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**BAR PACIFIC<sup>®</sup>**

**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)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board of directors of Bar Pacific Group Holdings Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) announces the unaudited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2022 (the “**Interim Results**”). The Interim Results have been reviewed by the Company’s audit committee and approved by the Board on 7 November 2022.

This announcement, containing the full text of the 2022/23 interim report of the Company (the “**Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of the Interim Results. Printed version of the Interim Report will be delivered to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.barpacific.com.hk](http://www.barpacific.com.hk) on 11 November 2022.

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

Hong Kong, 7 November 2022

*As at the date of this announcement, the executive Directors are Ms. Chan Tsz Kiu Teresa (Chairlady), Ms. Chan Ching Mandy, Ms. Chan Tsz Tung and Ms. Tse Ying Sin Eva (Chief Executive Officer); 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 of the Company 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 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.*

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND “GEM”, RESPECTIVELY)**

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. 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.

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*This report, for which the directors (collectively the “**Directors**” or individually a “**Director**”) 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 (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 report 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 report misleading.*

*Any announcement, notice or other document of the Company published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) will remain on the “Latest Listed Company Information” page for a minimum period of 7 days from the date of publication and on the website to the Company at [www.barpacific.com.hk](http://www.barpacific.com.hk).*



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Ms. Chan Tsz Kiu Teresa (*Chairlady*)  
(appointed on 12 August 2022)  
Ms. Chan Ching Mandy  
Ms. Chan Tsz Tung  
Ms. Tse Ying Sin Eva (*Chief executive officer*)

### Independent Non-Executive Directors

Mr. Chan Chun Yeung Darren  
Mr. Chin Chun Wing  
Mr. Tang Wing Lam David

## BOARD COMMITTEES

### Audit Committee

Mr. Chan Chun Yeung Darren (*Chairman*)  
Mr. Chin Chun Wing  
Mr. Tang Wing Lam David

### Remuneration Committee

Mr. Chin Chun Wing (*Chairman*)  
Ms. Chan Tsz Kiu Teresa (appointed on 12 August 2022)  
Mr. Chan Chun Yeung Darren  
Mr. Tang Wing Lam David (appointed on 12 August 2022)  
Ms. Tse Ying Sin Eva (resigned on 12 August 2022)

### Nomination Committee

Mr. Tang Wing Lam David (*Chairman*)  
(appointed on 12 August 2022)  
Ms. Chan Tsz Kiu Teresa (appointed on 12 August 2022)  
Mr. Chin Chun Wing  
Mr. Chan Chun Yeung Darren  
Ms. Tse Ying Sin Eva (resigned on 12 August 2022)

## COMPANY SECRETARY

Mr. Chow Tsz Lun

## COMPLIANCE OFFICER

Ms. Chan Tsz Tung

## AUTHORISED REPRESENTATIVES

Ms. Tse Ying Sin Eva  
Ms. Chan Ching Mandy (alternative to Ms. Tse Ying Sin Eva)  
Mr. Chow Tsz Lun

## INDEPENDENT AUDITOR

BDO Limited

## LEGAL ADVISOR

*as to Hong Kong laws*  
Sidley Austin

## REGISTERED OFFICE

Third Floor, Century Yard  
Cricket Square  
P.O. Box 902  
Grand Cayman, KY1-1103  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room D2, 11/F, Phase 2  
Hang Fung Industrial Building  
2G Hok Yuen Street  
Hung Hom  
Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Tricor Services (Cayman Islands) Limited  
Third Floor, Century Yard  
Cricket Square  
P.O. Box 902  
Grand Cayman, KY1-1103  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road, Admiralty  
Hong Kong

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
Bank of China (Hong Kong) Limited

## COMPANY'S WEBSITE

[www.barpacific.com.hk](http://www.barpacific.com.hk)  
(information on this website does not form part of this report)

## LISTING INFORMATION

### Place of Listing

GEM of The Stock Exchange of Hong Kong Limited

### Stock Code

8432

### Board Lots

10,000 shares

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

For the six months ended 30 September 2022

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	48,594	38,232	71,154	46,727
Other income	5	3,312	877	9,423	10,118
COVID-19-related rent concessions		391	31	1,652	1,045
Cost of inventories sold		(12,927)	(10,644)	(18,530)	(12,492)
Staff costs		(14,827)	(11,178)	(24,097)	(18,094)
Depreciation of property, plant and equipment		(1,930)	(1,990)	(4,628)	(3,804)
Depreciation of right-of-use assets		(8,307)	(5,907)	(15,353)	(10,929)
Property rentals and related expenses		(1,444)	(1,356)	(2,443)	(2,216)
Other operating expenses		(8,362)	(7,861)	(13,352)	(12,154)
Finance costs	6	(1,047)	(1,134)	(2,110)	(1,963)
Profit/(loss) before income tax	7	3,453	(930)	1,716	(3,762)
Income tax expense	8	(93)	(210)	(161)	(210)
Profit/(loss) and total comprehensive income for the period		3,360	(1,140)	1,555	(3,972)
Profit/(loss) and total comprehensive income for the period attributable to:					
Owners of the Company		2,948	(1,322)	1,207	(4,103)
Non-controlling interests		412	182	348	131
		3,360	(1,140)	1,555	(3,972)
Earnings/(loss) per share					
– Basic and diluted (HK cents)	10	0.34	(0.16)	0.14	(0.48)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

