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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)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

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 of Hong Kong Limited (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.

*This announcement, for which the directors (the “**Directors**”) 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 of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the “**Group**”). 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.*

The board (the “**Board**”) of directors (the “**Director(s)**”) of Bar Pacific Group Holdings Limited (the “**Company**”) hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024, which have also been reviewed by the audit committee of the Company (the “**Audit Committee**”), as follows:

## **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2024*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2024</b>	<b>2023</b>
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue</b>	4	<b>98,072</b>	108,960
Other income	5	<b>3,621</b>	3,472
Cost of inventories sold		<b>(24,953)</b>	(29,837)
Staff costs		<b>(32,415)</b>	(35,237)
Depreciation of property, plant and equipment		<b>(5,791)</b>	(5,902)
Depreciation of right-of-use assets		<b>(20,021)</b>	(19,259)
Property rentals and related expenses		<b>(4,539)</b>	(3,865)
Other operating expenses		<b>(13,797)</b>	(14,139)
Finance costs	6	<b>(2,563)</b>	(2,460)
<b>(Loss)/profit before income tax</b>	8	<b>(2,386)</b>	1,733
Income tax credit/(expense)	7	<b>243</b>	(96)
<b>(Loss)/profit for the period</b>		<b>(2,143)</b>	1,637
<b>Other comprehensive income for the period,</b>			
<b>net of income tax:</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		<b>59</b>	—
<b>Total comprehensive (expense)/income for the period</b>		<b>(2,084)</b>	1,637
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		<b>(2,143)</b>	1,222
Non-controlling interests		<b>—</b>	415
		<b>(2,143)</b>	1,637

		Six months ended	
		30 September	
		2024	2023
NOTES		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
<b>Total comprehensive (expense)/income attributable to:</b>			
Owners of the Company		(2,084)	1,222
Non-controlling interests		—*	415
		<u>(2,084)</u>	<u>1,637</u>
 (Loss)/earnings per share			
	10		
– Basic ( <i>HK cents</i> )		(0.25)	0.14
– Diluted ( <i>HK cents</i> )		<u>(0.25)</u>	<u>0.14</u>

\* Less than HK\$1,000

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		30 September 2024	31 March 2024
	NOTES	HK\$'000 (unaudited)	HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	23,533	26,213
Right-of-use assets	11	112,568	109,991
Investment properties	11	21,500	21,500
Deposit and prepayment for a life insurance policy		2,965	–
Prepayment for acquisition of property, plant and equipment		2,479	1,704
Rental deposits		8,736	8,025
Deferred tax assets		6	6
Total non-current assets		171,787	167,439
<b>Current assets</b>			
Inventories		5,989	3,006
Trade and other receivables	12	10,107	10,934
Tax recoverable		352	352
Cash and cash equivalents		3,463	2,107
Total current assets		19,911	16,399
<b>Total assets</b>		<b>191,698</b>	<b>183,838</b>
<b>Current liabilities</b>			
Trade and other payables	13	14,634	15,819
Bank borrowings		55,827	51,745
Lease liabilities	11	44,815	43,061
Tax payables		443	698
Total current liabilities		115,719	111,323
<b>Net current liabilities</b>		<b>(95,808)</b>	<b>(94,924)</b>
<b>Total assets less current liabilities</b>		<b>75,979</b>	<b>72,515</b>

		<b>30 September</b>	31 March
		<b>2024</b>	2024
	<i>NOTES</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current liabilities</b>			
Trade and other payables	13	1,103	995
Other borrowings		5,405	–
Lease liabilities	11	41,377	41,732
Deferred tax liabilities		101	426
		<u>          </u>	<u>          </u>
Total non-current liabilities		47,986	43,153
		<u>          </u>	<u>          </u>
Total liabilities		163,705	154,476
		<u>          </u>	<u>          </u>
<b>NET ASSETS</b>		<b>27,993</b>	<b>29,362</b>
		<u>          </u>	<u>          </u>
<b>EQUITY</b>			
Share capital		8,600	8,600
Reserves		12,660	14,029
		<u>          </u>	<u>          </u>
Equity attributable to owners of the Company		21,260	22,629
Non-controlling interests		6,733	6,733
		<u>          </u>	<u>          </u>
<b>TOTAL EQUITY</b>		<b>27,993</b>	<b>29,362</b>
		<u>          </u>	<u>          </u>

# NOTES:

## 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 of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate holding company is Moment to Moment Company Limited (incorporated in the British Virgin Islands (“**BVI**”)) and its ultimate holding company is Harneys Trustees Limited (incorporated in the BVI).

