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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 THE TENANCY AGREEMENTS

On 6 October 2021, the Tenant I and the Landlord I entered into the Tenancy Agreement I in respect of the Premises I for a fixed term of three years from 16 November 2021 to 15 November 2024 (both days inclusive).

On 15 December 2021, the Tenant II and the Landlord II entered into the Tenancy Agreement II in respect of the Premises II for a fixed term of two years and six months from 15 January 2022 to 14 July 2024 (both days inclusive).

On 31 December 2021, the Tenant III and the Landlord III entered into the Tenancy Agreement III in respect of the Premises III for a fixed term of three years from 1 January 2022 to 31 December 2024 (both days inclusive).

On 10 January 2022, the Tenant IV and the Landlord IV entered into the Tenancy Agreement IV in respect of the Premises IV for a fixed term of three years from 15 November 2021 to 14 November 2024 (both days inclusive).

On 22 April 2022, the Tenant V and the Landlord V entered into the Tenancy Agreement V in respect of the Premises V for a fixed term of three years from 22 April 2022 to 21 April 2025 (both days inclusive).

In accordance with HKFRS 16 “Leases”, the Company recognises the values of the right-of-use assets on its consolidated statement of financial position in connection with the leases of the Premises under the Tenancy Agreements. Accordingly, the transactions under the Tenancy Agreements are regarded as acquisitions of right-of-use assets by the Group.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transactions contemplated under the Tenancy Agreements based on the values of the right-of-use of the Premises recognised by the Group exceeds 5% but all of them are less than 25%, the transactions contemplated under the Tenancy Agreements constitute discloseable transactions and are subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE TENANCY AGREEMENT I

Date : 6 October 2021

Parties : (i) Cheerful Property Company Limited as the landlord; and
(ii) Bar Pacific LXXVIII International Limited (a subsidiary of the Company) as tenant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

Premises : 2nd Floor and an entrance at 1st Floor of Mongkok Metro, Nos. 594–596 Nathan Road, Kowloon, Hong Kong

Term : A fixed term of 3 years from 16 November 2021 to 15 November 2024 (both days inclusive).

Rent : For the period from 16 November 2021 to 30 November 2021: Nil, being the rent-free period;

For the period from 1 December 2021 to 15 May 2023: HK\$120,000 per month;

For the period from 16 May 2023 to 31 October 2024: HK\$130,000 per month; and

For the period from 1 November 2024 to 15 November 2024: Nil, being the rent-free period.

The rent is inclusive of management fees but exclusive of government rent and rates, and is payable by the Tenant to the Landlord in advance on the 1st day of each month.

The rent was determined by the parties after arm's length negotiations with reference to the prevailing market rent for similar comparable properties in the vicinity of the Premises. The rental payments will be settled out of the internal resources of the Group.

THE TENANCY AGREEMENT II

Date : 15 December 2021

Parties : (i) T & J (Hong Kong) Company Limited as the landlord; and
(ii) Bar Pacific XXIX International Limited (a subsidiary of the Company) as tenant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

Premises : Shops A and B on the Ground Floor of Lot No. 905 in Demarcation District No. 180, Shatin, New Territories, Hong Kong

Term : A fixed term of 2 years and 6 months from 15 January 2022 to 14 July 2024 (both days inclusive).

Rent : HK\$100,000 per month.

The rent is inclusive of government rent, rates and management fees but exclusive of other outgoings, and is payable by the Tenant to the Landlord in advance before the 15th day of each month.

The rent was determined by the parties after arm's length negotiations with reference to the prevailing market rent for similar comparable properties in the vicinity of the Premises. The rental payments will be settled out of the internal resources of the Group.

THE TENANCY AGREEMENT III

Date : 31 December 2021

Parties : (i) Jade Land Resources Limited as the landlord; and
(ii) Bar Pacific XXI International Limited (a subsidiary of the Company) as tenant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

Premises : Shop No. B02 on the Basement 1 Floor of the Commercial Accommodation of Park Central, No. 9 Tong Tak Street, Tseung Kwan O, Sai Kung, New Territories, Hong Kong

Term : A fixed term of 3 years from 1 January 2022 to 31 December 2024 (both days inclusive).

Rent : **Basic Rent**

For the period from 1 January 2022 to 31 December 2022: HK\$91,950 per month;

For the period from 1 January 2023 to 31 December 2023: HK\$99,888 per month; and

For the period from 1 January 2024 to 31 December 2024: HK\$108,212 per month; plus

Additional Turnover Rent

13% of the monthly turnover of the Tenant's business at the Premises exceeding the Monthly Basic Rent.

