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 IN RELATION TO ACQUISITION OF PROPERTIES IN HONG KONG

THE ACQUISITION

On 17 August 2020 (after trading hours of the Stock Exchange), the Vendor accepted the Offer Letters made by the Purchasers, each being a wholly-owned subsidiary of the Company, pursuant to which the Purchasers agreed to purchase and the Vendor agreed to sell the Properties at the Consideration of HK$33,000,000.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition is 25% or more but less than 100%, the Acquisition constitutes a major transaction on the part of the Company and is therefore subject to announcement and Shareholders' approval requirements under Chapter 19 of 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. The Company has obtained a written approval from Moment to Moment, being the controlling Shareholder holding 431,543,700 Shares (representing approximately 50.18% of the issued share capital of the Company as at the date of this announcement), in respect of the Acquisition and the transactions contemplated thereunder. Accordingly, the written approval from Moment to Moment is accepted in lieu of holding a general meeting pursuant to Rules 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 7 September 2020. 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.

THE ACQUISITION

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OFFER LETTERS

1. Offer Letter I

The principal terms of the Offer Letter I are set out below:

Date: 17 August 2020

Parties: (i) CW Property Limited, as the Purchaser I

(ii) Success Express International Limited, as the Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) is an Independent Third Party.

Assets to be acquired

Pursuant to the terms and conditions of the Offer Letter I, the Purchaser I agreed to purchase and the Vendor agreed to sell the Property I subject to and upon the terms and conditions therein.

Consideration

The consideration for the acquisition of the Property I is in the sum of HK$16,500,000, which shall be payable by the Purchaser I to the Vendor in the following manner:

(i) an initial deposit in the sum of HK$825,000 (the "**Initial Deposit I**") has been paid by the Purchaser I upon the acceptance of the Offer Letters I by the Vendor;

(ii) a further deposit in the sum of HK$825,000 shall be paid to the Vendor's solicitors upon the signing of the formal sale and purchase agreement or 31 August 2020 (whichever is earlier); and

(iii) the balance of the consideration in the sum of HK$14,850,000 shall be paid to the Vendor upon completion.

The consideration will be financed partly by the internal resources of the Group and partly by bank financing.

2. Offer Letter II

The principal terms of the Offer Letter II are set out below:

Date: 17 August 2020

Parties: (i) HTS Development Limited, as the Purchaser II

(ii) Success Express International Limited, as the Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) is an Independent Third Party.

Assets to be acquired

Pursuant to the terms and conditions of the Offer Letter II, the Purchaser II agreed to purchase and the Vendor agreed to sell the Property II subject to and upon the terms and conditions therein.

Consideration

The consideration for the acquisition of the Property II is in the sum of HK$16,500,000, which shall be payable by the Purchaser II to the Vendor in the following manner:

(i) an initial deposit in the sum of HK$825,000 (the "**Initial Deposit II**") has been paid by the Purchaser II upon the acceptance of the Offer Letter II by the Vendor;

(ii) a further deposit in the sum of HK$825,000 shall be paid to the Vendor's solicitors upon the signing of the formal sale and purchase agreement or 31 August 2020 (whichever is earlier); and

(iii) the balance of the consideration in the sum of HK$14,850,000 shall be paid to the Vendor upon completion.

The consideration will be financed partly by the internal resources of the Group and partly by bank financing.

Basis of determination of the Consideration

The Consideration was determined after arm's length negotiations between the Purchasers and the Vendor on normal commercial terms with reference to (i) the market value of similar properties in similar locations; and (ii) the preliminary valuation of the Properties of HK$33,000,000 as at 30 June 2020 under the comparison approach as performed by Moore Transaction Services Limited, an independent professional valuer. 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.

A valuation report of the Properties performed by Moore Transaction Services Limited will be contained in the circular to be despatched to the Shareholders.

Formal Sale and Purchase Agreements

Pursuant to the terms and conditions of the Offer Letters, the Formal Sale and Purchase Agreements shall be entered into between the Vendor and the Purchasers on or before 30 November 2020.

Completion

Completion shall take place on or before 30 November 2020.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is principally engaged in properties investment, and is owned as to approximately 50% by Ms. Chan Lily and as to approximately 50% by Mr. Chun Siu Yeung, respectively.

INFORMATION ON THE PROPERTIES

The Properties comprise of Shop 1 and Shop 2 on Ground Floor together with The Appurtenant A/C Room 1 and A/C Room 2 on 1st Floor Jadewater, No. 238 Aberdeen Main Road, Hong Kong with a total floor area of approximately 116 square metres.