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (the “**Group**”) are the operation of chain of bars and restaurants in Hong Kong and the People’s Republic of China (“**PRC**”) under the brands of “Bar Pacific”, “Katachi”, “Moon Ocean” and “Pacific”, as well as property investments in Hong Kong.

### Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and properties that are measured at fair values.

Other than additional/change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2024.

## 2. APPLICATION OF AMENDMENTS TO HKFRSs

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### New principal accounting policies

#### **Financial assets at fair value through profit or loss (“FVTPL”)**

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (“**FVTOCI**”) or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset, which is included in the “other gains and losses” line item.

### 3. BASIS OF PREPARATION

#### 3.1 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024.

#### 3.2 Going concern assessment

As at 30 September 2024, the Group’s current liabilities exceeded its current assets by HK\$95,808,000. In addition, the Group breached a covenant of its bank borrowings amounting to HK\$41,583,000.

For the purpose of assessing the appropriateness of the use of going concern basis in preparing these condensed consolidated financial statements, the directors of the Company have prepared a cash flow forecast covering a period of 12 months from the date of approval of these condensed consolidated financial statements (the “**Forecast**”). The directors of the Company have taken into account the cash flows generated from its principal operations and the following plans and measures taken by management to improve the Group’s liquidity and financial position in the preparation of the Forecast:

- (i) Having communicated with the bank about the breach of the covenant of its bank borrowings amounting to HK\$41,583,000 and subsequent to the end of the reporting period, the bank has agreed with the Company for it to rectify its breach on or before 17 May 2025. Accordingly, management expects that the Group would be able to maintain such banking loan facilities as same as previously. In addition, when necessary, the Group would dispose of the properties owned by the Group which are pledged as collaterals for securing the banking facilities in order to repay the Group’s bank borrowings and use any remaining proceeds to finance the Group’s operations; and
- (ii) Where necessary, the Group would apply for additional loans under the SME Financing Guarantee Scheme that is launched by The Hong Kong Mortgage Corporation Insurance Limited (“**HKMCI Limited**”) and the loans under such scheme are 80% guaranteed by the Government of the Hong Kong Special Administrative Region (“**HKSAR**”) and the personal guarantees from Ms. Chan Ching Mandy, Ms. Chan Tsz Kiu Teresa and Ms. Chan Tsz Tung, the executive directors of the Company, and Mr. Chan Wai (“**Mr. Chan**”) and Ms. Tse Ying Sin Eva (“**Ms. Tse**”), who are deemed to be interested in the shares held by the Company’s substantial shareholders in accordance with the Hong Kong Securities and Future Ordinance (“**SFO**”).

In addition to the above, Mr. Chan has undertaken to provide financial support to the Group to enable the Group to have sufficient working capital to meet its liabilities and obligations as and when they fall due and to continue to carry on its business over the period covered by the Forecast.

Notwithstanding that there is inherent uncertainty associated with the future outcomes of the Group’s plans and measures as described above, including whether the Group is able to maintain the Group’s banking facilities, realise its assets to obtain additional funds and obtain additional sources of financing when needed, the directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of the Company believe that it is appropriate to prepare the condensed consolidated financial statements of the Group for the six months ended 30 September 2024 on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group’s assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

#### 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 and restaurants – sales of beverages, light refreshments and food in bars and restaurants in Hong Kong and the PRC; and
- Property investment – leasing of property in Hong Kong.

