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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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2021

The board of directors of Bar Pacific Group Holdings Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) announces the unaudited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 30 June 2021 (the “**First Quarterly Results**”). The First Quarterly Results have been reviewed by the Company’s audit committee and approved by the Board on 12 August 2021.

This announcement, containing the full text of the 2021/22 first quarterly report of the Company (the “**First Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of the First Quarterly Results. Printed version of the First Quarterly Report will be delivered 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 on 12 August 2021.

By order of the Board

Bar Pacific Group Holdings Limited

Tse Ying Sin Eva

Chairlady, Chief Executive Officer and Executive Director

Hong Kong, 12 August 2021

As at the date of this announcement, the executive Directors are Ms. Tse Ying Sin Eva (Chairlady and Chief Executive Officer), Ms. Chan Ching Mandy and Ms. Chan Tsz Tung; and the independent non-executive Directors are Mr. Chan Chun Yeung Darren, Mr. Chin Chun Wing, Mr. Tang Wing Lam David and Mr. Yung Wai Kei.

This announcement, for which the directors of the Company 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 (www.hkgem.com) for at least seven days from the date of its publication and will also be published on the Company’s website (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 “GEM” AND “STOCK EXCHANGE”, 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.

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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 Ching Mandy
Ms. Chan Tsz Tung

Independent Non-Executive Directors

Mr. Chan Chun Yeung Darren (appointed on 7 July 2021)
Mr. Chin Chun Wing
Mr. Tang Wing Lam David
Mr. Yung Wai Kei

BOARD COMMITTEES

Audit Committee

Mr. Yung Wai Kei (*Chairman*)
Mr. Chan Chun Yeung Darren
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

COMPANY SECRETARY

Ms. Chan Hau Lai, ACG ACS

COMPLIANCE OFFICER

Ms. Chan Tsz Tung

AUTHORISED REPRESENTATIVES

Ms. Tse Ying Sin Eva
Ms. Chan Ching Mandy (alternative to Ms. Tse Ying Sin Eva)
Ms. Chan Hau Lai, ACG ACS

INDEPENDENT AUDITOR

BDO Limited

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

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) 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 three months ended 30 June 2021

	NOTES	Three months ended 30 June	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	8,495	27,454
Other income	5	9,241	12,715
Rent concession related to COVID-19		1,014	–
Cost of inventories sold		(1,848)	(6,898)
Staff costs		(6,916)	(10,648)
Depreciation of property, plant and equipment		(1,814)	(2,339)
Depreciation of right-of-use assets		(5,022)	(7,659)
Property rentals and related expenses		(860)	(709)
Other operating expenses		(4,293)	(5,736)
Finance costs	6	(829)	(805)
(Loss)/profit before income tax	7	(2,832)	5,375
Income tax expense	8	–	(23)
(Loss)/profit and total comprehensive income for the period		(2,832)	5,352
(Loss)/profit and total comprehensive income for the period attributable to:			
Owners of the Company		(2,781)	4,863
Non-controlling interests		(51)	489
		(2,832)	5,352
		HK cents	HK cents
(Loss)/earnings per share			
Basic and diluted (HK cents)	10	(0.32)	0.57

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2021

	Attributable to owners of the Company						Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note a)	Special reserve HK\$'000 (Note b)	Other reserves HK\$'000 (Note c)	(Accumulated loss)/ Retained profit HK\$'000			
At 1 April 2021 (audited)	8,600	57,060	6,065	(8,093)	(1,347)	(40,382)	21,903	5,498	27,401
Loss and total comprehensive income for the period	-	-	-	-	-	(2,781)	(2,781)	(51)	(2,832)
At 30 June 2021 (unaudited)	8,600	57,060	6,065	(8,093)	(1,347)	(43,163)	19,122	5,447	24,569
At 1 April 2020 (audited)	8,600	57,060	6,065	(8,093)	(1,347)	1,255	63,540	7,036	70,576
Profit and total comprehensive income for the period	-	-	-	-	-	4,863	4,863	489	5,352
At 30 June 2020 (unaudited)	8,600	57,060	6,065	(8,093)	(1,347)	6,118	68,403	7,525	75,928