The Basic Rent is exclusive of rates, air-conditioning charges, management fees and promotion levy, and is payable by the Tenant to the Landlord in advance on the 1st day of each month. The Additional Turnover Rent is payable by the Tenant to the Landlord in arrear by the 15th day of the immediately following calendar month.

The rent was determined by the parties after arm's length negotiations with reference to the prevailing market rent for similar comparable properties in the vicinity of the Premises. The rental payments will be settled out of the internal resources of the Group.

THE TENANCY AGREEMENT IV

Date : 10 January 2022

Parties : (i) Favour Link International Limited as the landlord; and
(ii) Bar Pacific XX International Limited (a subsidiary of the Company) as tenant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

Premises : Shop No(s) Outlet 6 on the Ground Floor in the Arcade of Regal Riverside Hotel, Tai Chung Kiu Road, Shatin, New Territories, Hong Kong

Term : A fixed term of 3 years from 15 November 2021 to 14 November 2024 (both days inclusive).

Rent : For the period from 15 November 2021 to 31 December 2021: Nil, being the rent-free period;

For the period from 1 January 2022 to 14 October 2024: HK\$89,100 per month; and

For the period from 15 October 2024 to 14 November 2024: Nil, being the rent-free period.

The rent is exclusive of management fees, rates, air-conditioning charges, utilities charges and promotion levy, and is payable by the Tenant to the Landlord in advance before the 1st day of each month.

The rent was determined by the parties after arm's length negotiations with reference to the prevailing market rent for similar comparable properties in the vicinity of the Premises. The rental payments will be settled out of the internal resources of the Group.

THE TENANCY AGREEMENT V

Date : 22 April 2022

Parties : (i) Golden Progress Investment (Hong Kong) Limited as the landlord; and

(ii) Tank Success International Limited (a subsidiary of the Company) as tenant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

Premises : Unit A on the Ground Floor of Graces Court, No. 298 Un Chau Street, Kowloon, Hong Kong

Term : A fixed term of 3 years from 22 April 2022 to 21 April 2025 (both days inclusive).

Rent : For the period from 22 April 2022 to 21 April 2023: HK\$77,000 per month; and

For the period from 22 April 2023 to 21 April 2025: HK\$80,000 per month.

The rent is exclusive of rates and management fees, and is payable by the Tenant to the Landlord in advance on the 22nd day of each month.

The rent was determined by the parties after arm's length negotiations with reference to the prevailing market rent for similar comparable properties in the vicinity of the Premises. The rental payments will be settled out of the internal resources of the Group.

CONSIDERATIONS AND RIGHT-OF-USE ASSETS

The total aggregate values of consideration payables under the Tenancy Agreements I, II, III, IV and V will not be more than HK\$4,503,000, 3,082,000, HK\$3,611,000, HK\$2,993,000 and HK\$2,847,000, being the maximum rental payments in aggregate for the terms of 3 years, 2 years and 6 months, 3 years, 3 years and 3 years, respectively.

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 leases of the Premises under the Tenancy Agreement. Accordingly, the lease transactions under the Tenancy Agreements are regarded as acquisitions of right-of-use assets by the Group.

Subject to audits, the values of the right-of-use assets to be recognised by the Company under the Tenancy Agreements I, II, III, IV and V are estimated to be approximately HK\$4,335,000, HK\$2,984,000, HK\$3,473,000, HK\$2,884,000 and HK\$2,741,000 being the present values of aggregate rent payables under the Tenancy Agreements for the term of 3 years, 2 years and 6 months, 3 years, 3 years and 3 years, respectively, under the Tenancy Agreements in accordance with HKFRS 16.

INFORMATION OF THE PARTIES

The Landlords

To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, (i) all Landlords are companies incorporated in Hong Kong with limited liability; (ii) the principal business activities of all Landlords are investments in properties; and (iii) based on information available to the Company, as at the date of this announcement, the Landlord I is an indirect subsidiary of Wincome Group, the Landlord II held as to 68% by Mr. Wong Po Hing and 32% by Miss. Chan Yin Mei, the Landlord III is a principal joint venture of Sun Hung Kai Properties Limited, the Landlord IV is an indirect subsidiary of Regal Hotels International Holdings Limited, and Landlord V is held as to 80% by Miss. Cheng Lai Yee, Irene and 20% by Mr. Cheng Kin Tung, Johnny.

