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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 2020

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 2020. This announcement, containing the full text of the 2020 interim report of the Company (the “**2020 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 2020 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
Leung Ping Hing
Joint Company Secretary

Hong Kong, 12 November 2020

As at the date of this announcement, the executive Directors are Ms. Tse Ying Sin Eva, Ms. Chan Ching Mandy 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.

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

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

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BOARD OF DIRECTORS

Executive Directors

Ms. Tse Ying Sin Eva
(*Chairlady and Chief Executive Officer*)
Ms. Chan Tsz Tung
Ms. Chan Ching Mandy (appointed on 12 October 2020)

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

BDO Limited

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 (Asia) 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 2020

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	3	10,897	42,498	38,351	81,376
Other income	4	4,079	1,688	16,794	1,892
Rent concession related to COVID-19		809	–	809	–
Cost of inventories sold		(1,808)	(9,613)	(8,706)	(19,038)
Staff costs		(9,107)	(10,770)	(19,755)	(21,501)
Depreciation of property, plant and equipment		(2,389)	(2,125)	(4,728)	(4,264)
Depreciation of right-of-use assets		(7,564)	(6,185)	(15,223)	(13,247)
Property rentals and related expenses		(741)	(1,944)	(1,450)	(2,636)
Other operating expenses		(4,893)	(6,551)	(10,629)	(11,899)
Finance costs	5	(746)	(1,260)	(1,551)	(1,849)
(Loss)/profit before income tax	6	(11,463)	5,738	(6,088)	8,834
Income tax expense	7	23	(1,446)	–	(2,017)
(Loss)/profit and total comprehensive income for the period		(11,440)	4,292	(6,088)	6,817
(Loss)/profit and total comprehensive income for the period attributable to:					
Owners of the Company		(10,720)	3,862	(5,857)	6,007
Non-controlling interests		(720)	430	(231)	810
		(11,440)	4,292	(6,088)	6,817
		HK cents	HK cents	HK cents	HK cents
(Loss)/earnings per share					
Basic	9	(1.25)	0.45	(0.68)	0.70

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

	NOTES	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	20,172	18,210
Right-of-use assets	10	99,383	86,138
Investment properties	10	22,830	22,830
Prepayment for acquisition of property, plant and equipment	11	9,640	6,651
Deposits for acquisition of property, plant and equipment	11	5,775	–
Rental deposits	11	6,654	5,760
Deferred tax assets		1,458	1,458
		165,912	141,047
Current assets			
Inventories		2,287	2,337
Trade and other receivables	11	9,259	9,003
Tax recoverable		410	410
Bank balances and cash		8,012	32,586
		19,968	44,336
Current liabilities			
Trade and other payables	12	5,588	9,152
Bank borrowings	13	32,035	32,357
Lease liabilities		30,115	24,337
Tax payable		868	898
		68,606	66,744
Net current liabilities		(48,638)	(22,408)
Total assets less current liabilities		117,274	118,639
Non-current liabilities			
Trade and other payables	12	842	917
Lease liabilities		56,652	47,124
Deferred tax liabilities		22	22
		57,516	48,063
Net assets		59,758	70,576
Share capital and reserves			
Share capital	14	8,600	8,600
Reserves		44,353	54,940
		52,953	63,540
Non-controlling interests		6,805	7,036
Total equity		59,758	70,576

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	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 2020 (audited)	8,600	57,060	6,065	(8,093)	(1,347)	1,255	63,540	7,036	70,576
Loss and total comprehensive income for the period	-	-	-	-	-	(5,857)	(5,857)	(231)	(6,088)
Dividend	-	-	-	-	-	(4,730)	(4,730)	-	(4,730)
At 30 September 2020 (unaudited)	8,600	57,060	6,065	(8,093)	(1,347)	(9,332)	52,953	6,805	59,758
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

Notes:

- (a) The capital reserve represents the difference between the value of the consideration paid for the acquisition of additional interest in subsidiaries and the nominal value of the issued ordinary shares of Bar Pacific Group Limited ("**Bar Pacific BVI**"), a subsidiary of Bar Pacific Group Holdings Limited (the "**Company**").
- (b) Pursuant to a group reorganisation (the "**Reorganisation**") in preparation for the listing of the Company's shares (the "**Shares**") on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Company became the holding company of the companies now comprising the Group on 15 December 2016 with the issue of shares of the Company to acquire Bar Pacific BVI from the then shareholders.