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 the Company.
- (b) Pursuant to a group reorganisation to rationalise the structure of the Group (the "Reorganisation") in preparation for the listing of the Company's shares (the "Shares") on the GEM on 11 January 2017 (the "Listing" and the "Listing Date", respectively), the Company became the holding company of the companies now comprising the Group (as defined in note 1 on P. 6) on 15 December 2016 with the issue of the Shares 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) Other reserves represent 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

1. GENERAL INFORMATION

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. 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. The Company’s immediate holding company and ultimate holding company are Moment to Moment Company Limited (“**Moment to Moment**”) and Harneys Trustees Limited (“**Harneys**”), respectively. Both companies are incorporated in the British Virgin Islands (“**BVI**”).

The Company is an investment holding company and its subsidiaries 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 unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the three months ended 30 June 2021 (the “**Period**”) are presented in Hong Kong dollars (“**HK\$**”), which is also the same as the functional currency of the Company.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

(a) Application of new and amendments to HKFRSs

The following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are adopted for the first time for the current accounting period of the Group:

Amendments to HKAS 39, HKFRS 4,
HKFRS 7, HKFRS 9 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

The application of the new and amendments to HKFRSs has had no material effect on the amounts reported in the unaudited condensed consolidated financial statements and/or disclosures set out in the Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the unaudited condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Disclosure of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

The Group is in the process of making an assessment of what the impact of these new or revised HKFRSs is expected to be in the period of initial application. So far, the Directors have concluded that the adoption of the new HKFRSs will have no material impact on the amounts reported in the unaudited condensed consolidated financial statements.

3. BASIS OF PREPARATION

The quarterly financial information has been prepared in accordance with accounting policies and conform with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA and the applicable disclosure requirements of the GEM Listing Rules. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs. The quarterly financial information also comply with applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the quarterly financial information for the Period are the same as those applied in the preparation of the Audited Consolidated Financial Statements for the year ended 31 March 2021 (the “**Year 2021**”).

These Consolidated Financial Statements for the Period 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**”).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

4. REVENUE AND SEGMENT INFORMATION

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

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

- Operation of bars – sales of beverages and light refreshments in bars in Hong Kong; and
- Property investment – leasing of property.

Business segment

The following is an analysis of the Group's revenue and results by operating and reportable segments for the three months ended 30 June 2021:

	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	8,375	120	–	8,495
Revenue from inter-segment	–	485	(485)	–
Reportable segment revenue	8,375	605	(485)	8,495
Reportable segment results	(2,762)	366	–	(2,396)
Unallocated:				
Interest income from rental deposits				1
Corporate and other unallocated expenses				(1)
Depreciation of property, plant and equipment				(33)
Depreciation of right-of-use assets				(64)
Finance costs				(339)
Loss before income tax				(2,832)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

4. 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	–	–	–	–
Interest income from rental deposits	63	–	1	64
Finance costs	490	–	339	829
Addition of right-of-use assets	1,812	–	–	1,812
Depreciation of property, plant and equipment	1,771	10	33	1,814
Depreciation of right-of-use assets	4,800	158	64	5,022

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

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue from contracts with customers under HKFRS 15		
Operation of bars		
Sales of beverages and refreshments	8,087	26,480
Electronic dart machines	288	886
	8,375	27,366
Revenue from other sources		
Property investment		
Rental income from investment properties	120	88
	8,495	27,454

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

4. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue from contracts with customers under HKFRS 15		
Disaggregated revenue information for the period		
By timing of revenue recognition		
A point in time	8,375	27,366

Performance obligations for contracts with customers under HKFRS 15

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 has the ability to direct the use of the goods and services and obtain substantially all of the remaining benefits of the goods and services. Payment of the transaction price is due immediately at the point the customer purchases the goods and services.

