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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)

DISCLOSEABLE TRANSACTION IN RELATION TO TENANCY AGREEMENT

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On 14 September 2021, Katachi III International Limited (a subsidiary of the Company) as tenant and Favour Link International Limited as the landlord entered into the Tenancy Agreement in respect of the Premise for a term of 6 years from 1 September 2021 to 31 August 2027 (both days inclusive).

IMPLICATIONS UNDER THE GEM LISTING RULES

In accordance with HKFRS 16 “Leases”, the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the Premise under the Tenancy Agreement with effect from the beginning of its accounting period on 1 April 2019. Accordingly, the lease transaction under the Tenancy Agreement is regarded as acquisition of asset by the tenant (i.e. lessee) for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the value of the right-of-use of the Premise under the Tenancy Agreement exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction and is subject to the announcement requirement under Chapter 19 of the GEM Listing Rules but exempt from Shareholders’ approval requirement under the GEM Listing Rules.

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Key Terms of the Tenancy Agreement

Date	:	14 September 2021
Parties	:	(i) Favour Link International Limited as the landlord; and (ii) Katachi III International Limited (a subsidiary of the Company) as tenant.

The principle business activity of the landlord is property investment. The ultimate beneficiary owner of the landlord is Regal Real Estate Investment Trust as at the date of this announcement. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the landlord and its respective ultimate beneficial owners are Independent Third Parties.

Premise	:	Outlet 7, G/F, Regal Riverside Hotel, 34–36 Tai Chung Kiu Road, Shatin, Hong Kong
Term	:	6 years from 1 September 2021 to 31 August 2027 (both days inclusive)
Total aggregate value of consideration payable	:	Not less than HK\$8,370,000 in aggregate for the term of 6 years (exclusive of building management fee)

Pursuant to the terms of the Tenancy Agreement, the Company shall pay the lease payment on monthly basis by internal resources.

The value (unaudited) of the right-of-use asset recognised by the Company under the Tenancy Agreement amounted to approximately HK\$7,861,000, which is the present value of total consideration payable plus estimated reinstatement cost with the lease at the inception of the lease term under the tenancy agreement in accordance with HKFRS 16. Discount rate of 2.5% is applied to compute the present value of total consideration payable under the Tenancy Agreement.

INFORMATION ABOUT THE GROUP, REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

We are one of the largest chained bar group in Hong Kong and we offering beverages, light refreshments and kushiyaki under the brand “Bar Pacific”, “Katachi”, “Moon Ocean” and “Pacific” in Hong Kong. The Directors believe that the Premise is located at a strategic location for network expansion. The terms of the Tenancy Agreement were arrived at after arm’s length negotiation and the rental is determined with reference to the prevailing market rental of similar comparable properties in the nearby areas. The Directors considered that the terms of the Tenancy Agreement were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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DEFINITION

“Board”	board of Directors
“Company”	Bar Pacific Group Holdings Limited (太平洋酒吧集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares are listed on GEM (stock code: 8432)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries

“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party independent of and not connected with the Company and its connected persons
“Premise”	Outlet 7, G/F, Regal Riverside Hotel, 34–36 Tai Chung Kiu Road, Shatin, Hong Kong
“Shareholder(s)”	holder(s) of shares of the Company
“Tenancy Agreement”	the tenancy agreement dated 14 September 2021 entered into between Katachi III International Limited (a subsidiary of the Company) as tenant and Favour Link International Limited as the landlord
“%”	per cent.

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

Hong Kong, 17 September 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 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.