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(2,451)	25,869
INVESTING ACTIVITIES		
Interest income	50	150
Purchase of property, plant and equipment	(9,732)	(4,121)
Deposits paid for acquisition of property, plant and equipment	(5,775)	(2,756)
Deposit paid for acquisition of a subsidiary	–	(5,590)
Addition of right-of-use assets	(66)	–
NET CASH USED IN INVESTING ACTIVITIES	(15,523)	(12,317)
FINANCING ACTIVITIES		
Drawdown of bank borrowings	4,213	16,441
Repayment of bank borrowings	(4,535)	(1,211)
Repayment of principal portion of lease liabilities	(13,132)	(11,715)
Dividend paid	(4,730)	(4,300)
Interest paid	(1,551)	(77)
Government subsidies received	13,135	–
NET CASH USED IN FINANCING ACTIVITIES	(19,735)	(862)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(24,574)	12,690
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	32,586	50,277
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, representing bank balances and cash	8,012	62,967

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

1. GENERAL AND BASIS OF PREPARATION

Bar Pacific Group Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). 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, Hung Hom, Kowloon, Hong Kong, respectively. The Company’s immediate holding company and ultimate holding company are Moment to Moment Company Limited and Harneys Trustees Limited, respectively. Both companies are incorporated in the British Virgin Islands (“**BVI**”).

The Company and its subsidiaries (the “**Group**”) are principally engaged in operation of chain of bars in Hong Kong under brands “Bar Pacific” and “Pacific” and property investment in Hong Kong. The condensed consolidated financial statements of the Group for the six months ended 30 September 2020 (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.

Significant events and transactions in the current interim period

The outbreak of the 2019 Novel Coronavirus (“**COVID-19**”) in Hong Kong and the Hong Kong Government had imposed orders for the compulsory shut-down of all the bars and pubs in Hong Kong for the period from 3 April 2020 to 7 May 2020 and 15 July 2020 to 18 September 2020 (collectively, the “**Mandatory Closure Periods**”). As a result, no revenue from operations of bars was recorded during the Mandatory Closure Periods.

On the other hand, the Hong Kong Government has announced some financial measures and supports for corporates to overcome the negative impact arising from the pandemic and certain lessors have provided rent concessions to the Group which were COVID-19-related.

As such, the financial positions and performance of the Group were affected in different aspects. Further information of the financial impact was disclosed in relevant notes to the Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

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 2020 (the “**Year 2020**”).

The Condensed Consolidated Financial Statements have been reviewed by the Company’s independent auditors and 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 2020 for the preparation of the Group’s Condensed Consolidated Financial Statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to HKFRS 16 “COVID-19-related Rent Concessions”.

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.

2.1 Impacts and accounting policies on early application of Amendment to HKFRS 16 “COVID-19-Related Rent Concessions”

2.1.1 Accounting policies

Leases

COVID-19-Related Rent Concessions

Rent concessions relating to lease contracts that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 “Leases” if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

2.1.2 Transition and summary of effects

The Group has early applied the amendment in the current interim period. The application has no impact to the opening retained profits at 1 April 2020. The rent concessions amounted to HK\$809,000 has been credited to “Other income” in the profit or loss for the current interim period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

3. REVENUE AND SEGMENT INFORMATION

Operating segments are determined with reference to the reports and financial information reviewed by the executive directors of the Company and the officers responsible for finance and accounting matters, being the chief operating decision maker ("CODM") of the Group, for assessment of performance and allocation of resources.

During the period from 1 April 2019 to 31 October 2019, the Group only has one reportable segment, i.e. operation of bars. On 31 October 2019, the Group completed an acquisition of a subsidiary, Smart Express Development Limited ("Smart Express"). The principal activity Smart Express is property investment and the Group commenced a reportable segment, i.e. property investment.

Business segment

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

3. REVENUE AND SEGMENT INFORMATION (Continued)

Other information

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

Geographical information

No geographical information is shown as the revenue and profit from operations of the Group are all derived from its activities in Hong Kong and all the Group's non-current assets are located in Hong Kong.