	NOTES	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	20,266	23,253
Right-of-use assets	11	129,308	125,459
Investment properties	11	24,154	24,154
Prepayment for acquisition of property, plant and equipment	12	1,500	300
Rental deposits	12	9,369	7,657
Deferred tax assets		6	6
<b>Total non-current assets</b>		<b>184,603</b>	180,829
Current assets			
Inventories		2,746	2,995
Trade and other receivables	12	8,725	9,796
Tax recoverable		322	342
Bank balances and cash		1,912	2,077
<b>Total current assets</b>		<b>13,705</b>	15,210
Current liabilities			
Trade and other payables	13	22,606	20,124
Bank borrowings	14	55,738	57,954
Other borrowings	15	–	1,900
Lease liabilities	11	33,601	30,391
Tax payable		904	948
<b>Total current liabilities</b>		<b>112,849</b>	111,317
<b>Net current liabilities</b>		<b>(99,144)</b>	(96,107)
<b>Total assets less current liabilities</b>		<b>85,459</b>	84,722
Non-current liabilities			
Trade and other payables	13	1,068	982
Lease liabilities	11	65,392	66,296
Deferred tax liabilities		493	493
<b>Total non-current liabilities</b>		<b>66,953</b>	67,771
<b>NET ASSETS</b>		<b>18,506</b>	16,951
Share capital and reserves			
Share capital	16	8,600	8,600
Reserves		4,248	3,041
		<b>12,848</b>	11,641
Non-controlling interests		5,658	5,310
<b>TOTAL EQUITY</b>		<b>18,506</b>	16,951

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company						Total	Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Special reserve	Other reserve	Accumulated loss			
	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000 (Note c)	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2022 (audited)	8,600	57,060	6,065	(8,093)	(1,347)	(50,644)	11,641	5,310	16,951
Profit and total comprehensive income for the period	-	-	-	-	-	1,207	1,207	348	1,555
<b>At 30 September 2022 (unaudited)</b>	<b>8,600</b>	<b>57,060</b>	<b>6,065</b>	<b>(8,093)</b>	<b>(1,347)</b>	<b>(49,437)</b>	<b>12,848</b>	<b>5,658</b>	<b>18,506</b>
At 1 April 2021 (audited)	8,600	57,060	6,065	(8,093)	(1,347)	(40,382)	21,903	5,498	27,401
Loss and total comprehensive income for the period	-	-	-	-	-	(4,103)	(4,103)	131	(3,972)
At 30 September 2021 (unaudited)	8,600	57,060	6,065	(8,093)	(1,347)	(44,485)	17,800	5,629	23,429

Notes:

- (a) The capital reserve represents the difference between the value of the consideration paid for the acquisition of additional interest in subsidiaries and the nominal value of the issued ordinary shares of Bar Pacific Group Limited ("**Bar Pacific BVI**"), a subsidiary of Bar Pacific Group Holdings Limited (the "**Company**").
- (b) Pursuant to a group reorganisation (the "**Reorganisation**") in preparation for the listing of the Company's shares (the "**Shares**") on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Company became the holding company of the companies now comprising the Group on 15 December 2016 with the issue of shares of the Company to acquire Bar Pacific BVI from the then shareholders.

Special reserve represents the difference between the entire issued share capital of Bar Pacific BVI and the consideration for acquiring Bar Pacific BVI by the Company pursuant to the Reorganisation completed on 15 December 2016.

- (c) Other reserves represent the difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received due to the changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries other than set out in note (a) above.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<b>13,641</b>	9,572
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<b>(1,341)</b>	(5,806)
Deposits paid for acquisition of property, plant and equipment	<b>(1,500)</b>	–
Addition/modification of right-of-use assets	<b>(1)</b>	–
NET CASH USED IN INVESTING ACTIVITIES	<b>(2,842)</b>	(5,806)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	<b>13,406</b>	20,106
Repayment of bank and other borrowings	<b>(17,522)</b>	(12,758)
Interest paid	<b>(2,110)</b>	(1,963)
Repayment of principal portion of lease liabilities	<b>(15,103)</b>	(15,344)
Government subsidy received	<b>10,365</b>	7,800
NET CASH USED IN FINANCING ACTIVITIES	<b>(10,964)</b>	(2,159)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<b>(165)</b>	1,607
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<b>2,077</b>	3,512
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<b>1,912</b>	5,119

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 1. GENERAL INFORMATION

Bar Pacific Group Holdings Limited is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of the Stock Exchange. The addresses of the Company's registered office and principal place of business are Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and Room D2, 11/F, Phase 2, Hang Fung Industrial Building, 2G Hok Yuen Street, Hungghom, Kowloon, Hong Kong, respectively.

The Company's immediate holding company and ultimate holding company are Moment to Moment Company Limited and Harneys Trustees Limited, respectively. Both companies are incorporated in the British Virgin Islands ("BVI").

The Company and its subsidiaries (the "**Group**") are principally engaged in operation of chain of bars and restaurants in Hong Kong under brands "Bar Pacific", "Katachi", "Moon Ocean" and "Pacific" and property investments in Hong Kong.

The unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2022 (the "**Period**") are presented in Hong Kong dollars ("**HK\$**"), which is also the same as the functional currency of the Company.

