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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)

THIRD QUARTERLY RESULTS, INTERIM DIVIDEND AND CLOSURE OF MEMBERS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

The board of directors (the “**Board**”) of Bar Pacific Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the nine months ended 31 December 2017. The unaudited results have been reviewed by the Company’s auditor, Deloitte Touche Tohmatsu, and the Company’s audit committee and approved by the Board on 12 February 2018. This announcement, containing the full text of the 2017/18 third quarterly report of the Company, complies with the relevant requirements of The Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on The Growth Enterprises Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcement of quarterly results. Printed version of the Company’s 2017/18 third quarterly 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 and of the Company at www.barpacific.com.hk on 15 February 2018.

The Board is pleased to announce that the Interim Dividend will be payable on Monday, 19 March 2018 to the shareholders of the Company (the “**Shareholder(s)**”) whose names appear on the register of members of the Company on Thursday, 1 March 2018.

The register of members of the Company will be closed on Thursday and Friday, 1 March 2018 to 2 March 2018, on which no transfer of shares of the Company will be effected. In order for a Shareholder to qualify for the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 28 February 2018.

By order of the Board
Bar Pacific Group Holdings Limited
Tse Ying Sin Eva
Chairlady

Hong Kong, 12 February 2018

As at the date of this announcement, the Board comprises the executive directors, namely Ms. Tse Ying Sin Eva and Mr. Chan Darren Chun-Yeung; and the independent non-executive directors, namely Mr. Tang Wing Lam David, Mr. Chin Chun Wing and Mr. Yung Wai Kei.

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 of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) 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 Company Announcement” page of the GEM website (www.hkgem.com) for at least seven days from the date of its posting and on the Company’s website (www.barpacific.com.hk).

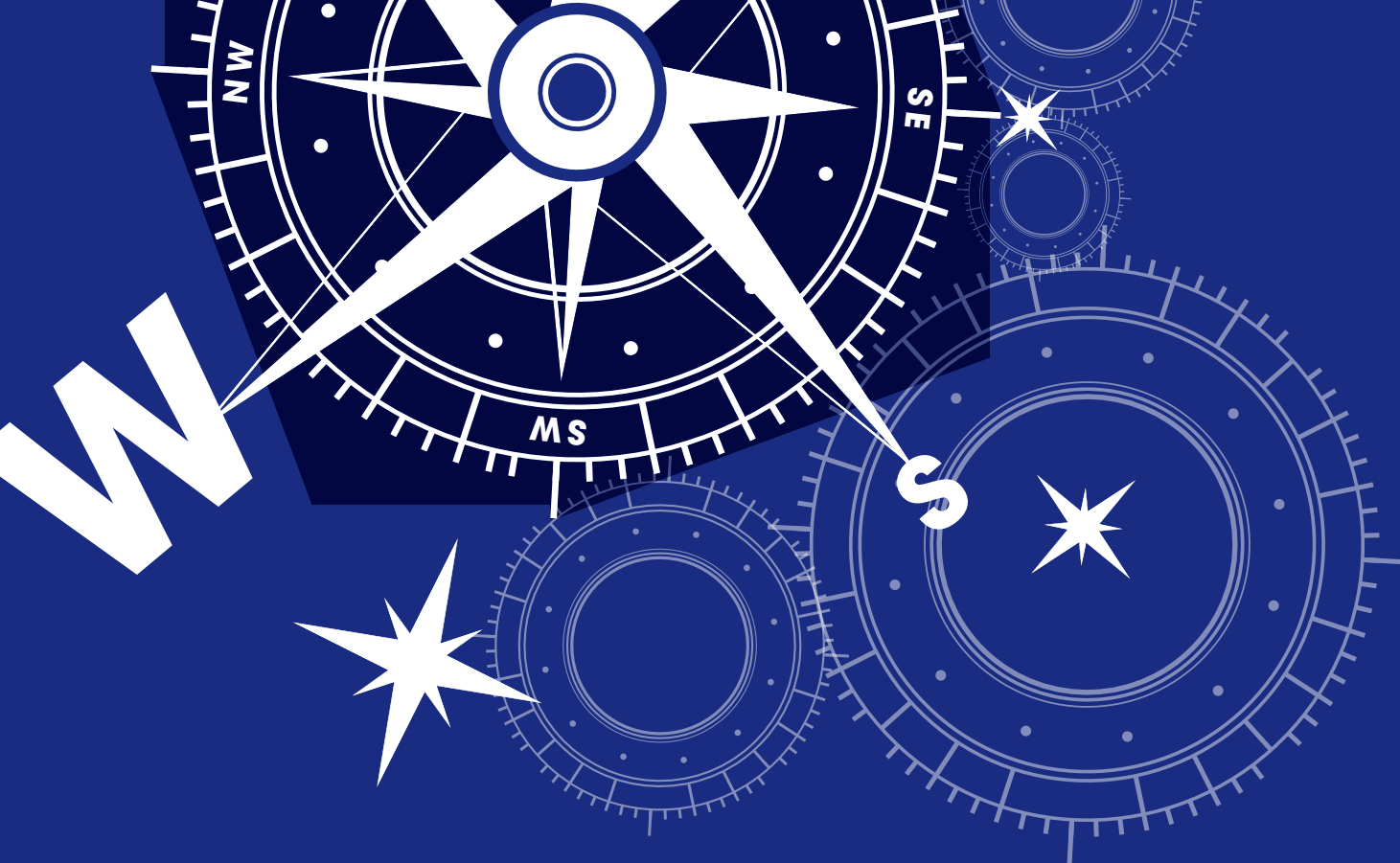
CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of 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 (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. 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.*