Information about major customers

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

Disaggregation of revenue

	Six months ended 30 September 2020 HK\$'000 (unaudited)	Six months ended 30 September 2019 HK\$'000 (unaudited)
Revenue from contracts with customers under HKFRS 15		
Operation of bars		
Sales of beverages and light refreshments	36,891	78,357
Electronic dart machines	1,287	3,019
	38,178	81,376
Revenue from other sources		
Property investment		
Rental income from investment properties	173	–
	38,351	81,376
Revenue from contracts with customers under HKFRS 15		
Disaggregated revenue information for the year		
By time of revenue		
A point in time	38,178	81,376

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

3. REVENUE AND SEGMENT INFORMATION (Continued)

Performance obligations for contracts with customers

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

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.

4. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Government subsidy related to COVID-19	2,655	–	15,242	–
Sponsorship income	1,070	1,220	1,070	1,220
Bank Interest income	42	113	50	150
Interest income from rental deposits	66	142	127	142
Others	246	213	305	380
	4,079	1,688	16,794	1,892

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Interest on lease liabilities	550	1,183	1,130	1,772
Interest on bank borrowings	196	77	421	77
	746	1,260	1,551	1,849

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

6. (LOSS)/PROFIT BEFORE TAXATION

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
(Loss)/profit before taxation has been arrived at after charging/(crediting):				
Director's remuneration	558	522	1,004	948
Other staff's salaries and other benefits	8,135	9,762	17,875	19,611
Other staff's retirement benefits scheme contributions	414	486	876	942
Total staff costs	9,107	10,770	19,755	21,501
Depreciation of property, plant and equipment				
– Owned assets	2,389	2,125	4,728	4,264
Depreciation on right-of-use assets	7,564	6,185	15,223	13,247
	9,953	8,310	19,951	17,511
Rent concession related to COVID-19	(809)	–	(809)	–
Direct operating expenses incurred for investment properties that generated rental income during the period	25	–	50	–
Operating lease payments	235	1,502	537	1,690
Auditor's remuneration	220	137	520	400
Loss on disposal of property, plant and equipment	53	22	53	22
Other operating expenses				
– Bank and credit card handling charge	186	421	501	801
– Cleaning expenses	237	655	675	1,093
– Electricity, water, telephone and air-conditioning	991	1,322	1,760	2,091
– License fees	487	313	1,182	1,008
– Repair and maintenance	702	496	1,703	1,497

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

7. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Current tax				
– Hong Kong Profits Tax	–	1,446	–	2,017
– Over-provision of prior period	(23)	–	–	–
	(23)	1,446	–	2,017

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

8. DIVIDENDS

The board of Directors ("Board") has resolved not to declare the payment of any interim dividend for six months ended 30 September 2020 (2019: HK0.55 cent).

9. (LOSS)/EARNINGS PER SHARE

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
(Loss)/earnings for the period attributable to owners of the Company for the purpose of calculating basic (loss)/earnings per share	(10,720)	3,862	(5,857)	6,007
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	860,000	860,000	860,000	860,000
Basic (loss)/earnings per share (HK cents)	(1.25)	0.45	(0.68)	0.70

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 2020

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

Right-of-use assets

During the current period, the Group renewed/entered into certain new lease agreements for 2 to 8 years, which is mainly for chain bars operation. The Group is required to make minimum fixed payments and additional variable payments depending on the certain percentage of sales whenever the Group's sales achieved prescribed amounts as specified in relevant lease agreements. On lease commencement, the Group recognised right-of-use asset of approximately HK\$28,775,000 and lease liabilities of approximately HK\$28,438,000.

As disclosed in Note 1, the Group had to temporarily close part of its restaurants in order to contain the spread of COVID-19. Lessors of the relevant restaurants provided rent concessions to the Group through rent reductions ranging from 5% to 50% over 2 to 6 months.

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

Investment properties

The fair values of the Group's investment properties as at 30 September 2020 were determined by the directors of the Company with reference to recent transaction prices of similar properties. Based on such assessment, the directors of the Company not suggested to recognise fair value loss of the investment properties for the current period.

Property, plant and equipment

During the current period, the Group acquired property, plant and equipment of approximately HK\$6,743,000 (six months ended 30 September 2019: HK\$4,121,000).