The Group's revenue is mainly generated from operation of bars. The outbreak of the COVID-19 pandemic and the related anti-epidemic measures implemented by the Government of Hong Kong Special Administrative Region ("**HKSAR**"), including temporary closure of bars and pubs, requirements on vaccination and negative rapid antigen test result of patrons, reduction in seating capacity, and limiting the operating hours and maximum number of patrons per table had significantly impacted the Group's business and operation during the Period. During the Period, no revenue was generated from the Group's operation of bars for the periods from 1 April 2022 to 18 May 2022, when all bars and pubs in Hong Kong were shut down under the government-imposed restrictions. On 14 June 2022, the Government of HKSAR announced that patrons are required to present proof of a negative antigen result within 24 hours before entering bars and pubs.

As at 30 September 2022, the Group breached a covenant of its bank borrowings amounting to HK\$47,489,000.

The above events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. Such requirements remain effective thereafter.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 1. GENERAL INFORMATION (Continued)

For the purpose of assessing the appropriateness of the use of going concern basis in preparing these unaudited 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 have taken into account the past performance of the Group, the latest anti-pandemic measures implemented by the Government of HKSAR, and the following plans and measures taken by the 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\$47,489,000 and in discussion with the bank to maintain the existing banking loan facilities, the management expects that the Group would be able to maintain such banking loan facilities as last year. 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 HKMC Insurance Limited (“**HKMCI Limited**”) and the loans under such scheme are fully guaranteed by the Government of HKSAR and the personal guarantees from Ms. Tse Ying Sin Eva (“**Ms. Tse**”), Ms. Chan Tsz Kiu Teresa, Ms. Chan Ching Mandy and Ms. Chan Tsz Tung, the executive directors of the Company and Mr. Chan Wai (“**Mr. Chan**”), who is deemed to be interested in the shares held by the Company’s substantial shareholder in accordance with the Hong Kong Securities and Futures Ordinance (“**SFO**”). The Group expects that loans of approximately HK\$21,100,000 which meet the application criteria of the Government of HKSAR under such scheme will be available to the Group over the period covered by the Forecast; and

In addition to the above, Ms. Tse and Mr. Chan, who are deemed to be interested in the shares held by the Company’s substantial shareholders in accordance with the SFO, have 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 believe that it is appropriate to prepare the unaudited condensed consolidated financial statements of the Group for the Period 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 unaudited condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### (a) Application of new and amendments to HKFRSs

The following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are adopted for the first time for the current accounting period of the Group:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the new and amendments to HKFRSs has had no material effect on the amounts reported in the unaudited condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

### (b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the unaudited condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Disclosure of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these new or amended HKFRSs is expected to be in the period of initial application. Except as described below, the Directors of the Company concluded that the adoption of these new/revised HKFRSs will have no material impact on the Group’s financial statements.

#### Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Consequently, entities will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on these transactions.

The Directors are currently assessing the impact that the application of the amendments will have on the Group’s condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 3. BASIS OF PREPARATION

The interim financial information has been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and interpretation issued by HKICPA and the applicable disclosure requirements required by the GEM Listing Rules. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs. The interim financial information also comply with applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the interim financial information for the Period are the same as those applied in the preparation of the audited consolidated financial statements for the year ended 31 March 2022 (the “**Year 2022**”).

These consolidated financial statements for the Period have not been reviewed or audited by the Company’s independent auditors, but have been reviewed by the audit committee of the Board (the “**Audit Committee**”).

## 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.

### Business segment

The following is an analysis of the Group’s revenue and results by operating and reportable segments for the six months ended 30 September 2022 and 2021:

#### For the six months ended 30 September 2022

	Operation of bars and restaurants HK\$’000 (unaudited)	Property investment HK\$’000 (unaudited)	Inter-segment elimination HK\$’000 (unaudited)	Consolidated HK\$’000 (unaudited)
<b>Revenue</b>				
Revenue from external customers	70,778	376	–	71,154
Revenue from inter-segment	–	971	(971)	–
Reportable segment revenue	70,778	1,347	(971)	71,154
Reportable segment results	2,280	336	–	2,616
<b>Unallocated:</b>				
Interest income from rental deposits				1
Corporate and other unallocated expenses				(9)
Depreciation of property, plant and equipment				(10)
Depreciation of right-of-use assets				(268)
Finance costs				(614)
Profit before income tax				1,716

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### Business segment (Continued)

For the six months ended 30 September 2021

	Operation of bars and restaurants HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Inter-segment elimination HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
<b>Revenue</b>				
Revenue from external customers	46,424	303	–	46,727
Revenue from inter-segment	–	971	(971)	–
Reportable segment revenue	46,424	1,274	(971)	46,727
Reportable segment results	(3,173)	216	–	(2,957)
<b>Unallocated:</b>				
Interest income from rental deposits				1
Corporate and other unallocated expenses				(1)
Depreciation of property, plant and equipment				(43)
Depreciation of right-of-use assets				(114)
Finance costs				(648)
Loss before income tax				(3,762)

### As at 30 September 2022

	Operation of bars and restaurants HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
<b>Assets</b>				
Reportable segment assets	170,989	24,180	3,139	198,308
<b>Liabilities</b>				
Reportable segment liabilities	(123,959)	(705)	(55,138)	(179,802)
Reportable segment net assets	47,030	23,475	(51,999)	18,506