##### Business segment

The following is an analysis of the Group’s revenue and results by operating and reportable segments for six months ended 30 September 2024 and 2023:

##### For the six months ended 30 September 2024

	Operation of bars and restaurants <i>HK\$’000</i> (unaudited)	Property investment <i>HK\$’000</i> (unaudited)	Inter-segment elimination <i>HK\$’000</i> (unaudited)	Consolidated <i>HK\$’000</i> (unaudited)
<b>Revenue</b>				
Revenue from external customers	97,785	287	–	98,072
Revenue from inter-segment	–	971	(971)	–
Reportable segment revenue	97,785	1,258	(971)	98,072
Reportable segment results	(1,363)	217	–	(1,146)
<b>Unallocated:</b>				
Corporate and other unallocated expenses				(44)
Depreciation of property, plant and equipment				(215)
Depreciation of right-of-use assets				(319)
Imputed interest income from rental deposits				1
Finance costs				(663)
Loss before income tax				(2,386)



For the six months ended 30 September 2023

	Operation of bars and restaurants <i>HK\$'000</i> (unaudited)	Property investment <i>HK\$'000</i> (unaudited)	Inter-segment elimination <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
<b>Revenue</b>				
Revenue from external customers	108,564	396	–	108,960
Revenue from inter-segment	<u>–</u>	<u>971</u>	<u>(971)</u>	<u>–</u>
Reportable segment revenue	<u>108,564</u>	<u>1,367</u>	<u>(971)</u>	<u>108,960</u>
Reportable segment results	<u>2,600</u>	<u>330</u>	<u>–</u>	<u>2,930</u>
<b>Unallocated:</b>				
Corporate and other unallocated expenses				(4)
Depreciation of property, plant and equipment				(68)
Depreciation of right-of-use assets				(215)
Imputed interest income from rental deposits				1
Finance costs				<u>(911)</u>
Profit before income tax				<u><u>1,733</u></u>

**As at 30 September 2024**

	<b>Operation of bars and restaurants <i>HK\$'000</i> (unaudited)</b>	<b>Property investment <i>HK\$'000</i> (unaudited)</b>	<b>Unallocated <i>HK\$'000</i> (unaudited)</b>	<b>Consolidated <i>HK\$'000</i> (unaudited)</b>
<b>Assets</b>				
Reportable segment assets	164,147	21,576	5,975	191,698
<b>Liabilities</b>				
Reportable segment liabilities	<u>(101,239)</u>	<u>(449)</u>	<u>(62,017)</u>	<u>(163,705)</u>
Reportable segment net assets/ (liabilities)	<u><b>62,908</b></u>	<u><b>21,127</b></u>	<u><b>(56,042)</b></u>	<u><b>27,993</b></u>

**As at 31 March 2024**

	<b>Operation of bars and restaurants <i>HK\$'000</i> (audited)</b>	<b>Property investment <i>HK\$'000</i> (audited)</b>	<b>Unallocated <i>HK\$'000</i> (audited)</b>	<b>Consolidated <i>HK\$'000</i> (audited)</b>
<b>Assets</b>				
Reportable segment assets	159,287	21,623	2,928	183,838
<b>Liabilities</b>				
Reportable segment liabilities	<u>(90,509)</u>	<u>(582)</u>	<u>(63,385)</u>	<u>(154,476)</u>
Reportable segment net assets/(liabilities)	<u><b>68,778</b></u>	<u><b>21,041</b></u>	<u><b>(60,457)</b></u>	<u><b>29,362</b></u>

## Other information

Amounts included in the measure of segment results or segment assets:

### For the six months ended 30 September 2024

	Operation of bars and restaurants <i>HK\$'000</i> (unaudited)	Property investment <i>HK\$'000</i> (unaudited)	Unallocated <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
Imputed interest income from				
rental deposits	178	–	1	179
Bank interest income	4	–	–	4
Finance costs	1,900	–	663	2,563
Purchase of property,				
plant and equipment	3,085	–	21	3,106
Addition of right-of-use assets	4,114	–	–	4,114
Depreciation of property,				
plant and equipment	5,576	–	215	5,791
Depreciation of right-of-use assets	19,702	–	319	20,021

