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 SUBSCRIPTION OF KEY MAN INSURANCE POLICY AND DISCLOSURE PURSUANT TO RULE 17.20 OF THE GEM LISTING RULES

SUBSCRIPTION

On 30 May 2024, the Policyholder (an indirect wholly-owned subsidiary of the Company) took out the Policy and placed an initial single premium, together with an initial single levy, in the sum of approximately US$378,245.5 in aggregate (equivalent to approximately HK$2,950,300) thereunder with HSBC Life.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Subscription is more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DISCLOSURE PURSUANT TO RULE 17.20 OF THE GEM LISTING RULES

On 17 May 2024, Hacienda and Tank Success, each an indirect wholly-owned subsidiary of the Company, as borrowers, and HSBC as lender, entered into the Facility Letter in relation to the Bank Facility. Pursuant to the Facility Letter, the Company undertakes that throughout the life of the Bank Facility, (i) Ms. Chan Tsz Kiu Teresa shall at all times remain as the single major shareholders of the Company through beneficial ownership, controlled corporation, trust or other means; and (ii) Ms. Chan Ching Mandy will serve as the chief executive officer and be actively involved in the management and business of the Group.

SUBSCRIPTION

On 30 May 2024, the Policyholder (an indirect wholly-owned subsidiary of the Company) took out the Policy and placed an initial single premium, together with an initial single levy, in the sum of approximately US$378,245.5 in aggregate (equivalent to approximately HK$2,950,300) thereunder with HSBC Life. The Policy is a life insurance of Ms. Chan as the insured person. Hacienda is both the Policyholder and the beneficiary.

The major terms of the Policy are as follows:

Policy effective date	:	30 May 2024
Policyholder/Beneficiary	:	Hacienda International Corporation Limited
Insured person	:	Ms. Chan
Policy term	:	Whole of life
Payment of premium	:	An initial single premium, together with an initial single levy of US$12.5, amounting to US$378,245.5 (equivalent to approximately HK$2,950,300) in aggregate, was paid by the Policyholder upon taking out of the Policy in cash from the Policyholder. The amount of premium was agreed between the Policyholder and HSBC Life after arm's length negotiation with reference to, among other things, the insured person's age, sex and the sum at risk and amount of death benefit payable to the Policyholder in the event of death of Ms. Chan.
Death benefit	:	US$3,000,000 (equivalent to approximately HK$23,400,000)
Guaranteed minimum interest rate for the premium paid under the Policy	:	(i) 5.25% per annum for the first year from the date of payment of the premium; and (ii) 2% per annum thereafter, subject to the terms and conditions of the Policy.

In the event that the Policyholder surrenders the Policy during its policy term, the maximum amount receivable by the Policyholder under the Policy on a guaranteed basis (after deduction of any surrender and other applicable charges by HSBC Life) is US$360,170 (equivalent to approximately HK$2,809,000).

In the event that Ms. Chan is no longer employed or otherwise engaged with the Group, the Policyholder may apply for a change of the insured person under the Policy, and such change is subject to the acceptance by HSBC Life at their discretion, having regard to, among other things, that the Policyholder has adequate insurable interest in such replacement.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

As part of the bank facilities arrangement with HSBC in the Group's ordinary course of business, the Group was required to take out a key man insurance policy in favour of the Policyholder to insure the Group against any potential loss in the unfortunate event of the loss of Ms. Chan, being a key person of the Group. An assignment of life insurance in respect of the Policy by way of security was also granted by the Policyholder in favour of HSBC to secure the Group's obligations under the Bank Facility. The Board is of the view that the Policy may offer timely financial benefit and security to the Group as well as confidence to the Group's stakeholders and business partners to the Group's benefit in the unfortunate event of the loss of Ms. Chan. In addition, the value of death benefit receivable by the Policyholder in the event of the insured person's death under the Policy is substantially higher than the premium paid by it (having taken into account that the interest rates chargeable under the loan facilities provided by HSBC are comparable to the interest rates chargeable by the other banks).

In light of the foregoing, the Directors (including all independent non-executive Directors) are of the view that the terms of the Policy and the transaction contemplated thereunder are fair and reasonable and the entering into of the Policy is in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE GROUP

The Group is the operation of chain of bars and restaurants in Hong Kong under the brands of "Bar Pacific", "Pacific", "Moon Ocean", and "Katachi", as well as property investment in Hong Kong.

Hacienda is an indirect wholly-owned subsidiary of the Company and is principally engaged in bulk purchase of beverages to fellow subsidiaries.

INFORMATION ABOUT HSBC LIFE

HSBC Life, a company incorporated in Bermuda with limited liability, is a wholly-owned subsidiary of HSBC Holdings plc, a company listed on the Stock Exchange (Stock Code: 0005), and is one of the HSBC group's insurance underwriting subsidiaries.