5. OTHER INCOME

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Sponsorship income	833	–
Government subsidy	7,800	12,587
Bank interest income	–	8
Interest income from rental deposit	64	61
Others	544	59
	9,241	12,715

6. FINANCE COSTS

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on bank borrowings	322	225
Interest on lease liabilities	492	580
Interest on shareholder loan (Note)	15	–
	829	805

Note: Shareholder loan amounted to HK\$3 million is interest-bearing at 2% per annum unsecured and repayable within 1 year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

7. (LOSS)/PROFIT BEFORE INCOME TAX

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
(Loss)/profit before taxation has been arrived at after charging/(crediting):		
Director's remuneration	531	446
Other staff's salaries and other benefits	6,108	9,740
Other staff's retirement benefits scheme contributions	277	462
Total staff costs	6,916	10,648
Depreciation of property, plant and equipment		
– Owned assets	1,814	2,339
Depreciation on right-of-use assets	5,022	7,654
	6,836	9,993
Rent concession related to COVID-19	(1,014)	–
Direct operating expenses incurred for investment properties that generated rental income during the period	29	25
Operating lease payments	227	302
Auditor's remuneration	250	300
Other operating expenses		
– Bank and credit card handling charge	235	315
– Cleaning expenses	97	438
– Electricity, water, telephone and air-conditioning	579	769
– License fees	686	695
– Repair and maintenance	728	1,001

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

8. INCOME TAX EXPENSE

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
The taxation charge comprises:		
Hong Kong Profits Tax		
– Current period	–	23

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

9. DIVIDENDS

The Board has resolved not to declare the payment of any interim dividend for the Period (2020: nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following:

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
(Loss)/profit for the period attributable to the owners of the Company for the purpose of calculating basic earnings per share	(2,781)	4,863
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	860,000	860,000
Basic (loss)/earnings per share (HK cents)	(0.32)	0.57

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



BUSINESS REVIEW

We are a chained bar group mainly offering beverages and light refreshments under the brands of “Bar Pacific” and “Pacific” with locations scattered over Hong Kong. The main focuses of the Group’s growth strategies lie in its networks expansion and upgrade of the existing shops facilities. As at 30 June 2021, we operated 42 shops throughout Hong Kong.

Before the date of this report (the “**Reporting Date**”), we opened two new shops under the brands of “Moon Ocean” and “Katachi” which located at Causeway Bay and Mong Kok respectively. Each brands will focus on different target customers. “Bar Pacific” is a neighborhood bar in different districts in Hong Kong looking for social connection and relaxation, “Pacific” is a mid-range bar at urban areas. “Moon Ocean” is a luxury bar located at Causeway Bay. “Katachi” is a Japanese barbecue restaurant.

PROSPECT

Looking ahead, the Group will ride on its raised profile upon its Listing 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 in leveraging its extensive network in Hong Kong. During the period from the Listing Date to the Reporting Date, we opened twelve new shops and will open two new shops to further expand our network within 2021.

Bars and pubs can resume business from 29 April 2021 by compulsory adapting Type D (*Note 2*) Mode of Operation. Starting from 10 June 2021, Bar operation can choose to adapt Type C (*Note 1*) Mode of operation. The revenue recovered to a significant extent comparing with the revenue before the spreading of the novel coronavirus (COVID-19) disease (the “**COVID-19**” or the “**Pandemic**”, respectively).

Given the continuous spreading of the COVID-19 in Hong Kong, we will closely monitor the development of the Pandemic and the market situation and will adjust our strategies when necessary. We are confident that our management will be able to overcome the adverse impacts of the Pandemic and generate the highest possible returns for the shareholders of the Company upon the business resumes normal.

Notes:

1. If Type C Mode of Operation is adopted, a “Designated Zone C” must be delineated and (a) it must be ensured that all staff members involved in the operation of the business in the premises have received the first dose of COVID-19 vaccine and keep the vaccination record as proof of vaccination; and (b) it must be ensured that before the customer is allowed to enter the “Designated Zone C” of the premises, he/she scans the “LeaveHomeSafe” venue QR code using the “LeaveHomeSafe” mobile application on his/her mobile phone.
2. If Type D Mode of Operation is adopted, a “Designated Zone D” must be delineated and (a) it must be ensured that all staff members involved in the operation of the business in the premises have completed the COVID-19 vaccination course and keep the vaccination record as proof of vaccination; (b) it must be ensured that at least two-third of the customers have received the first dose of COVID-19 vaccine; and before the customer is allowed to enter the “Designated Zone D” of the premises, he/she scans the “LeaveHomeSafe” venue QR code using the “LeaveHomeSafe” mobile application on his/her mobile phone.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue from operation of bars and gross profit margin