### For the six months ended 30 September 2023

	Operation of bars and restaurants <i>HK\$'000</i> (unaudited)	Property investment <i>HK\$'000</i> (unaudited)	Unallocated <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
Imputed interest income from				
rental deposits	157	–	1	158
Bank interest income	3	–	–	3
Finance costs	1,549	–	911	2,460
Purchase of property,				
plant and equipment	8,013	–	48	8,061
Addition of right-of-use assets	673	–	–	673
Depreciation of property,				
plant and equipment	5,834	–	68	5,902
Depreciation of right-of-use assets	19,044	–	215	19,259

## Geographical information

The Group's operations are in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	Six months ended		As at	As at
	30 September		30 September	31 March
	2024	2023	2024	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong	97,834	108,960	151,930	158,990
PRC	238	—	8,150	418
	<u>98,072</u>	<u>108,960</u>	<u>160,080</u>	<u>159,408</u>

*Note:* Non-current assets excluded financial instruments and deferred tax assets.

## Information about major customers

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

## Disaggregation of revenue

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Revenue from contracts with customers under HKFRS 15</b>		
<b>“Revenue from Contracts with Customers”</b>		
<b>Operation of bars and restaurants</b>		
Sales of food, beverage and refreshment	95,361	106,308
Electronic dart machines	<u>2,424</u>	<u>2,256</u>
	97,785	108,564
<b>Revenue from other sources</b>		
<b>Property investment</b>		
Rental income from investment properties	<u>287</u>	<u>396</u>
	<u>98,072</u>	<u>108,960</u>

Six months ended	
30 September	
2024	2023
HK\$'000	HK\$'000
(unaudited)	(unaudited)

**By timing of revenue recognition under HKFRS 15**

A point in time	<b>97,785</b>	<b>108,564</b>
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**Performance obligations for contracts with customers under HKFRS 15**

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

The Group recognises revenue from operation of bars and restaurants. 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 and restaurants 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**

Six months ended	
30 September	
2024	2023
HK\$'000	HK\$'000
(unaudited)	(unaudited)

Government subsidies ( <i>Note</i> )	<b>204</b>	281
Sponsorship income	<b>2,823</b>	2,390
Bank interest income	<b>4</b>	3
Imputed interest income from rental deposits	<b>179</b>	158
Others	<b>411</b>	640
	<b>3,621</b>	<b>3,472</b>

*Note:* During the six months ended 30 September 2024, the Group recognised government subsidies of HK\$204,000 in respect of Hong Kong Night Treats for Locals Scheme (six months ended 30 September 2023: HK\$281,000 represented Catering Business Subsidy Schemes under Anti-epidemic Fund launched by the Government of HKSAR for each of the Group's subsidiaries which held general restaurant, light refreshment restaurant or liquor licences.) There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

## 6. FINANCE COSTS

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	1,219	1,126
Interest on other borrowings ( <i>Note</i> )	25	–
Interest on lease liabilities	<u>1,319</u>	<u>1,334</u>
	<u><b>2,563</b></u>	<u><b>2,460</b></u>

*Note:* Other borrowing represents loan from a shareholder which is interest bearing at The Hong Kong and Shanghai Banking Corporation Limited (“**HSBC**”)’s HK\$ Best Lending Rate (“**BLR**”) minus 0.375% per annum, unsecured, repayable within two years and the Group may early repay any amounts at its sole discretion.

## 7. INCOME TAX (CREDIT)/EXPENSE

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
– Hong Kong Profits Tax	71	96
– PRC Enterprise Income Tax	<u>11</u>	<u>–</u>
	82	96
Deferred tax		
– Origination of temporary difference	<u>(325)</u>	<u>–</u>
Income tax (credit)/expense	<u><b>(243)</b></u>	<u><b>96</b></u>

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%.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