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Tse Ying Sin Eva
(Chairlady and Chief Executive Officer)
Mr. Chan Darren Chun-Yeung

Independent Non-Executive Directors

Mr. Tang Wing Lam David
Mr. Chin Chun Wing
Mr. Yung Wai Kei

BOARD COMMITTEES

Audit Committee

Mr. Yung Wai Kei *(Chairman)*
Mr. Chin Chun Wing
Mr. Tang Wing Lam David

Remuneration Committee

Mr. Chin Chun Wing *(Chairman)*
Ms. Tse Ying Sin Eva
Mr. Yung Wai Kei

Nomination Committee

Ms. Tse Ying Sin Eva *(Chairlady)*
Mr. Chin Chun Wing
Mr. Yung Wai Kei

COMPANY SECRETARY

Mr. Chan Darren Chun-Yeung

COMPLIANCE OFFICER

Mr. Chan Darren Chun-Yeung

AUTHORISED REPRESENTATIVES

Ms. Tse Ying Sin Eva
Mr. Chan Darren Chun-Yeung

AUDITOR

Deloitte Touche Tohmatsu

COMPLIANCE ADVISER

LY Capital Limited *(ceased with effect from
1 November 2017)*
Red Solar Capital Limited *(appointed with effect from
1 November 2017)*

LEGAL ADVISOR (AS TO HONG KONG LAWS)

King & Wood Mallesons *(ceased with effect from
17 January 2018)*
Victor Chan & Co. *(appointed with effect from
17 January 2018)*

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
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

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

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

COMPANY'S WEBSITE

www.barpacific.com.hk
*(information on this website does not form part of
this report)*

STOCK CODE

8432

REPORT ON REVIEW OF QUARTERLY FINANCIAL INFORMATION



Deloitte.

德勤

35/F, One Pacific Place
88 Queensway
Hong Kong

TO THE BOARD OF DIRECTORS OF BAR PACIFIC GROUP HOLDINGS LIMITED

太平洋酒吧集團控股有限公司

(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the quarterly financial information of Bar Pacific Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 4 to 9, which comprise the condensed consolidated statement of profit or loss and other comprehensive income and statement of changes in equity for the nine-month period ended 31 December 2017, and other explanatory notes. The directors are responsible for the preparation and presentation of this quarterly financial information. Our responsibility is to express a conclusion on the quarterly financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“**HKSRE 2410**”) issued by the Hong Kong Institute of Certified Public Accountants. A review of quarterly financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the quarterly financial information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