As at 31 March 2022

	Operation of bars and restaurants HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
<b>Assets</b>				
Reportable segment assets	168,261	24,197	3,581	196,039
<b>Liabilities</b>				
Reportable segment liabilities	(121,073)	(661)	(57,354)	(179,088)
Reportable segment net assets	47,188	23,536	(53,773)	16,951

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### Other information

For the six months ended 30 September 2022

	Operation of bars and restaurants HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Interest income	–	–	–	–
Interest income from rental deposits	130	–	1	131
Finance costs	1,496	–	614	2,110
Purchase of property, plant and equipment	1,641	–	–	1,641
Addition of right-of-use assets	8,984	–	–	8,984
Depreciation of property, plant and equipment	4,618	–	10	4,628
Depreciation of right-of-use assets	15,085	–	268	15,353

For the six months ended 30 September 2021

	Operation of bars and restaurants HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Interest income	–	–	–	–
Interest income from rental deposits	130	–	1	131
Finance costs	1,315	–	648	1,963
Purchase of property, plant and equipment	6,249	–	–	6,249
Addition of right-of-use assets	21,551	–	–	21,551
Depreciation of property, plant and equipment	3,761	–	43	3,804
Depreciation of right-of-use assets	10,815	–	114	10,929

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### Geographical information

No geographical information is shown as the revenue and profit from operations of the Group are all derived from its activities in Hong Kong and all the Group's non-current assets are located in Hong Kong.

### Information about major customers

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

### Disaggregation of revenue

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
<b>Revenue from contracts with customers under HKFRS 15</b>				
<b>Operation of bars and restaurants</b>				
Sales of food, beverages and light refreshments	47,003	36,878	68,794	44,965
Electronic dart machines	1,402	1,171	1,984	1,459
	<b>48,405</b>	38,049	<b>70,778</b>	46,424
<b>Revenue from other sources</b>				
<b>Property investment</b>				
Rental income from investment properties	189	183	376	303
	<b>48,594</b>	38,232	<b>71,154</b>	46,727
<b>By timing of revenue recognition under HKFRS 15</b>				
A point in time	<b>48,405</b>	38,049	<b>70,778</b>	46,424

### Performance obligations for contracts with customers

#### 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 who has the ability to direct the use of the goods and services and obtains 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 5. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Government subsidies	1,625	300	7,605	8,100
Sponsorship income	348	32	368	865
Interest income from rental deposits	62	67	131	131
Others	1,277	478	1,319	1,022
	<b>3,312</b>	877	<b>9,423</b>	10,118

## 6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Interest on lease liabilities	644	775	1,331	1,267
Interest on bank borrowings	403	346	774	668
Interest on other borrowings (Note)	–	13	5	28
	<b>1,047</b>	1,134	<b>2,110</b>	1,963

Note: Shareholder loan amounted to HK\$1,900,000 as at 31 March 2022 is interest-bearing at 2% per annum and unsecured. It was fully settled on 13 June 2022.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

Profit/(loss) before income tax is arrived at after charging/(crediting):

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Auditor's remuneration (included in other operating expenses)	340	410	600	660
Gross rental income from investment properties	(189)	(183)	(376)	(303)
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	5	15	27	44
	<b>(184)</b>	(168)	<b>(349)</b>	(259)
Cost of inventories recognised as an expense	12,927	10,644	18,530	12,492
Depreciation of property, plant and equipment	1,930	1,990	4,628	3,804
Depreciation of right-of-use assets	8,307	5,907	15,353	10,929
Operating lease payments (included in property rentals and related expenses)				
– Practical expedient in respect of				
– Low-value lease expenses	–	24	27	24
– Short-term lease expenses	670	571	803	798
	<b>670</b>	595	<b>830</b>	822
COVID-19-related rent concessions	(391)	(31)	(1,652)	(1,045)
Directors' remuneration	440	519	990	1,050
Other staff costs				
– Salaries and other benefits	13,888	10,062	22,287	16,170
– Retirement benefit scheme contribution	499	597	820	874
Total staff costs	<b>14,827</b>	11,178	<b>24,097</b>	18,094
Other operating expenses				
– Cleaning expenses	810	645	1,206	742
– License fees	182	529	809	1,215
– Repair and maintenance	1,431	1,130	2,205	1,858
– Bank and credit card handling charge	601	415	975	650
– Utilities	1,572	1,664	2,155	2,243

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 8. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
The taxation charge comprises:				
Hong Kong Profits Tax				
– Current period	<b>93</b>	210	<b>161</b>	210

Under the two-tiered profits tax 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 regime will continue to be taxed at a flat rate of 16.5%.

## 9. DIVIDENDS

The board of Directors (“**Board**”) has resolved not to declare the payment of any interim dividend for the Period (for the six months ended 30 September 2021: Nil).