## 8. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditor's remuneration (included in other operating expenses)	460	475
Gross rental income from investment properties	(287)	(396)
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	38	61
Direct operating expenses incurred for investment properties that did not generate rental income during the period	10	—
	<u>(239)</u>	<u>(335)</u>
Operating lease payments (included in other operating expenses)		
– Practical expedient in respect of		
– Low-value lease expenses	24	35
– Short-term lease expenses	570	537
	<u>594</u>	<u>572</u>
Directors' remuneration ( <i>Note</i> )	2,680	1,965
Other staff costs		
– Salaries and other benefits	28,457	31,822
– Retirement benefit scheme contributions	1,278	1,450
	<u>32,415</u>	<u>35,237</u>
Total staff costs		
Other operating expenses included the followings:		
– Cleaning expenses	1,696	1,670
– License fees	406	167
– Utilities	3,307	3,236
– Repair and maintenance	1,438	1,408
– Internet and cable expenses	1,293	1,252
	<u>1,293</u>	<u>1,252</u>

*Note:* The directors' remuneration included share-based payment expense of HK\$715,000 for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil)

## 9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the interim period. The directors of the Company have determined no dividend will be paid or proposed in respect of the interim period.

## 10. (LOSS)/EARNINGS PER SHARE

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>(Loss)/earnings</b>		
(Loss)/earnings for the period attributable to owners of the Company		
for the purpose of calculating basic earnings per share	<u>(2,143)</u>	<u>1,222</u>
<b>Number of ordinary shares</b>		
Weighted average number of ordinary shares for the purpose of		
calculating basic earnings per share	860,105,000	860,000,000
Add: Effect of dilutive potential ordinary shares arising from share awards ( <i>Note</i> )	<u>–</u>	<u>14,000</u>
Weighted average number of ordinary shares from purpose of		
calculating diluted earnings per share	<u>860,105,000</u>	<u>860,014,000</u>

*Note:* The computation of diluted loss per share for the period ended 30 September 2024 does not consider the effect of potential ordinary shares arising from the share award since those potential ordinary shares are anti-dilutive.

## 11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, LEASE LIABILITIES AND INVESTMENT PROPERTIES

### Property, plant and equipment

During the current period, the Group acquired property, plant and equipment of HK\$3,106,000 (six months ended 30 September 2023: HK\$8,061,000).

### Right-of-use assets and lease liabilities

During the current period, the Group renewed/entered into certain new lease agreements for 1 to 3 years, which is mainly for the operation of bars and restaurants. 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 HK\$4,114,000 (six months ended 30 September 2023: HK\$673,000) and lease liabilities of HK\$4,089,000 (six months ended 30 September 2023: HK\$606,000).



## Investment properties

The fair values of the Group's investment properties as at 30 September 2024 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 were of the opinion that there was no fair value change on the investment properties of the Group for the current period.

## 12. TRADE AND OTHER RECEIVABLES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Trade receivables ( <i>Note (a)</i> )	1,286	2,568
Lease receivables ( <i>Note (b)</i> )	53	93
Other receivables	441	115
Prepayments	3,917	2,421
Rental deposits	11,825	11,839
Utilities deposits	3,800	3,627
	<u>21,322</u>	<u>20,663</u>
Less: Non-current assets		
Rental deposits	(8,736)	(8,025)
Prepayment for acquisition of property, plant and equipment	<u>(2,479)</u>	<u>(1,704)</u>
	<u><u>10,107</u></u>	<u><u>10,934</u></u>

### (a) Trade receivables

As at 30 September 2024 and 31 March 2024, trade receivables from contracts with customers amounted to HK\$1,286,000 and HK\$2,568,000, respectively.

The Group's sales are mainly on cash or credit card settlement. As at 30 September 2024 and 31 March 2024, the Group's trade receivables mainly represents credit card sales receivable from financial institutions. None of the Group's trade receivables was considered to be impaired. The Group does not hold any collateral over these balances.

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

### (b) Lease receivables

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

### 13. TRADE AND OTHER PAYABLES

	30 September 2024 <i>HK\$'000</i> (unaudited)	31 March 2024 <i>HK\$'000</i> (audited)
<b>Current:</b>		
Trade payables	8,005	8,714
Salary accruals and payables	4,202	3,546
Other accruals and payables	1,939	3,071
Provision for reinstatement costs	488	488
	<u>14,634</u>	<u>15,819</u>
<b>Non-current:</b>		
Rental deposits received	154	46
Provision for reinstatement costs	949	949
	<u>1,103</u>	<u>995</u>

