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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 23 March 2021, the Tenant, a subsidiary of the Company, received a letter from the Landlord Agent (as agent for the Landlord) in respect of the lease of the Premise for a term of 6 years from 21 April 2021 to 20 April 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 Agreements 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 LEASE

Date	:	A letter dated 23 March 2021 received from the Landlord Agent (as agent for the Landlord)
Parties	:	(i) Hinwood Investment Limited (the “ Landlord ”); and (ii) Bar Pacific LXXX International Limited (a subsidiary of the Company) (the “ Tenant ”).
		The principal business activity of the Landlord is property investment. The ultimate beneficiary owner of the landlord are Mrs. Mary Majella Hannatin and Mr Peter Hannatin 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	:	Shop No. G08 on the Ground Floor of “Ocean Popwalk”, No. 28 Tong Chun Street, Tseung Kwan O, New Territories on Tseung Kwan O Town Lot No. 118, Area 66D2
Use	:	The Premise will be used for bar operation under the name of Bar Pacific
Term	:	6 years from 21 April 2021 to 20 April 2027 (both days inclusive)
Total aggregate value of consideration payable	:	Not less than HK\$5,463,000 in aggregate for the term of 6 years (exclusive of building management fee and government rates)

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\$5,102,000, 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 2.6% 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

The Group is principally engaged in the operation of a chain of bars in Hong Kong under two own brand names, namely “Bar Pacific” and “Pacific”. The Directors believe that the Premise is located at a prime location which presents opportunity of 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.

IMPLICATIONS UNDER THE GEM LISTING RULES

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GEM LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratios 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.

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 and traded 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”	the GEM of the Stock Exchange
“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
“Landlord”	Hinwood Investment Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Landlord Agent”	Sun Hung Kai Real Estate (sales and leasing) Agent Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Lease”	the lease of the Premise by the Tenant
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 19.07 of the GEM Listing Rules to be applied for determining the classification of a transaction under the GEM Listing Rules
“Premise”	Shop No. G08 on the Ground Floor of “Ocean Popwalk”, No. 28 Tong Chun Street, Tseung Kwan O, New Territories on Tseung Kwan O Town Lot No. 118, Area 66D2

“Shareholder(s)”	holder(s) of shares of the Company
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to this term under the GEM Listing Rules
“Tenancy Agreement”	the tenancy agreement dated 8 December 2020 entered into between the Tenant and the Landlord in respect of the Premise
“Tenant”	Bar Pacific LXXX International Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of the Company
“%”	per cent.

By order of the Board
Bar Pacific Group Holdings Limited
Chan Ching Mandy
Director

Hong Kong, 27 April 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. Tang Wing Lam David, Mr. Chin Chun Wing 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.