## 10. EARNINGS/(LOSS) PER SHARE

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Earnings/(loss) for the period attributable to owners of the Company for the purpose of calculating basic earnings/(loss) per share	<b>2,948</b>	(1,322)	<b>1,207</b>	(4,103)
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<b>860,000</b>	860,000	<b>860,000</b>	860,000
Basic and diluted earnings/(loss) per share (HK cents)	<b>0.34</b>	(0.16)	<b>0.14</b>	(0.48)

No diluted earnings/(loss) per share is presented as there were no dilutive potential ordinary shares in issue during the periods.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

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

During the current period, the Group renewed/entered into certain new lease agreements for 2 to 6 years, which is mainly for chain bars and restaurants operation. 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 approximately HK\$8,984,000 (six months ended 30 September 2021: HK\$21,551,000) and lease liabilities of approximately HK\$8,920,000 (six months ended 30 September 2021: HK\$21,275,000).

Pursuing to the orders of compulsory shut-down of all the bars and pubs (the "**Mandatory Closure**") which were imposed by the Hong Kong Government during these four periods: from 3 April to 7 May 2020, from 15 July to 18 September 2020, from 26 November 2020 to 28 April 2021 and from 1 April 2022 to 18 May 2022 (the "**Mandatory Closure Periods**"), the Group had to pause its operation of bars. Given the fact that no revenue being generated in such periods, certain lessors of the bars granted the Group rent concessions through rent reductions ranging from 5% to 50% over 2 to 6 months (six months ended 30 September 2021: 5% to 50% over 2 to 6 months).

These rent concessions occurred as a direct consequence of COVID-19 pandemic and met all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. During the current period, the effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of approximately HK\$1,652,000 (six months ended 30 September 2021: HK\$1,045,000) were recognised as negative variable lease payments.

### Investment properties

The fair values of the Group's investment properties as at 30 September 2022 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 not suggested to recognise fair value loss of the investment properties for the current period.

As at 31 March 2022, the fair value of the Group's investment properties have been arrived at on market value carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, which is an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

### Property, plant and equipment

During the current period, the Group acquired property, plant and equipment of approximately HK\$1,641,000 (six months ended 30 September 2021: HK\$6,249,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 12. TRADE AND OTHER RECEIVABLES

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Trade receivables (Note (a))	796	301
Lease receivables (Note (b))	16	32
Other receivables (Note (c))	1,241	4,058
Prepayments	3,646	807
Rental deposits	10,878	9,804
Utilities deposits	3,017	2,751
	<b>19,594</b>	17,753
<b>Less: Non-current assets</b>		
Rental deposits	<b>(9,369)</b>	(7,657)
Prepayment for acquisition of property, plant and equipment	<b>(1,500)</b>	(300)
Amount shown as current assets	<b>8,725</b>	9,796

Notes:

**(a) Trade receivables**

As at 30 September 2022 and 31 March 2022, trade receivables from contracts with customers amounted to HK\$796,000 and HK\$301,000, respectively.

The Group's sales are mainly on cash or credit card settlement. As at 30 September 2022 and 31 March 2022, the Group's trade receivables mainly represents credit card sales receivable from financial institutions. None of the Group's trade receivables was individually and/or collectively using a provision matrix with appropriate grouping considered to be impaired. The Group does not hold any collateral over these balances.

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

**(b) Lease receivables**

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

**(c) Other receivables**

As at 30 September 2022 and 31 March 2022, other receivables included the government subsidy receivables of Nil and HK\$2,760,000, respectively.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 13. TRADE AND OTHER PAYABLES

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
<b>Current:</b>		
Trade payables	9,396	7,200
Salary accruals and payables	1,878	366
Other accruals and payables (Note)	10,995	12,166
Rental deposits received	40	–
Provision for reinstatement costs	297	392
	<b>22,606</b>	20,124
<b>Non-current:</b>		
Rental deposits received	132	141
Provision for reinstatement costs	936	841
	<b>1,068</b>	982

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 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
0 to 30 days	3,800	–
31 to 60 days	3,301	11
61 to 90 days	1,666	1,106
91 to 120 days	466	3,865
121 to 180 days	88	2,173
Over 180 days	75	45
	<b>9,396</b>	7,200

Note: As at 30 September 2022, other accruals and payables included accrued lease payments of HK\$5,648,000 (as at 31 March 2022: HK\$7,120,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 14. BANK BORROWINGS

During the period, the Group obtained new bank loans amounting to Nil (six months ended 30 September 2021: HK\$17,106,000). The bank loans carry interest at effective interest rates of 2.5% to 3.1% per annum (six months ended 30 September 2021: 2.0% to 3.2% per annum). The proceeds were used to finance the daily operation of the Group.

As at 30 September 2022, the Group had bank borrowings amounting to HK\$55,738,000 (31 March 2022: HK\$57,954,000) out of which HK\$39,437,000 (31 March 2022: HK\$44,658,000) is due over one year based on the repayment schedule but the lender has the unconditional right to demand repayment at any time at its own discretion and therefore these borrowings are classified as current liabilities in the condensed consolidated financial statement.

The banking facilities contain various covenants which include the maintenance of specified financial ratios. In respect of the Group's bank borrowings in an aggregate amount of HK\$47,489,000 as at 30 September 2022 (31 March 2022: HK\$49,357,000), the Group is required to comply with, among others, the covenant that restricts the Group to maintain net worth of the Group at HK\$30 million (31 March 2022: HK\$30 million) at all times.

Same as the three months ended 30 June 2022, the Directors were aware that the Group's net worth fell below HK\$30 million and did not strictly comply with the aforesaid covenant. The Group has been in discussion with the bank about the breach and to maintain the existing banking facilities.