Revenue from operation of bars declined by 69.3% to approximately HK\$8.4 million for the Period, compared to that of approximately HK\$27.4 million for the three months ended 30 June 2020 (the “**Previous Period**”). During the Period, the continuous spreading of COVID-19 in Hong Kong resulted in the imposition of the compulsory shut down of all bars and pubs from 1 April 2021 to 28 April 2021 (the “**Mandatory Closure Period**”). Thus, no revenue was recorded by the Group during the period. The customer flow has also reduced during the period from 29 April 2021 to 9 June 2021 as a result of complying with Type D mode of operation.

Gross profit from operation of bars for the Period amounted to HK\$6.6 million (Previous Period: HK\$20.6 million), representing a decrease of 68.0% as compared with 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 77.9% (Previous Period: 74.9%).

Revenue from properties investment

Our revenue from property leasing activities increased by 36.4% to HK\$120,000 for the Period from HK\$88,000 for the Previous Period.

Other income

Other income decreased from approximately HK\$12.7 million for the Previous Period to approximately HK\$9.2 million for the Period, representing a decrease of approximately 27.6%. Such decrease was mainly due to the reduction of 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, which amounted to approximately HK\$7.8 million (Previous Period: HK\$12.6 million).

Staff costs

Staff costs comprise salaries and benefits, including wages, salaries, bonuses, retirement benefit cost and other allowances to all our staff, including our Directors as well as head office and shop staff. Staff costs decreased to approximately HK\$6.9 million for the Period from approximately HK\$10.6 million for the Previous Period, representing a decrease of approximately 34.9%. The staff costs were saved during the Mandatory Closure Period.

Depreciation of property, plant and equipment

Depreciation represents depreciation charges on its property, plant and equipment, including in leasehold improvements, computer equipment, furniture and fixtures and motor vehicles. Our depreciation charges decreased to approximately HK\$1.8 million for the Period from approximately HK\$2.3 million for the Previous Period, representing a decrease of approximately 21.7%. Such decrease was primarily attributable to the impairment made from Previous Year.

Depreciation of right-of-use assets

Depreciation represents depreciation charges on right-of-use of shops' lease term. Our depreciation charges decreased by approximately 35.0% to approximately HK\$5.0 million for the Period from approximately HK\$7.7 million for the Previous Period. Such decrease was primarily attributable to the impairment made from Previous Year.



FINANCIAL REVIEW *(Continued)*

Property rentals and related expenses

Our property rentals and related expenses consist of property management fee, operating lease payments and government rates on our shops, office and warehouse. For the Period, property rentals and related expenses increase by approximately 21.3% to approximately HK\$860,000 from approximately HK\$709,000 for the Previous Period. The increase in property rentals and related expenses of approximately HK\$151,000 was mainly due to increase in number of shops during the Period.

Other operating expenses

Other operating expenses recorded a decrease of approximately 25.2% from approximately HK\$5.7 million for the Previous Period to approximately HK\$4.3 million for the Period. The reduction of operating expenses was mainly due to cost saved as a result of the Mandatory Closure Period.

Finance costs

Finance costs for the Period amounted to approximately HK\$829,000, representing an increase of 3.0% when compared to those of approximately HK\$805,000 for the Previous Period. The main reason for the increase in finance costs for the Period was due to increase in finance cost on new borrowing.

Taxation

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

Dividend

The Board has resolved not to declare any interim dividend for the Period (Previous Period: Nil).

Contingent liabilities

As at 30 June 2020 and 2021, the Group did not have any significant contingent liabilities.

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.

Subsequent event

The Group opened two new shops before the Reporting Date, which are "Moon Ocean" and "Katachi". "Moon Ocean" is a high-end bar and "Katachi" is a Japanese barbecue restaurant.

