	Beneficial owner	431,543,700	50.18%
Harneys <i>(Note 1)</i>	Trustee (other than a bare trustee)	431,543,700	50.18%
Ms. Chan Tsz Kiu Teresa ("Ms. T Chan") <i>(Note 1)</i>	Beneficiary of a trust	431,543,700	50.18%
Mr. Chan Wai ("Mr. Chan") <i>(Note 3)</i>	Beneficiary of a trust Beneficial owner	431,543,700 19,645,038	50.18% 2.28%
Ms. Chan Ching Mandy ("Ms. M Chan") <i>(Note 1)</i>	Interest of a controlled corporation	431,543,700	50.18%

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS *(Continued)*

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

Notes:

1. Moment to Moment holds 431,543,700 Shares, representing approximately 50.18% of the issued share capital of the Company. Harneys is the sole shareholder of Moment to Moment and the trustee of the Bar Pacific Trust, of which Ms. Tse and one of her daughter, namely Ms. T Chan, are the first batch of beneficiaries. 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.
2. On 7 June 2018, Mr. Chan and Ms. Gloria Chan became the additional beneficiaries of Bar Pacific Trust. Hence, both Mr. Chan and Ms. Gloria Chan are also deemed to be interested in the 431,543,700 Shares held by Moment to Moment under the SFO. Mr. Chan directly held 19,645,038 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 2019.

Save as disclosed above, as at 30 September 2019, 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.

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 Chief Executive Officer (the "**CEO**") have not been segregated as required by code provision A.2.1 of the CG Code. The Company is of the view that it is in the best interest of the Company that Ms. Tse, with her profound expertise in bar business, shall continue in her dual capacity as the Chairlady and the CEO. Nevertheless, the Company will look for suitable candidates and will make necessary arrangement pursuant to the requirement under A.2.1 of CG Code as and when necessary.

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.

INTERESTS OF COMPLIANCE ADVISER

As at 25 June 2019, as notified by the Company's compliance adviser, Red Solar Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement dated 27 October 2017 and entered into between the Company and the Compliance Adviser concerning the fees receivable by the Compliance Adviser for acting in such capacity, neither the Compliance Adviser, its directors, employees nor close associates (as defined under the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. The Compliance Adviser resigned on 26 June 2019.

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 31 March 2019 and no share option was granted, exercised or cancelled or lapsed during the Year.

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

1. Purpose of the Scheme

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

2. Participants of the Scheme

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

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

SHARE OPTION SCHEME *(Continued)*

3. Total number of Shares available for issue:

- (a) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Group shall not exceed 30% of the issued share capital of the Company from time to time.
- (b) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10.0% of the Shares in issue on the day on which dealings in the Shares first commence on GEM (i.e. not exceeding 86,000,000 Shares) (the “**General Scheme Limit**”). No option has been granted under the Scheme since the Listing Date and up to 31 March 2019. Accordingly, the number of Shares available for issue upon exercise of options that may be granted under the Scheme is 86,000,000, representing 10.0% of the Shares in issue as the Reporting Date.

4. Maximum entitlement of each participant

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

SHARE OPTION SCHEME (Continued)

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

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

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

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

7. Remaining life of the Scheme

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

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

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

Date of facilities	Nature of facilities	Aggregate Amount	Life of the facilities	Specific performance obligation
12 June 2019	Term loan facility, revolving loan facility and combined facility	HK\$20,000,000	No fixed term but subject to review and will continue up to and including 15 May 2020	Note 1
30 August 2019	Term loan facility	HK\$10,000,000	No fixed term but subject to review and will continue up to and including 15 May 2020	Note 1

Note 1:

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 (b) 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 2019 and the Reporting Date.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSEQUENT EVENT AFTER THE SIX MONTHS ENDED 30 SEPTEMBER 2019

On 31 October 2019, the Group completed the acquisition of subsidiary Smart Express.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has declared an interim dividend of HK0.55 cent per Share (2018: HK0.5 cent per Share) for the six months ended 30 September 2019, totalling HK\$4,730,000 (2018: HK\$4,300,000).

Relevant Dates for Interim Dividend Payment

Ex-dividend date	27 November 2019
Closure of Register of Members	29 November 2019 to 2 December 2019 (both dates inclusive)
Record date	2 December 2019
Payment date	11 December 2019

To qualify for the interim dividend, non-registered Shareholders must lodge all properly completed transfer forms accompanied by the relevant share certificates for registration with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 pm on Thursday, 28 November 2019.

AUDIT COMMITTEE

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

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

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2019 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

Hong Kong, 14 November 2019

As at the Reporting Date, the 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.