During the current period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$53,000 (six months ended 30 June 2019: HK\$22,000) for cash proceeds of HK\$Nil (six months ended 30 June 2019: HK\$Nil), resulting in a loss on disposal of HK\$53,000 (six months ended 30 June 2019: a loss on disposal of HK\$22,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

11. TRADE AND OTHER RECEIVABLES

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Trade receivables (Note (a))	332	401
Lease receivables (Note (b))	–	10
Other receivables (Note (c))	2,859	2,767
Prepayments	16,806	8,445
Rental deposits	8,841	7,765
Utilities deposits	2,490	2,026
	31,328	21,414
Less: Non-current assets		
Rental deposits receivable over one year shown under non-current assets	(6,654)	(5,760)
Prepayment for acquisition of property, plant and equipment	(9,640)	(6,651)
Deposits for acquisition of property, plant and equipment	(5,775)	–
	9,259	9,003

Notes:

(a) Trade receivables

As at 30 September 2020 and 31 March 2020, trade receivables from contracts with customers amounted to HK\$332,000 and HK\$401,000, respectively.

The Group's sales are mainly on cash or credit card settlement. As at 30 September 2020 and 31 March 2020, the Group's trade receivables mainly represents credit card sales receivable from financial institutions. None of the Group's trade receivables was individually and/or collectively using a provision matrix with appropriate grouping considered to be impaired. The Group does not hold any collateral over these balances.

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

(b) Lease receivables

Based on invoice date, all lease receivables are aged within 30 days as at the end of each of the reporting date.

(c) Other receivables

Included in other receivables are the government subsidy receivables of HK\$1,564,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

12. TRADE AND OTHER PAYABLES

	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
Current:		
Trade payables	1,440	4,348
Salary accruals and payables	1,187	1,799
Other accruals and payables	2,765	2,841
Provision for reinstatement costs	196	164
	5,588	9,152
Non-current:		
Rental deposits received	76	76
Provision for reinstatement costs	766	841
	842	917

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 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
0 to 30 days	1,321	2,662
31 to 60 days	119	1,686
	1,440	4,348

13. BANK BORROWINGS

During the period, the Group obtained new bank loans amounting to HK\$4,212,000 (2019: HK\$16,441,000). The bank loans carry interest at floating rates of 2.5% to 3.0% per annum. The proceeds were used to finance the daily operation of the Group.

As at 31 March 2020, the Group had bank borrowings amounting to HK\$32,035,000 out of which HK\$27,793,000 is due over one year based on the repayment schedule but the lender has the unconditional right to demand repayment at any time at its own discretion and therefore these borrowings are classified as current liabilities in the Condensed Consolidated Financial Statement.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

14. SHARE CAPITAL

	Number of shares	Share capital HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2019, 30 September 2019, 31 March 2020 and 30 September 2020	10,000,000,000	100,000,000
Issued and fully paid:		
At 1 April 2019, 30 September 2019, 31 March 2020 and 30 September 2020	860,000,000	8,600,000

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 2020 HK\$'000 (unaudited)	30 September 2019 HK\$'000 (unaudited)
Fees, salaries and other benefits	788	1,135
Retirement benefit scheme contributions	18	47
	806	1,182

16. CAPITAL COMMITMENTS

As at 30 September 2020, the Group had capital commitments of approximately HK\$29.7 million (2019: approximately HK\$45 million) in respect of acquisition of properties in Hong Kong.

BUSINESS REVIEW

During the six months ended 30 September 2020 (the “**Period**”), the continuous spreading of the novel coronavirus in Hong Kong, resulted in the imposition by the Hong Kong Government the orders for the compulsory shut-down of all the bars and pubs in Hong Kong for the periods from 3 April 2020 to 7 May 2020 and from 15 July 2020 to 18 September 2020 (collectively, the “**Mandatory Closure Periods**”). Accordingly, no revenue was recorded by the Group during the Mandatory Closure Periods.

During the Period, the Group has entered into three rental contracts for new shops. We opened two new shops and closed one shop due to redevelopment of the located premises during the period. As at 30 September 2020, we operated 41 shops throughout Hong Kong. We expect to open two more shops in the fourth quarter of 2020.

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.