DISCLOSURE OF INTERESTS

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

As at 30 June 2021, 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 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 of the Company (Note 3)
Ms. Tse Ying Sin Eva ("Ms. Tse") (Note 1)	Beneficiary of a trust Beneficial owner	431,543,700 12,094	50.18% 0.00%
Ms. Chan Tsz Tung ("Ms. G Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Ching Mandy ("Ms. M Chan") (Note 2)	Interest of a controlled corporation	431,543,700	50.18%

DISCLOSURE OF INTERESTS *(Continued)***(A) Directors' and chief executives' interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations** *(Continued)*

Notes:

1. 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, the trustee of the Bar Pacific Trust, of which Ms. Tse, the chairlady of the Board (the "**Chairlady**") and the chief executive officer of the Company (the "**CEO**"), her daughter Ms. G Chan and others are beneficiaries. Ms. Tse and Ms. G Chan are deemed to be interested in the Shares held by Moment to Moment under the SFO.
2. 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. Ms. M Chan is deemed to be interested in the Shares held by Moment to Moment under the SFO.
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 June 2021.

Interests in associated corporation of the Company***Long position in the shares of the associated corporation***

Name of Directors	Nature 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. G Chan	Moment to Moment	Beneficiary of a trust	1	100%
Ms. M Chan	Moment to Moment	Interest of a controlled corporation	1	100%

Save as disclosed above and so far as the Directors are aware of, as at 30 June 2021, 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 the Shares and underlying Shares**

So far as the Directors are aware of, as at 30 June 2021, 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 of the Company (Note 3)
Moment to Moment (Note 1)	Beneficial owner	431,543,700	50.18%
Harneys (Note 1)	Trustee (other than a bare trustee)	431,543,700	50.18%
Ms. Chan Tsz Kiu Teresa ("Ms. T Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
Mr. Chan Wai ("Mr. Chan") (Note 2)	Beneficiary of a trust Beneficial owner	431,543,700 24,925,038	50.18% 2.90%

Notes:

1. Moment to Moment holds 431,543,700 Shares, representing approximately 50.18% of the issued share capital of the Company. The sole shareholder of Moment to Moment is Harneys, the trustee of the Bar Pacific Trust, of which Ms. Tse and one of her daughters, 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. G Chan became the beneficiaries of Bar Pacific Trust. Hence, both Mr. Chan and Ms. G 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 June 2021.

Save as disclosed above, as at 30 June 2021, 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.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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 three months ended 30 June 2021.

CORPORATE GOVERNANCE PRACTICES

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

During the Period, the Company has adopted 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 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.

BOARD DIVERSITY POLICY

The Board adopted a policy of the Board diversity, including the measurable objectives set for implementing the same on 13 November 2018. The nomination committee of the Board (the "**Nomination Committee**") will review these objectives regularly.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

DIVIDEND POLICY

It is the policy of the Board, in considering the payment of dividends, to allow the shareholders of the Company to participate in the Company's profits whilst preserving the Company's liquidity to capture future growth opportunities.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall consider the following factors before declaring or recommending dividends:

- (a) the Company's actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- (d) the Group's liquidity position;
- (e) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (f) other factors that the Board may considered relevant.

The payment of dividend by the Company is also subject to any restrictions under the Cayman Islands laws and the articles of association of the Company.

The Board will continually review the dividend policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earning, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group.

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 made specific enquiries of 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 and up to the Reporting Date.

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 June 2021 and no share options were 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	Note
30 August 2019	Term loan facility	HK\$10,000,000	– ditto –	Note
3 January 2020	Term loan facility	HK\$25,800,000	– ditto –	Note
30 November 2020	Term loan facility	HK\$21,500,000	– ditto –	Note

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 June 2021 and the Reporting Date.

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.

As at the Reporting Date, the Audit Committee consists of four independent non-executive Directors (the “INEDs”), namely Mr. Chan Chun Yeung Darren, Mr. Chin Chun Wing, Mr. Tang Wing Lam David and Mr. Yung Wai Kei (“**Mr. Yung**”). Mr. Yung is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the Period and this quarterly 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, Chief Executive Officer and Executive Director

Hong Kong, 12 August 2021

As at the date of this report, the executive Directors are Ms. Tse Ying Sin Eva (Chairlady and CEO), Ms. Chan Ching Mandy and Ms. Chan Tsz Tung; and the INEDs are Mr. Chan Chun Yeung Darren, Mr. Chin Chun Wing, Mr. Tang Wing Lam David and Mr. Yung Wai Kei.