The credit period on purchases of goods is 0 to 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 2024 <i>HK\$'000</i> (unaudited)	31 March 2024 <i>HK\$'000</i> (audited)
Trade payables:		
0-30 days	3,973	3,418
31-60 days	2,742	4,533
61-90 days	1,154	763
91-120 days	136	–
	<u>8,005</u>	<u>8,714</u>

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

We are a chained bar and restaurant group under the brands of “Bar Pacific”, “Katachi”, “Moon Ocean” and “Pacific” with locations scattered all over Hong Kong. The growth strategies of the Group focus on the expansion and upgrade of the facilities of existing bars/restaurants. As at 30 September 2024, we operated 56 bars/restaurants throughout Hong Kong and the People’s Republic of China (“**PRC**”).

During the six months ended 30 September 2024 (the “**Period**”), we opened two new bars located in Huizhou and Guangzhou, PRC, under the brand of “Bar Pacific”. Different brands focus on different target customers. “Bar Pacific” is a neighborhood bar in different districts in Hong Kong and is for customers looking for social connection and relaxation; “Pacific” is a mid-range bar in urban areas; “Moon Ocean” is a luxury bar in urban areas; and “Katachi” is a skewer restaurant and bar.

## FINANCIAL REVIEW

### Revenue and gross profit from the operation of both restaurants and bars

The revenue from the operation of bars and restaurants amounted to HK\$97.8 million for the Period, as compared to HK\$108.6 million for the corresponding period in 2023 (the “**Previous Period**”), representing a decrease of 9.9%. Such decrease was primarily attributed to the consumption downgrade in Hong Kong during the Period.

The gross profit from the operation of bars and restaurants for the Period amounted to HK\$72.8 million, in comparison with HK\$78.7 million for the Previous Period, representing a decrease of 7.5%. The gross profit margin for the Period remained stable at 74.5% (Previous Period: 72.5%).

### Revenue from property investment

The revenue from property investment decreased by 27.5% to HK\$287,000 for the Period as compared to HK\$396,000 for the Previous Period due to the reduction of occupancy rate during the Period.

### Other income

For the Period, other income amounted to HK\$3.6 million, as compared to HK\$3.5 million for the Previous Period, representing an increase of 4.3%. Such increase was mainly due to the increase in sponsorship income during the Period.

## **Staff costs**

Staff costs represent wages, salaries, bonuses, retirement benefit costs and other allowances paid or payable to all Directors and staff of the Group, which amounted to HK\$32.4 million for the Period, as compared to HK\$35.2 million for the Previous Period, representing a decrease of 8.0%. Staff costs decreased since the Group reduced part-time staff hours in response to the decline in sales orders during the Period.

## **Depreciation of property, plant and equipment**

Depreciation represents depreciation charges on its property, plant and equipment, including buildings, leasehold improvements, computer equipment, furniture and fixtures and motor vehicles. Our depreciation charges decreased to approximately HK\$5.8 million for the Period from approximately HK\$5.9 million for the Previous Period, representing a decrease of approximately 1.9%, as certain property, plant, and equipment acquired in prior years reached full depreciation during the Period.

## **Depreciation of right-of-use assets**

The depreciation charged on the right-of-use assets amounted to HK\$20.0 million for the Period, in comparison with HK\$19.3 million for the Previous Period, representing an increase of 4.0%, which was primarily attributed to the expansion of business during the Period.

## **Property rentals and related expenses**

Operating lease payments, property management fees, government rates and other related expenses increased to HK\$4.5 million as compared to HK\$3.9 million for the Previous Period, representing an increase of 17.4%. The increase was primarily attributed to the increase in building management fees, which corresponds with the Group's expansion of bars and restaurants as compared to the Previous Period.

## **Other operating expenses**

For the Period, other operating expenses decreased by 2.4% to HK\$13.8 million from HK\$14.1 million for the Previous Period as the Group experienced a reduction in variable costs, which was directly related to the decline in sales revenue during the Period.

## **Finance costs**

Finance costs represented interest paid or payable on bank loans, lease liabilities and other borrowings, which amounted to HK\$2.6 million for the Period, in comparison with HK\$2.5 million for the Previous Period, representing an increase of 4.2%. The main reason for the increase in finance costs for the Period was due to the increase in bank loan amount.