The Properties are currently leased to a wholly-owned subsidiary of the Company for a term commenced on 1 May 2019 and ending on 30 October 2022 at a monthly rent of HK$93,800 (exclusive of management fees, government rent and rates).

REASONS FOR AND BENEFITS OF 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 Vendor is the landlord of a wholly-owned subsidiary of the Company. The Properties are currently leased to a wholly-owned subsidiary of the Company and will remain to be used for the same purpose after Completion.

Given that (i) the Group had leased the Properties for the operation of one of its bars since 2010, the Acquisition will reduce the Group's exposure to future rental expenditure increment, potential relocation costs and interference and ensures the continuity of its operation; and (ii) the Acquisition would broaden its fixed assets base and provide capital appreciation potential to the Group, the Directors (including the independent non-executive Directors) consider that the Acquisition (including the payment of the Initial Deposit) are in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms, fair and reasonable.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition is 25% or more but less than 75%, the Acquisition constitutes a major transaction on the part of the Company and is therefore subject to announcement and Shareholders' approval requirements under Chapter 19 of 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. The Company has obtained written approval from Moment to Moment, being the controlling Shareholder holding 431,543,700 Shares (representing approximately 50.18% of the issued share capital of the Company as at the date of this announcement), in respect of the Acquisition and the transactions contemplated thereunder. Accordingly, the written approval from Moment to Moment is accepted in lieu of holding a general meeting pursuant to Rules 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 7 September 2020. 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

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meaning:

"Acquisition"	the acquisition of the Properties by the Purchasers from the Vendor pursuant to the terms and conditions of the Offer Letters and the Formal Sale and Purchase Agreements
"Board"	board of Directors
"Company"	Bar Pacific Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8432)
"Completion"	completion of the Acquisition under the Offer Letters and the Formal Sale and Purchase Agreements
"connected person(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Consideration"	an aggregate sum of HK$33,000,000, being the consideration for the Acquisition

"Director(s)"	director(s) of the Company
"Formal Sale and Purchase Agreements"	the formal sale and purchase agreements to be entered into between the Purchasers and the Vendor in relation to the Acquisition
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
"Initial Deposit"	collectively, the Initial Deposit I and the Initial Deposit II, and where the context requires, can mean either one of them
"Initial Deposit I"	has the meaning ascribed thereto in the paragraph headed "Consideration" under the sub-section headed "1. Offer Letter I" under the section headed "The Acquisition" in this announcement
"Initial Deposit II"	has the meaning ascribed thereto in the paragraph headed "Consideration" under the sub-section headed "2. Offer Letter II" under the section headed "The Acquisition" in this announcement
"Moment to Moment"	Moment to Moment Company Limited, being a controlling Shareholder holding 431,543,700 Shares (representing approximately 50.18% of the issued share capital of the Company as at the date of this announcement)
"Offer Letter I"	offer letter made by the Purchaser I and accepted by the Vendor on 17 August 2020 in relation to the acquisition of the Property I
"Offer Letter II"	offer letter made by the Purchaser II and accepted by the Vendor on 17 August 2020 in relation to the acquisition of the Property II

"Offer Letters"	collectively, the Offer Letter I and the Offer Letter II, and where the context requires, can mean either one of them
"PRC"	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Property I"	Shop 1 on Ground Floor together with The Appurtenant A/C Room 1 on 1st Floor Jadewater, No. 238 Aberdeen Main Road, Hong Kong
"Property II"	Shop 2 on Ground Floor together with The Appurtenant A/C Room 2 on 1st Floor Jadewater, No. 238 Aberdeen Main Road, Hong Kong
"Properties"	collectively, the Property I and the Property II, and where the context requires, can mean either one of them
"Purchaser I"	CW Property Limited, a wholly-owned subsidiary of the Company
"Purchaser II"	HTS Development Limited, a wholly-owned subsidiary of the Company
"Purchasers"	collectively, the Purchaser I and the Purchaser II, and where the context requires, can mean either one of them
"Share(s)"	ordinary share(s) of HK$0.01 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Success Express International Limited, a company incorporated in Hong Kong with limited liability and is owned as to approximately 50% by Ms. Chan Lily and as to approximately 50% by Mr. Chun Siu Yeung, respectively

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

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

Hong Kong, 17 August 2020

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 Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this 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.