USE OF PROCEEDS

The Shares in issue 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 2020 HK\$ (million)	Actual amount used during the Period HK\$ (million)	Actual Approximate amount utilized up to 30 September 2020 HK\$ (million)	Changes and explanation
Expand our brand	35.5	35.5	–	32.8	The Group completed the expansion plan and the amount HK\$2.7 million will be used as working capital
Continue to upgrade our shop facilities	3.4	3.4	–	3.4	N/A
Continue our promotion and marketing activities	3.5	3.5	–	3.5	N/A
General working capital	2.8	2.8	–	5.5	The Group completed the expansion plan and the remaining amount HK\$2.7 million will be used as working capital.
Total	45.2	45.2	–	45.2	

FINANCIAL REVIEW

Revenue and gross profit margin

Our revenue decreased from approximately HK\$81.4 million for the six months ended 30 September 2019 (the “**Previous Period**”) to approximately HK\$38.4 million for the Period, representing a decrease of approximately 52.8%. During the Period, the continuous spreading of the pandemic in Hong Kong resulted in the imposition of the Mandatory Closure Periods. Accordingly, no revenue was recorded by the Group during the Mandatory Closure Periods.

Gross profit from operation of bars for the Period amounted to HK\$29.6 million, representing a decrease of approximately HK\$32.8 million or 52.6% as compared with that of approximately HK\$62.4 million for the Previous Period. Such decrease was in line with the decrease in revenue for the Period.

The gross profit margin for the Period remained stable at approximately 77.3% (2019: 76.6%).

Other income

Our other income increased from approximately HK\$1.9 million for the Previous Period to approximately HK\$16.8 million for the Period, representing an increase of approximately 8.8 times. Such increase was mainly due to the recognition of the subsidies received and receivable under the Catering Business (Social Distancing) Subsidy Scheme launched by the Food and Environmental Hygiene Department of the Hong Kong Government under which each of the Group’s subsidiaries holding eligible light refreshments licence would be entitled to a subsidy ranging from HK\$250,000 to HK\$2,200,000 according to the gross floor area of each of the bars concerned, which amounted to approximately HK\$15.2 million.

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\$21.5 million for the Previous Period to approximately HK\$19.8 million for the Period, representing a decrease of approximately 7.9%. The effect of the decreased staff costs during the Mandatory Closure Period offset the increase in the number of employees.

Depreciation of property, plant and equipment

Our depreciation charges on property, plant and equipment increased from approximately HK\$4.3 million for the Previous Period to approximately HK\$4.7 million for the Period, representing an increase of approximately 9.3%. Such increase was primarily attributable to the opening of new shops.

Depreciation of right-of-use assets

Our depreciation charges on right-of-use assets increased by approximately 15.2% to approximately HK\$15.2 million for the Period from approximately HK\$13.2 million for the Previous Period. Such increase was primarily attributable to the new engaged lease term during the Period.

Property rentals and related expenses

Our property rentals and related expenses consist of lease payments of leases with lease term ends within 12 months of the date of commencement, property management fee and government rate on our shops, storage and office premises. Our property rentals and related expenses decreased from approximately HK\$2.6 million for the Previous Period to approximately HK\$1.5 million for the Period, representing a decrease of approximately 42.3%.

FINANCIAL REVIEW *(Continued)*

Other operating expenses

Our other operating expenses decreased from approximately HK\$11.9 million for the Previous Period to approximately HK\$10.6 million for the Period, representing a slight decrease of approximately 10.9%.

Finance costs

Finance costs for the Period amounted to approximately HK\$1.6 million, representing a decrease of 11.1%, compared to HK\$1.8 million for the Previous Period.

Taxation

No current tax provided for the Period being no assessable profit.

Dividend

The Board has resolved not to declare the payment of any interim dividend for the Period (2019: HK0.55 cents, totalling HK\$4,730,000).

Contingent liabilities

As at 30 September 2020, the Group did not have any significant contingent liabilities.

Capital commitments

As at 30 September 2020, the Group had capital commitments of approximately HK\$29.7 million (2019: approximately HK\$45 million) in respect of acquisition of properties in Hong Kong.