## Taxation

The net tax credit for the Period amounted to approximately HK\$243,000, which comprised the deferred tax income of HK\$325,000 (total tax expenses in Previous Period: HK\$96,000). The primary reason for the decrease was the utilization of unrecognized deferred tax assets for the Period.

## Capital commitments

As at 30 September 2024, the Group had capital commitments of approximately HK\$174,000 (as at 31 March 2024: HK\$949,000).

## Contingent liabilities

The Group did not have any contingent liabilities as at 30 September 2024 (as at 31 March 2024: Nil).

## 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	
	As at 30 September 2024 <i>HK\$'000</i> (unaudited)	As at 31 March 2024 <i>HK\$'000</i> (audited)
Assets		
Building	4,282	4,367
Right-of-use assets – leasehold land	41,847	42,696
Investment properties	21,500	21,500
	<u>67,629</u>	<u>68,563</u>

## Dividend

The Board has resolved not to recommend the payment of dividend for the Period (Previous Period: Nil).

## Foreign currency exposure

Since the Group's business activities are mainly 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.

## Employee and remuneration policy

As at 30 September 2024, the Group had 523 employees (as at 30 September 2023: 519 employees). Total staff costs (including Directors' remuneration) were approximately HK\$32.4 million for the Period (Previous Period: HK\$35.2 million). Remuneration is determined with 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 also adopted a share scheme on 29 September 2023 to provide incentives to the Directors and employees of any member of the Group.

## Significant investment

There was no significant investment held by the Group with a value at 5% or more of the Group's total assets as at 30 September 2024 and 30 September 2023, nor was there any plan authorised by the Board for other material investment or additions of capital assets during the Period.

## Material acquisition or disposal

There was no material acquisition or disposal of subsidiaries, associate or joint venture during the Period.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 30 September 2024 (unaudited)	As at 31 March 2024 (audited)
Cash and cash equivalents	HK\$3.5 million	HK\$2.1 million
Bank borrowings	HK\$55.8 million	HK\$51.7 million
Unutilised banking facilities	HK\$6.0 million	Nil
Gearing ratio	<u>511%</u>	<u>458%</u>

The Directors are of the view that as at the date of approval of this announcement, 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 net debt by total equity.

As at 30 September 2024, the Group had total bank borrowings of approximately HK\$55,827,000 (31 March 2024: HK\$51,745,000) with maturity ranging from 60 days to 8 years. The interest rate is charged based on floating rate.

## FOREIGN CURRENCY

During the Period, the transactions of the Group were mainly 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.

## PROSPECT

Looking ahead, the Group will maintain its core business of bar operation and its existing branding strategy, targeting the mass market, with a view to increasing its market share in Hong Kong. With the existing client base garnered over the years, the Group will continue to leverage on its extensive network in Hong Kong. Currently, we are operating 56 bars & restaurants under four different brands. Our management is confident about our business and the Group intends to further expand our network for upcoming year.

## 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 any of the Company's listed securities.

## SHARE SCHEME

A new share scheme was adopted by the Company in accordance with Chapter 23 of the GEM Listing Rules (the “**Share Scheme**”) at the extraordinary general meeting of the Company held on 29 September 2023. Pursuant to the Share Scheme, share awards or share options (collectively, the “**awards**”) may be granted to the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted awards under the Share Scheme as inducement to enter into employment contracts with any member of the Group).

On 29 September 2023, a total of 28,896,000 share awards were granted to Ms. Chan Tsz Kiu Teresa (“**Ms. TK Chan**”), Ms. Chan Tsz Tung (“**Ms. TT Chan**”) and Ms. Chan Ching Mandy (“**Ms. C Chan**”) (all being executive Directors and substantial shareholders of the Company). No share options have been granted under the Share Scheme.