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

GEM LISTING RULES IMPLICATIONS

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DISCLOSURE PURSUANT TO RULE 17.20 OF THE GEM LISTING RULES

On 17 May 2024, Hacienda and Tank Success, each an indirect wholly-owned subsidiary of the Company, as borrowers, and HSBC as lender, entered into the Facility Letter, whereby HSBC agreed to provide bank facilities including the revolving loan and combined financing for the Group's operation and a universal life insurance loan of up to an aggregate maximum amount of HK$16,000,000 and US$271,737 (equivalent to approximately HK$2,119,500) respectively (the "**Bank Facility**"). The availability of the Bank Facility is subject to, among other things, the Bank's periodic review and the Bank's overriding right of repayment on demand. The Bank Facility is effective as at the date of this announcement.

In connection with the Facility Letter, in consideration of HSBC agreeing to make the banking facilities available to the borrowers, the Company undertakes, among other things, that (i) Ms. Chan Tsz Kiu Teresa, an executive Director and the chairlady of the Company, shall remain as the single major shareholder of the Company through beneficial ownership, controlled corporation, trust or other means; and (ii) Ms. Chan Ching Mandy, an executive Director and the chief executive officer of the Company (together with Ms. Chan Tsz Kiu Teresa, collectively, the "**Controlling Shareholders**"), will serve as the chief executive officer and be actively involved in the management and business of the Group.

As at the date of this announcement, the Controlling Shareholders are interested in approximately 52.42% of the issued share capital of the Company in aggregate.

The Company will comply with the continuing disclosure obligations under Rule 17.23 of the GEM Listing Rules in its subsequent interim and annual reports so long as circumstances giving rise to such obligations regarding the control of the Company exist.

REMEDIAL ACTIONS

Due to an inadvertent oversight and the misinterpretation of Chapter 19 of the GEM Listing Rules, the Company overlooked the disclosure requirement regarding the specific performance obligations under the Loan Facility and mistakenly treated the Policy as part of bank facilities arrangement in the Group's ordinary course of the business, without complying with the announcement requirements under Rule 17.20 and Chapter 19 of the GEM Listing Rules in a timely manner. The Directors would like to stress that such delay in compliance was a single incident and was inadvertent and unintentional, and the Company has taken steps to rectify the breach as soon as practicable, including by way of making this announcement. To prevent similar re-occurrences in the future, the Company will take the following actions to strengthen its internal controls:

(i) with the assistance of professional advisers, the Company understands the nature of the Policy and the specific performance covenants and will remind the responsible staff, senior management and Directors and strengthen their understanding to identify the circumstances which are expected to have implications under the GEM Listing Rules and will enhance the internal reporting procedures in respect of transactions of similar nature;

(ii) the Company will enhance the trainings provided to the Directors and the senior management of the Group with a view to strengthening and reinforcing their knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at an early stage; and

(iii) the Company will maintain closer cooperation with its legal and professional advisers in relation to regulatory compliance. If necessary, the Company will consult the Stock Exchange about the proper treatment of the proposed transaction(s) of the Group and the implications under the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

"Bank Facility"	has the meaning given to it in the section headed "Disclosure pursuant to Rule 17.20 of the GEM Listing Rules" of this announcement
"Board"	the 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, the shares of which are listed on GEM of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s)"	director(s) of the Company
"Facility Letter"	a facility letter entered into by Hacienda and Tank Success (as borrowers) and HSBC (as lender) dated 17 May 2024
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HSBC"	The Hongkong and Shanghai Banking Corporation Limited, a company incorporated in Hong Kong with limited liability
"HSBC Life"	HSBC Life (International) Limited, a company incorporated in Bermuda with limited liability
"Independent Third Party(ies)"	an individual or a company who or which is independent of and 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
"Ms. Chan"	Ms. Chan, an executive Director
"percentage ratio(s)"	has the same meaning ascribed to it under the GEM Listing Rules
"Policy"	a life insurance policy taken out with HSBC Life on 30 May 2024

"Policyholder" or "Hacienda"	Hacienda International Corporation Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	subscription of the Policy by the Policyholder
"Tank Success"	Tank Success International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"US$"	United States dollar(s), the lawful currency of the United States of America
"%"	per cent

For the purpose of this announcement, all figures in HK$ are calculated based on the exchange rate of approximately US$1.00 to HK$7.80 for illustration purpose.

By order of the Board
Bar Pacific Group Holdings Limited
Chan Tsz Kiu Teresa
Chairlady of the Board and Executive Director

Hong Kong, 26 August 2024

As at the date of this announcement, the executive Directors are Ms. Chan Tsz Kiu Teresa (Chairlady), Ms. Chan Ching Mandy (Chief Executive Officer) 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 will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange (www.hkexnews.hk) 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.