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 pledged the following assets to secure bank borrowings and general banking facilities granted to the subsidiaries of the Company:

	Net carrying amount	
	30 September 2020 HK\$'000	31 March 2020 HK\$'000
Property, plant and equipment – building	1,099	1,120
Right-of-use assets – leasehold land	16,865	17,180
Investment properties	22,830	22,830
	40,794	41,130

Significant investments

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

FINANCIAL REVIEW *(Continued)*

Material acquisition or disposal

On 1 September 2020, CW Property Limited and Bar Pacific XC International Limited, both wholly-owned subsidiaries of the Company, entered into agreements (the “**Agreements**”) with Success Express International Limited (the “**Vendor**”), pursuant to which the Vendor has agreed to sell 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 for an aggregate consideration of HK\$33,000,000 and subject to the terms and conditions contained in the Agreement. For details, please refer to announcements of the Company dated 18 August 2020, 27 August 2020, 2 September 2020 and 7 September 2020 and circular of the Company dated 28 September 2020.

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at	
	30 September 2020 (unaudited)	31 March 2020 (audited)
Cash and cash equivalents	HK\$8.0 million	HK\$32.6 million
Bank borrowings	HK\$32.0 million	HK\$32.4 million
Unutilised banking facilities	HK\$10.0 million	HK\$19.4 million
Gearing ratio	25.0%	101%

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 2020, the Group had total bank borrowings of approximately HK\$32,000,000 (31 March 2020: HK\$32,400,000). The interest rate is charged based on floating rate. Details on bank borrowings of the Group are set out in note 13 to the Condensed Consolidated Financial Statements.

FOREIGN CURRENCY

During the six months ended 30 September 2020, 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 2020, the Group had approximately 380 employees (as at 30 September 2019: 350). Total staff costs (including Directors' remuneration) were approximately HK\$19.8 million for the Period (the Previous Period: HK\$21.5 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 2020, 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 ") (Note)	Beneficiary of a trust Beneficial owner	431,543,700 12,094	50.18% 0.00%
Ms. Chan Tsz Tung (" Ms. Gloria Chan ") (Note)	Beneficiary of a trust	431,543,700	50.18%

Notes:

1. 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, the chief executive officer of the Company (the "**CEO**"), the chairlady of the Board (the "**Chairlady**") and an executive Director and one of her daughters, namely Ms. Gloria Chan, an executive Director, 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.
2. 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 2020.

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 2020, 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.

DISCLOSURE OF INTERESTS *(Continued)*

(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 2020, 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 2)</i>	Beneficiary of a trust Beneficial owner	431,543,700 24,925,038	50.18% 2.90%
Ms. Chan Ching Mandy ("Ms. M Chan") <i>(Note 1)</i>	Interest of a controlled corporation	431,543,700	50.18%

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 (please refer to note 2 below). Pursuant to a deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. M Chan is the protector of the Bar Pacific Trust, and Harneys is required to exercise the voting rights in any company the fund of the Bar Pacific Trust is invested in accordance with the joint written instruction from the protector (i.e. Ms. M Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Each of Harneys, Ms. Tse, Ms. T Chan and Ms. M Chan is deemed to be interested in the Shares held by Moment to Moment under the SFO.
2. On 7 June 2018, Mr. Chan and Ms. Gloria Chan became the 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 24,925,038 Shares.
3. The percentage of shareholding interest in the Company shown in the table above are calculated on the basis of 860,000,000 Shares in issue as at 30 September 2020.

Save as disclosed above, as at 30 September 2020, the Directors were not aware of any persons who/entities which (other than a Director or the chief executive of the Company) 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.

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

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

SHARE OPTION SCHEME

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

No share option has been granted since the Adoption Date and therefore, there was no share option outstanding as at 30 September 2020 and no share option was granted, exercised or cancelled or lapsed during the Period.

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 2022	<i>Note</i>
30 August 2019	Term loan facility	HK\$10,000,000	– ditto –	<i>Note</i>
3 January 2020	Term loan facility	HK\$25,800,000	– ditto –	<i>Note</i>

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

Except for disclosed above, the Group had no other circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules as at 30 September 2020 and the Reporting Date.

CHANGE IN DIRECTORS' INFORMATION

On 12 October 2020, Ms. M Chan has been appointed as an executive Director.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved not to declare the payment of any interim dividend for the Period (2019: HK0.55 cents, totalling HK\$47,300,000).

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 2020 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
Chan Ching Mandy
Executive Director

Hong Kong, 12 November 2020

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