## 15. OTHER BORROWINGS

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Other borrowings	–	1,900

As at 30 September 2022, other borrowings amounted to Nil (31 March 2022: HK\$1.9 million). The amount of HK\$1.9 million owed by the Company as at 31 March 2022 was due to Mr. Chan and was interest-bearing at 2% per annum, unsecured and repayable within 1 year. It was fully settled on 13 June 2022.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 16. SHARE CAPITAL

	Number of shares	Share capital HK\$
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 1 April 2021, 30 September 2021, 31 March 2022 and 30 September 2022	10,000,000,000	100,000,000
<b>Issued and fully paid:</b>		
At 1 April 2021, 30 September 2021, 31 March 2022 and 30 September 2022	860,000,000	8,600,000

## 17. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in these condensed consolidated financial statements, the Group had the following related party transactions during the period:

- During the period, the Group paid interest expenses of approximately HK\$5,000 in respect of its other borrowing from Mr. Chan, who is deemed to be interested in the shares held by the Company's substantial shareholder in accordance with the SFO (Note 15).
- The remuneration paid or payable to the key management personnel, which are the executive directors during the Period, is set out below. The remuneration of key management personnel was determined with reference to the performance of the individuals and market trends.

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Fees, salaries and other benefits	964	797
Retirement benefit scheme contributions	26	24
	<b>990</b>	821

## 18. CAPITAL COMMITMENTS

As at 30 September 2022, the Group had capital commitments of approximately HK\$1.7 million (31 March 2022: approximately HK\$1.3 million).

# 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 2022, we operated 47 bars/restaurants throughout Hong Kong. During the Period, we opened one new cocktail bar located in Tsim Sha Tsui 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 located in Causeway Bay, and “Katachi” is a skewer restaurant and bar.

## FINANCIAL REVIEW

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

The revenue amounted to HK\$70.8 million for the Period, as compared to HK\$46.4 million for the corresponding period (the “**Previous Period**”), representing a rise of 52.6%. Such increase was mainly due to gradually stabilised of COVID-19 situation in the Group’s operating region during the Period, as compared to the Corresponding Period. During the Period, the Hong Kong Government imposed the orders of compulsory shut-down of all the bars and pubs (the “**Mandatory Closure**”) from 1 April 2022 to 18 May 2022. The Mandatory Closure order ceased on 18 May 2022, bars and pubs could resume business from 19 May 2022.

The relevant gross profit for the Period amounted to HK\$52.2 million, in comparison to HK\$33.9 million for the Previous Period, representing an increase of 54.0%. The gross profit margin for the Period remained stable as 73.7% (Previous Period: 73.1%).

### Revenue from properties investment

The revenue increased by 24.1% to HK\$376,000 for the Period as compared to HK\$303,000 for the Previous Period.

### Other income

For the Period, other income amounted to HK\$9.4 million, as compared to HK\$10.1 million for the Previous Period, representing a decrease of 6.9%. Such decrease was mainly due to the reduction of the subsidies received by the Group under the Catering Business (Social Distancing) Subsidy Scheme launched by the Food and Environmental Hygiene Department of the Hong Kong Government, which amounted to approximately HK\$7.6 million for the Period (Previous Period: HK\$8.1 million), representing a decrease of 6.1%.

### Staff costs

Staff costs represent wages, salaries, bonuses, retirement benefit costs and other allowances paid or payable to all Directors and staffs of the Group, which amounted to HK\$24.1 million for the Period, as compared to HK\$18.1 million for the Previous Period, representing an increase of 33.2%. Staff costs increased since the Group hired more number of staffs due to the increase in number of restaurants/bars during the Period and the resumption of business after the cessation of Mandatory Closure.

### 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 increased to approximately HK\$4.6 million for the Period from approximately HK\$3.8 million for the Previous Period, representing an increase of approximately 21.1%. Such increase was primarily attributed to the expansion of business during the Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW *(Continued)*

### Depreciation of right-of-use assets

The depreciation charged on the right-of-use assets amounted to HK\$15.4 million for the Period, in comparison to HK\$10.9 million for the Previous Period, representing an increase of 41.3% 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\$2.4 million as compared to HK\$2.2 million for the Previous Period, representing a increase of 9.1%.

### Other operating expenses

For the Period, other operating expenses increased by 9.8% to HK\$13.4 million from HK\$12.2 million for the Previous Period, since the Group operated more bars and restaurants during the Period.

### Finance costs

Finance costs represented interest paid or payable on bank loans, lease liabilities and other borrowings, which amounted to HK\$2.1 million for the Period, in comparison to HK\$2.0 million for the Previous Period, representing an increase of 5.0%. The main reason for the increase in finance costs for the Period was due to the increase in interest rate.

### Taxation

The total tax expenses for the Period amount to approximately HK\$161,000 (Previous Period: HK\$210,000).

### Capital commitments

As at 30 September 2022, the Group had capital commitments of approximately HK\$1,700,000 (as at 31 March 2022: HK\$1,300,000).