The Tenants and the Group

The Tenant I is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It was incorporated on 12 October 2017 for engaging in the principal business of operation of a bar under the business name of Bar Pacific. The Tenant II is a company incorporated in Hong Kong with limited liability and an indirect 86%-owned subsidiary of the Company. It was incorporated on 16 December 2009 for engaging in the principal business of operation of a bar under the business name of Bar Pacific. The Tenant III is a company incorporated in Hong Kong with limited liability and an indirect 95%-owned subsidiary of the Company. It was incorporated on 26 July 2006 for engaging in the principal business of operation of a bar under the business name of Bar Pacific. The Tenant IV is a company incorporated in Hong Kong with limited liability and an indirect 90%-owned subsidiary of the Company. It was incorporated on 29 March 2006 for engaging in the principal business of operation of a bar under the business name of Bar Pacific. The Tenant V is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It was incorporated on 18 March 2003 for engaging in provision of recruitment and management services in respect of human resources to fellow subsidiaries which operate bars in Hong Kong. The Tenant V assigns the Premises V to one of its fellow subsidiary for operation of a bar in Hong Kong, under the business name of Bar Pacific.

The Group is a chained bar and restaurant group under the brands “Bar Pacific”, “Katachi”, “Moon Ocean” and “Pacific” with locations scattered over Hong Kong. It is also engaged in property investment in Hong Kong.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENTS

The Directors consider that the Premises are located at strategic locations for the Group’s expansion in its bar and restaurant operations in Hong Kong. The terms of the Tenancy Agreements were arrived at after arm’s length negotiations and the rents were determined with reference to the prevailing market rentals of similar comparable properties in the vicinities of the Premises. Based on the above, the Board is of the view that the terms of the Tenancy Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transactions contemplated under the Tenancy Agreements based on the values of the right-of-use of the Premises recognised by the Group exceeds 5% but all of them are less than 25%, the transactions contemplated under the Tenancy Agreements constitute discloseable transactions and are subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“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 the 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”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual or a company who is not connected with (within the meaning of the GEM Listing Rules) any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Landlord I”	Cheerful Property Company Limited, a company incorporated in Hong Kong with limited liability
“Landlord II”	T & J (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability
“Landlord III”	Jade Land Resources Limited as the landlord, a company incorporated in Hong Kong with limited liability
“Landlord IV”	Favour Link International Limited, a company incorporated in Hong Kong with limited liability
“Landlord V”	Golden Progress Investment (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Premises I”	2nd Floor and an entrance at 1st Floor of Mongkok Metro, Nos. 594–596 Nathan Road, Kowloon, Hong Kong
“Premises II”	Shops A and B on the Ground Floor of Lot No. 905 in Demarcation District No. 180, Shatin, New Territories, Hong Kong
“Premises III”	Shop No. B02 on the Basement 1 Floor of the Commercial Accommodation of Park Central, No. 9 Tong Tak Street, Tseung Kwan O, Sai Kung, New Territories, Hong Kong

“Premises IV”	Shop No(s) Outlet 6 on the Ground Floor in the Arcade of Regal Riverside Hotel, Tai Chung Kiu Road, Shatin, New Territories, Hong Kong
“Premises V”	All that Unit “A” on the Ground Floor of “Graces Court”, No. 298 Un Chau Street, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement I”	the tenancy agreement dated 6 October 2021 entered into between the Landlord I and the Tenant I in respect of the lease of the Premises I
“Tenancy Agreement II”	the tenancy agreement dated 15 December 2021 entered into between the Landlord II and the Tenant II in respect of the lease of the Premises II
“Tenancy Agreement III”	the tenancy agreement dated 31 December 2021 entered into between the Landlord III and the Tenant III in respect of the lease of the Premises III
“Tenancy Agreement IV”	the tenancy agreement dated 10 January 2022 entered into between the Landlord IV and the Tenant IV in respect of the lease of the Premises IV
“Tenancy Agreement V”	the tenancy agreement dated 22 April 2022 entered into between the Landlord V and the Tenant V in respect of the lease of the Premises V
“Tenant I”	Bar Pacific LXXVIII International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Tenant II”	Bar Pacific XXIX International Limited, a company incorporated in Hong Kong with limited liability and an indirect 86%-owned subsidiary of the Company
“Tenant III”	Bar Pacific XXI International Limited, a company incorporated in Hong Kong with limited liability and an indirect 95%-owned subsidiary of the Company
“Tenant IV”	Bar Pacific XX International Limited, a company incorporated in Hong Kong with limited liability and an indirect 90%-owned subsidiary of the Company

“Tenant V” Tank Success International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“%” 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, 22 April 2022

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 and Mr. Tang Wing Lam David.

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.