Particulars of the outstanding share awards under the Share Scheme and their movements during the Period are as follows:

Name of grantee	Position	Unvested share awards as at 1 April 2024	Share awards granted during the Period	Share awards vested during the Period	Share awards cancelled during the Period	Share awards lapsed during the Period	Unvested share awards as at 30 September 2024
Ms. TK Chan	Executive Director	9,632,000	–	(3,210,667)	–	–	6,421,333
Ms. TT Chan	Executive Director	9,632,000	–	(3,210,667)	–	–	6,421,333
Ms. C Chan	Executive Director	9,632,000	–	(3,210,666)	–	–	6,421,334
Total		<u>28,896,000</u>	<u>–</u>	<u>(9,632,000)</u>	<u>–</u>	<u>–</u>	<u>19,264,000</u>

*Notes:*

1. The share awards were granted on 29 September 2023 (the “**Date of Grant**”).
2. One-third (1/3) of the award shares will be vested 12 months from the Date of Grant (i.e. 29 September 2024); one-third (1/3) of the award shares will be vested 24 months from the Date of Grant (i.e. 29 September 2025); and one-third (1/3) of the award shares will be vested 36 months from the Date of Grant (i.e. 29 September 2026).
3. The purchase price for the award shares is nil.
4. Vesting of the share awards is not subject to any performance target. The awards will not be subject to any clawback mechanism of the Share Scheme.
5. The closing price of the shares of the Company (the “**Shares**”) as quoted on the Stock Exchange on 28 September 2023, being the date immediately before the Date of Grant, was HK\$0.078.
6. The fair value of the share awards as at the Date of Grant was HK\$0.081, calculated based on the fair value of the equity instruments as at the Date of Grant. The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share capital and share premium.

During the Period, a total of 9,632,000 Shares were vested as part of the share awards. The weighted average closing price of the Shares immediately prior to the vesting date was HK\$0.06.



The number of awards available for grant under the scheme mandate of the Share Scheme was 57,104,000 as at 1 April 2024 and 57,104,000 as at 30 September 2024.

During the Period, no award was granted under the Share Scheme. The number of Shares that may be issued in respect of awards granted under the Share Scheme during the Period divided by the weighted average number of Shares in issue for the Period is therefore not applicable.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as stated in Part 2 of Appendix C1 to the GEM Listing Rules throughout the Period. During the six months ended 30 September 2024, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

## **CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Model Code**”) as its own code governing securities transactions of the Directors.

Having made specific enquiry of all the Directors, all of the Directors confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the Period and up to the date of this announcement.

Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

## **AUDIT COMMITTEE**

The Board has established the Audit Committee pursuant to a resolution of the Directors passed on 17 December 2016 in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The written terms of reference of the Audit Committee were adopted in compliance with code provisions D.3.3 and D.3.7 of Part 2 of the CG Code.

The Audit Committee comprises all three independent non-executive Directors, namely, Mr. Chan Chun Yeung Darren, Mr. Chin Chun Wing and Mr. Tang Wing Lam David. Mr. Chan Chun Yeung Darren, who has the appropriate professional qualifications and experience in accounting matters, is the chairman of the Audit Committee.

The Audit Committee has reviewed the interim results and has no dissenting view on the accounting policies of the companies adopted by the Group and on the Group's internal controls and risk management, accounting and financial reporting functions.

## **EVENT AFTER THE REPORTING PERIOD**

The Group does not have any material subsequent event after the Period and up to the date of this announcement.

## **EXTRACT OF THE REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

The following is the extract of the report on review of condensed consolidated financial statements to the board of directors for the six months ended 30 September 2024 from Baker Tilly Hong Kong Limited, the auditor of the Group:

### **Material Uncertainty related to Going concern**

We draw attention to Note 2 to the condensed consolidated financial statements, which indicates that as of 30 September 2024, the Group's current liabilities exceeded its current assets by HK\$95,808,000. In addition, as at 30 September 2024, the Group breached a covenant of its bank borrowings amounting to HK\$41,583,000. As stated in Note 2, these conditions, along with other matters as set forth in Note 2 to the condensed consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## PUBLICATION OF RESULTS ON WEBSITES

A copy of this announcement is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.barpacific.com.hk](http://www.barpacific.com.hk)).

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

Hong Kong, 28 November 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](http://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](http://www.barpacific.com.hk)).*

*In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*