12 February 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2017

	NOTES	Three months ended 31 December		Nine months ended 31 December	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue	3	33,927	32,290	100,242	96,125
Other income	4	125	193	1,580	703
Cost of inventories sold		(8,235)	(7,513)	(23,250)	(21,145)
Staff costs		(10,912)	(9,103)	(30,228)	(27,117)
Depreciation		(2,001)	(947)	(4,776)	(2,623)
Property rentals and related expenses		(6,781)	(6,008)	(19,556)	(17,360)
Other operating expenses		(6,394)	(5,746)	(18,669)	(17,865)
Finance costs	5	(10)	(2)	(33)	(12)
Listing expenses		–	(4,053)	–	(11,693)
(Loss) profit before taxation		(281)	(889)	5,310	(987)
Taxation	6	(319)	(616)	(1,369)	(1,908)
(Loss) profit and total comprehensive (expense) income for the period	7	(600)	(1,505)	3,941	(2,895)
(Loss) profit and total comprehensive (expense) income for the period attributable to:					
Owners of the Company		(673)	(1,774)	3,380	(3,718)
Non-controlling interests		73	269	561	823
		(600)	(1,505)	3,941	(2,895)
(Loss) earnings per share		HK cents	HK cents	HK cents	HK cents
Basic and diluted	9	(0.08)	(0.28)	0.39	(0.58)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserves HK\$'000 (Note a)	Special reserves HK\$'000 (Note c)	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2017 (audited)	8,600	57,060	6,065	(8,093)	(1,360)	1,890	64,162	6,765	70,927
Profit and total comprehensive income for the period	-	-	-	-	-	3,380	3,380	561	3,941
Acquisition of additional interests in a subsidiary	-	-	-	-	(28)	-	(28)	(22)	(50)
At 31 December 2017 (unaudited)	8,600	57,060	6,065	(8,093)	(1,388)	5,270	67,514	7,304	74,818
At 1 April 2016 (audited)	390	-	6,065	-	(1,331)	6,165	11,289	7,052	18,341
(Loss) profit and total comprehensive (expense) income for the period	-	-	-	-	-	(3,718)	(3,718)	823	(2,895)
Arising from group organisation (Note b)	(389)	8,482	-	(8,093)	-	-	-	-	-
Acquisition of additional interests in subsidiaries	-	-	-	-	(29)	-	(29)	(81)	(110)
At 31 December 2016 (unaudited)	1	8,482	6,065	(8,093)	(1,360)	2,447	7,542	7,794	15,336

Notes:

- 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**").
- Pursuant to a group reorganisation (the "**Reorganisation**") in preparation for the listing of the Company's shares on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing**"), the Company became the holding company of the companies now comprising the Group on 15 December 2016 with the issuance 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2017

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands with its shares listed on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited. The Company’s registered office address is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is Room D2, 11/F, Phase 2, Hang Fung Industrial Building, 2G Hok Yuen Street, Hung Hom, Kowloon, Hong Kong.

The principal activity of the Group is the operation of a chain of bars in Hong Kong under the brand name of Bar Pacific.

2. BASIS OF PREPARATION

The quarterly financial information has been prepared in accordance with accounting policies conform with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

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

The accounting policies and methods of computation used in the quarterly financial information for the nine months ended 31 December 2017 are the same as those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2017.

3. REVENUE AND SEGMENT INFORMATION

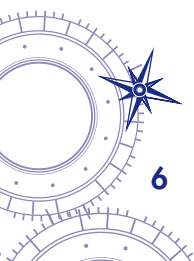
Revenue represents amounts receivable from operation of bars and net of discounts.

Operating segments are determined with reference to the reports and financial information reviewed by the 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 Group has only a single operating segment which is operation of a chain of bars in Hong Kong.

For the purpose of resource allocation and performance assessment, the CODM reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies of the Group.

No geographical information is shown as the revenue and result from operations of the Group are all derived from its activities in Hong Kong.

The Group’s customer base is diversified and no individual customer had transactions which exceeded 10% of the Group’s revenue during the period.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2017

4. OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Sponsorship income	–	–	957	92
Interest income	51	3	138	12
Others	74	190	485	599
	125	193	1,580	703

5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Interest on obligations under finance leases	10	2	33	8
Interest on bank borrowing	–	–	–	4
	10	2	33	12

6. TAXATION

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
The taxation charge comprises:				
Hong Kong Profits Tax				
– Current period	313	618	1,363	1,910
– Under(over) provision in prior periods	6	(2)	6	(2)
	319	616	1,369	1,908