### Contingent liabilities

The Group did not have any contingent liabilities as at 30 September 2022 (as at 31 March 2022: 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:

Assets	Net carrying amount	
	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Building	4,623	4,709
Right-of-use assets – leasehold land	45,245	46,094
Investment properties	24,154	24,154
	<b>74,022</b>	74,957

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW *(Continued)*

### 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 solely 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 2022, the Group had 420 employees (as at 30 September 2021: 390 employees). Total staff costs (including Directors' remuneration) were approximately HK\$24.1 million for the Period (Previous Period: HK\$18.1 million). Remuneration is determined by 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 adopted a share option scheme on 17 December 2016 to provide incentives to the directors, employees and eligible participants of the Group. Since its adoption, no options have been granted or agreed to be granted, and therefore, there were no outstanding options as at 30 September 2022 (as at 30 September 2021: Nil).

### Significant investment

There was no significant investment by the Group with a value at 5% or more of the Group's total assets as at 30 September 2022, 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 and joint venture during the Period.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	30 September 2022 (unaudited)	31 March 2022 (audited)
Cash and cash equivalents	HK\$1.9 million	HK\$2.1 million
Bank borrowings	HK\$55.7 million	HK\$58.0 million
Unutilised banking facilities	HK\$4.8 million	HK\$4.8 million
Gearing ratio	826%	911%

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

As at 30 September 2022, the Group had total bank borrowings of approximately HK\$55,738,000 (31 March 2022: HK\$57,954,000) with maturity ranging from 60 days to 7 years. The interest rate is charged based on floating rate.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FOREIGN CURRENCY

During the Period, the transactions of the Group were 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 ride on its raised profile upon its listing and maintain its core business of bar operation and its existing branding strategy, targeting the mass market, to increase its market share in Hong Kong. With the existing client base garnered over the years, the Group will continue leverage on its extensive network in Hong Kong. Currently, we are operating 47 bars & restaurants under four different bands. Our management is confident about this business and the Group intends to further expand our network for upcoming year.

Given the continuous spreading of the COVID-19 Pandemic in Hong Kong, we will closely monitor the development of the Pandemic and the market situation and will adjust our strategies when necessary. We are confident that our management will be able to overcome the adverse impacts of the Pandemic and will strive to generate the highest possible returns for the shareholders of the Company as our business resumes normal.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DISCLOSURE OF INTERESTS

### (A) Directors' and chief executives' interests and short positions in Shares, underlying shares and debentures of the Company and its associated corporations

As at 30 September 2022, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register required to be kept; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

#### Interests in the Company

##### Long position in the Shares

Name of Directors	Capacity/Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital in the Company (Note 3)
Ms. Chan Tsz Kiu Teresa ("Ms. TK Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Tsz Tung ("Ms. TT Chan") (Note 1)	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Ching Mandy ("Ms. C Chan") (Note 2)	Interest of controlled corporation	431,543,700	50.18%
Ms. Tse Ying Sin Eva ("Ms. Tse") (Note 1)	Beneficiary of a trust Beneficial owner	431,543,700 12,094	50.18% 0.00%

Notes:

1. Moment to Moment Company Limited ("Moment to Moment") held 431,543,700 Shares, representing approximately 50.18% of the issued share capital in the Company. The sole shareholder of Moment to Moment is Harneys Trustees Limited ("Harneys"), the trustee of the Bar Pacific Trust, of which Ms. TK Chan, the chairlady of the Board (the "Chairlady"), her mother, Ms. Tse and her sister, Ms. TT Chan are beneficiaries. Ms. TK Chan, Ms. TT Chan and Ms. Tse were deemed to be interested in the Shares held by Moment to Moment under the SFO.
2. Pursuant to a deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. C Chan is the protector of the Bar Pacific Trust, and Harneys is required to exercise the voting rights in any company which the fund of the Bar Pacific Trust is invested in accordance with the joint written instruction from the protector (i.e. Ms. C Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Ms. C Chan was deemed to be interested in the Shares held by Moment to Moment under the SFO.
3. The percentages of shareholding interest in the Company shown in the table above are calculated on the basis of 860,000,000 Shares in issue as at 30 September 2022.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DISCLOSURE OF INTERESTS *(Continued)*

### (A) Directors' and chief executives' interests and short positions in Shares, underlying shares and debentures of the Company and its associated corporations *(Continued)*

#### Interests in associated corporation of the Company

#### Long position in the shares of the associated corporation

Name of Directors	Name of associated corporation	Capacity/Nature of interest	Number of shares interested <i>(note)</i>	Percentage of shareholding interested <i>(note)</i>
Ms. TK Chan	Moment to Moment	Beneficiary of a trust	1	100%
Ms. TT Chan	Moment to Moment	Beneficiary of a trust	1	100%
Ms. C Chan	Moment to Moment	Interest of a controlled corporation	1	100%
Ms. Tse	Moment to Moment	Beneficiary of a trust	1	100%

Note: The sole shareholder of Moment to Moment is Harneys. Please refer to column "Capacity/Nature of interest" for details of capacity or nature of interest of each Director.