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2017

7. (LOSS) PROFIT FOR THE PERIOD

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
(Loss) profit for the period has been arrived at after charging:				
Directors' remuneration	454	234	1,355	651
Other staff's salaries and other benefits	10,050	8,470	27,649	25,424
Other staff's retirements benefits scheme contributions	408	399	1,224	1,042
Total staff costs	10,912	9,103	30,228	27,117
Depreciation of property, plant and equipment				
– Owned assets	1,925	928	4,548	2,513
– Assets under finance lease	76	19	228	110
	2,001	947	4,776	2,623
Operating lease payments	6,362	5,645	18,354	16,296
Auditor's remuneration	238	265	713	715
Loss on disposal of property, plant and equipment	–	–	121	–

8. DIVIDENDS

On 12 February 2018, the board of directors of the Company proposed and declared the payment of an interim dividend of HK0.55 cents per ordinary share for the nine months ended 31 December 2017 (For the nine months ended 2016: nil per share), in an aggregate amount of HK\$4,730,000 (For the nine months ended 2016: nil). The dividend will be paid on 19 March 2018, to the shareholders whose names appear on the register of members of the Company on 1 March 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2017

9. (LOSS) EARNINGS PER SHARE

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
(Loss) earnings for the purpose of calculating basic (loss) earnings per share	(673)	(1,774)	3,380	(3,718)
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	860,000	645,000	860,000	645,000
Basic (loss) earnings per share (HK cents)	(0.08)	(0.28)	0.39	(0.58)

The weighted average number of shares for three months ended 31 December 2016 and nine months ended 31 December 2016 had been determined on the assumption that the capitalisation issue (as defined in the prospectus of the Company dated 30 December 2016), had been completed on 1 April 2015.

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

10. CAPITAL COMMITMENTS

	31 December 2017 HK\$'000 (unaudited)	31 March 2017 HK\$'000 (audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided in the condensed consolidated financial statements	900	–

11. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1 February 2018, Bar Pacific LXXIII International Limited, a subsidiary of the Group, commenced its business operation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a chained bar group offering beverages and light refreshments under the brand “Bar Pacific” in Hong Kong. The main focuses of the Group’s growth strategies lie in its networks expansion and upgrading existing shops’ facilities. During the nine months ended 31 December 2017 (the “**Review Period**”), the Group focuses on its network expansion and has opened two new shops in the last quarter of 2017 and one new shop will be open in the first quarter of 2018. In 2017, the Group completed the refurbishments of nine shops. As at 31 December 2017, we operated 34 shops at street level throughout Hong Kong.

PROSPECTS

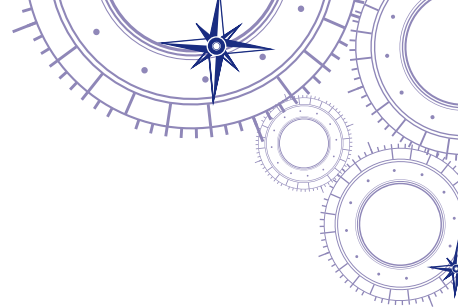
Looking ahead, the Group will ride on its recently raised profile upon its listing on GEM of the Stock Exchange in January 2017 and maintain its core business of bar operation and its existing branding strategy, targeting the mass market, to increase market share in Hong Kong. With the existing client base garnered over the years, there is a superiority to leverage on its extensive network in Hong Kong. Openings of four new shops per year are envisioned in the coming three years ending 31 March 2020. All shops are strategically located with close proximity to the residential or industrial areas rather than at prime retail location.

To attain better performance, the Group will continue to explore new sources of income such as providing breakfast, lunch and afternoon tea during non-bar operating hours to fully utilise the premises so that the profits of the Group can be maximized.

USE OF PROCEEDS

The Company’s shares (the “**Shares**”) were successfully listed on GEM of the Stock Exchange on 11 January 2017 by way of placing (the “**Placing**”). 215,000,000 Shares were placed at HK\$0.29 per Share pursuant to the Placing. The net proceeds from the Placing were about HK\$45.2 million after deduction of listing related expenses. During the Review Period, a portion of the net proceeds from the Placing was utilised and a summary of use of proceeds are set out in the table below:

	Proposed amount to be used HK\$ (million)	Proposed amount used up to 31 December 2017 HK\$ (million)	Approximate actual amount utilized up to 31 December 2017 HK\$ (million)	Changes and explanation
Expand our brand	35.5	17.8	5.7	The expansion plan was delayed as the Group could not find suitable shops for expansion. Two new shops were opened in the last quarter of 2017 and one new shop is expected to be opened in the first quarter of 2018.
Continue to upgrade our shop facilities	3.4	2.0	3.4	Renovation was speeded up to boost revenue of existing shops. As at 31 December 2017, the Group completed the refurbishment of nine shops. As proposed amount was used up, the Group will continue refurbishment on existing shops using internal generated capital.
Continue our promotion and marketing activities	3.5	2.2	0.9	Marketing events during the Review Period were co-organised with our major suppliers, major costs of such events were borne by our suppliers. Therefore, costs on marketing activities were less than proposed amount.
Total	42.4	22.0	10.0	



FINANCIAL REVIEW

Revenue

Our revenue increased from approximately HK\$96.1 million for the nine months ended 31 December 2016 (the “**Previous Period**”) to approximately HK\$100.2 million for the Review Period, representing a growth of approximately 4.3%. Such growth was primarily attributable to the opening of Shop LXXI and Shop LXXII in last quarter of 2017.

Cost of inventories sold

Cost of inventories sold consists of the cost of beverages and light refreshments sold in our shops. Our cost of inventories increased from approximately HK\$21.1 million for the Previous Period to approximately HK\$23.3 million for the Review Period, representing an increase of 10.0%. Such increase was primarily attributable to the increase in revenue and increase in purchase price during the Review Period.

Other income

Our other income increase from approximately HK\$0.7 million for the Previous Period to approximately HK\$1.6 million for the Review Period, representing an increase of approximately 124.8%. Such increase was primarily attributable to the increase in sponsorship income from suppliers.

Staff costs

Our staff costs comprise salaries and benefits, including wages, salaries, bonuses, retirement benefit cost and other allowances to all our staff, including our directors, head office and shop staff. Our staff costs increased from approximately HK\$27.1 million for the Previous Period to approximately HK\$30.2 million for the Review Period, representing an increase of approximately 11.5%. Such increase was primarily attributable to the increase in directors’ remuneration and the general increase in salaries level during the Review Period.

Depreciation

Depreciation represents depreciation charges on its property, plant and equipment, as in leasehold improvements, computer equipment, furniture and fixtures and motor vehicles. Our depreciation charges increased from approximately HK\$2.6 million for the Previous Period to approximately HK\$4.8 million for the Review Period, representing an increase of approximately 82.1%. Such increase was primarily attributable to the two new shops opened in the last quarter of 2017 and the increase in depreciation charges of nine renovated shops.

Property rentals and related expenses

Our property rentals and related expenses consist of operating lease payments, property management fee and government rate on our shops, storage and office premises. Our property rentals and related expenses increased from approximately HK\$17.4 million for the Previous Period to approximately HK\$19.6 million for the Review Period, representing an increase of approximately 12.6%. Such increase was primarily attributable to the opening of two new shops in last quarter of 2017 and the general increase in the rental expenses of some of our leased properties upon renewal of leases.

Other operating expenses

Our other operating expenses recorded an increase from approximately HK\$17.9 million for the Previous Period to approximately HK\$18.7 million for the Review Period, representing an increase of approximately 4.5%. Such increase was mainly attributable to the increase in legal and professional fees during the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Finance costs represent interest on bank borrowing and obligations under finance lease. The amount increased from approximately HK\$12,000 for the Previous Period to approximately HK\$33,000 for the Review Period, representing an increase of approximately 175.0%. Such increase was mainly attributable to the new human resources system purchased under finance lease in 2017.

Listing expenses

No listing expenses was incurred for the Review Period as the Placing was completed on 11 January 2017. During Previous Period, the Group incurred listing expenses of approximately HK\$11.7 million.

Taxation

Our taxation decreased from approximately HK\$1.9 million for the Previous Period to approximately HK\$1.4 million for the Review Period, representing a decrease of approximately 28.2%. Such decrease was mainly attributable to the increase in other operating expenses, property rentals and related expenses and staff costs, resulting in a decrease in assessable profit for the Review Period.

Profit for the Review Period

As a result of the above, the Group recorded a profit of approximately HK\$3.9 million for the Review Period, as compared to the loss of approximately HK\$2.9 million recorded for the Previous Period. The increase in profit for the Review Period was mainly attributable to no listing expenses being incurred during the Review Period. However, such increase in profit was partially offset by the increase in other operating expenses, property rentals and related expenses and staff costs during the Review Period.