Save as disclosed above and so far as the Directors are aware, as at 30 September 2022, none of the Directors and the chief executives of the Company had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the Register, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DISCLOSURE OF INTERESTS *(Continued)*

### (B) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares of the Company

So far as the Directors are aware of, as at 30 September 2022, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the Register required to be kept under section 336 of the SFO (the "**Substantial Shareholders' Register**"), or who were directly or indirectly interested in 5% or more of the issued voting Shares:

#### Long position in the Shares

Name of substantial shareholders	Capacity/Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital in the Company <i>(Note 3)</i>
Moment to Moment <i>(Note 1)</i>	Beneficial owner	431,543,700	50.18%
Harneys <i>(Note 1)</i>	Trustee (other than a bare trustee)	431,543,700	50.18%
Mr. Chan Wai (" <b>Mr. Chan</b> ") <i>(Note 2)</i>	Beneficiary of a trust Beneficial owner	431,543,700 24,925,038	50.18% 2.90%

Notes:

- Moment to Moment held 431,543,700 Shares, representing approximately 50.18% of the issued share capital of the Company. The sole shareholder of Moment to Moment is Harneys, the trustee of the Bar Pacific Trust, of which Ms. TK Chan and her mother Ms. Tse, are the first batch of beneficiaries (Please refer to note 2 below). Pursuant to a deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. C Chan is the protector of the Bar Pacific Trust, and Harneys is required to exercise the voting rights in any company the fund of the Bar Pacific Trust is invested in accordance with the joint written instruction from the protector (i.e. Ms. C Chan) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Each of Harneys, Ms. TK Chan, Ms. C Chan and Ms. Tse was deemed to be interested in the Shares held by Moment to Moment under the SFO.
- On 7 June 2018, Mr. Chan and Ms. TT Chan became the beneficiaries of Bar Pacific Trust. Hence, both Mr. Chan and Ms. TT Chan were also deemed to be interested in the 431,543,700 Shares held by Moment to Moment under the SFO. In addition, Mr. Chan directly held 24,925,038 Shares.
- The percentage of shareholding interest in the Company shown in the table above are calculated on the basis of 860,000,000 Shares in issue as at 30 September 2022.

Save as disclosed above, as at 30 September 2022, the Directors were not aware of any persons who/entities which had any interest or short position in the Shares or underlying Shares that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the Substantial Shareholders' Register required to be kept under section 336 of the SFO.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Period, none of the Directors of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those businesses of which the Director were appointed as Directors to represent the interests of the Company and/or the Group.

## CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the important roles of its Board in providing effective leadership and direction to the Group's business, and ensuring transparency and accountability of the Company's operations. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

During the Period and up to 30 September 2022, the Company has adopted and complied with all applicable code provisions as set out in the Corporate Governance Code as contained in Part 2 of Appendix 15 to the GEM Listing Rules (the "**CG Code**") with the exception that the roles of the Chairlady and the Chief Executive Officer have not been segregated as required by code provision C.2.1 of the CG Code prior to the appointment of Ms. TK Chan as the Chairlady and the executive Director on 12 August 2022 (the "**Appointment**"). During the period that Ms. Tse served as both the Chairlady and the Chief Executive Officer, the Company is of the view that it is in the best interests of the Company that Ms. Tse, with her profound expertise in bar and restaurant businesses, served the Company in such dual capacity. The Company has complied with all applicable code provisions as set out in the CG Code since the Appointment.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct governing the securities transactions by the Directors for the Period. Having made specific enquiries by the Company with each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings for the Period.

## 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 such securities.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Scheme**") on 17 December 2016 (the "**Adoption Date**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the Adoption Date and therefore, there was no share option outstanding as at 30 September 2022 and no share options were granted, exercised, or cancelled or lapsed during the Period.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

As at 30 September 2022, details of the existing banking facilities with covenants relating to specific performance of the controlling shareholder of the Company, which constituted disclosure obligation pursuant to Rule 17.20 of the GEM Listing Rules are as follows:

Date of facilities	Nature of facilities	Aggregate amount	Life of the facilities	Specific performance obligation
7 February 2022	Revolving loan facility	HK\$4,000,000	No fixed term but subject to review and will continue up to and including 15 May 2023	Note
8 July 2022	Term loan facility, revolving loan facility and combined facility	HK\$48,893,000	– ditto –	Note

Note: Ms. Tse, an Executive Director and the CEO, (i) will serve as the Chairlady; (ii) is actively involved in the management and business of the Group; (iii) remains as the single major Shareholder through beneficial ownership, controlled corporation, trust or other means; and (iv) the Tangible Net Worth (as defined in the relevant facility letters) of the Company will be maintained at a minimum level of HK\$30 million at all times.

Except for disclosed above, the Group had no other circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules as at 30 September 2022.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## AUDIT COMMITTEE

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 17 December 2016 in compliance with Rule 5.28 of the GEM Listing Rules. The written terms of reference in compliance with code provisions D.3.3 and D.3.7 of the CG Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of external auditor; review financial statements of the Company and provide advice and comments in respect of financial reporting; and oversee the effectiveness of the procedures of the internal control of the Group.

The Audit Committee consists of three independent non-executive Directors (the “INEDs”), namely Mr. Chan Chun Yeung Darren, Mr. Chin Chun Wing and Mr. Tang Wing Lam David. Mr. Chan Chun Yeung Darren is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the Period and this interim report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

## SUBSEQUENT EVENTS

No material events were undertaken by the Group subsequent to 30 September 2022 and up to the date of approval of this report.

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

Hong Kong, 7 November 2022

*As at the date of this report, the executive Directors are Ms. Chan Tsz Kiu Teresa (Chairlady), Ms. Tse Ying Sin Eva (CEO), 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.*