Contingent liabilities

As at 31 December 2017, the Group did not have any significant contingent liabilities.

Capital Commitments

As at 31 December 2017, the Group has a group commitment of approximately HK\$900,000 (2016: Nil) in respect of agreement on new shop.

Foreign currency exposure

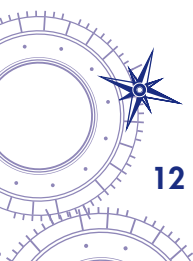
Since the Group's business activities are solely operated in Hong Kong and the relevant transactions are denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

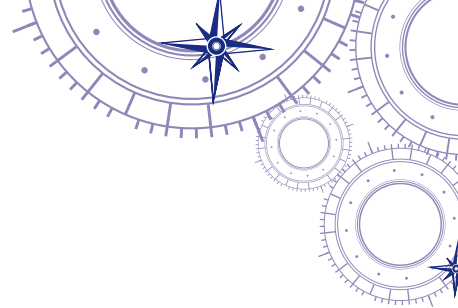
Events after the reporting period

On 1 February 2018, Bar Pacific LXXIII International Limited, a subsidiary of the Group, commenced its business operation.

Interim Dividend

The board of directors of the company proposed and declared the payment of an interim dividend of HK0.55 cents per share, totalling HK\$4,730,000.





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 31 December 2017, 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 Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO") which were required to be notified to the Company and the Stock Exchange: (a) 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); or (b) pursuant to section 352 of the SFO, to be entered in the register as referred to therein (the "Register"); 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:

Long position in the Shares

Name of Director	Capacity/Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital in the Company
Ms. Tse Ying Sin Eva ("Ms. Tse") (Note)	Beneficiary of a trust	431,543,700	50.18%
	Beneficial owner	12,094	0.00%

Note: Moment to Moment Company Limited ("BVI Holdco") holds 431,543,700 Shares, representing approximately 50.18% of the share capital in the Company. The sole shareholder of BVI Holdco is Harneys Trustees Limited, the trustee of the Bar Pacific Trust, of which Ms. Tse and her daughter, namely Ms. Chan Tsz Kiu Teresa, are beneficiaries. Ms. Tse is deemed to be interested in the Shares held by BVI Holdco under the SFO.

Save as disclosed above, as at 31 December 2017, none of the Directors and the chief executives of the Company had or was deemed to have 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, were required 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 are 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.

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 31 December 2017, 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 of substantial shareholders 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 of the Company:

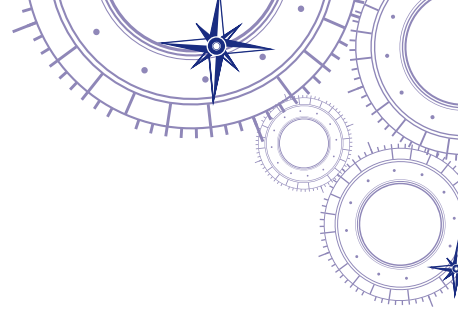
Long position in the Shares

Name	Capacity/Nature of interest	Number of issued Shares held	Approximate percentage of issued share capital in the Company
BVI Holdco (<i>Note 1</i>)	Beneficial owner	431,543,700	50.18%
Harneys Trustees Limited (<i>Note 1</i>)	Trustee (other than a bare trustee)	431,543,700	50.18%
Ms. Tse (<i>Note 2</i>)	Beneficiary of a trust/ Beneficial owner	431,555,794	50.18%
Ms. Chan Tsz Kiu Teresa (<i>Note 1</i>)	Beneficiary of a trust	431,543,700	50.18%
Ms. Chan Ching Mandy (<i>Note 1</i>)	Interest of controlled corporation	431,543,700	50.18%

Note 1: BVI Holdco holds 431,543,700 Shares, representing approximately 50.18% of the share capital of the Company. The sole shareholder of BVI Holdco is Harneys Trustees Limited, the trustee of the Bar Pacific Trust, of which Ms. Tse and her daughter, namely Ms. Chan Tsz Kiu Teresa, are beneficiaries. Pursuant to the deed of settlement dated 25 March 2014 in respect of the Bar Pacific Trust, Ms. Chan Ching Mandy is the protector of the Bar Pacific Trust, and Harneys Trustees Limited 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. Chan Ching Mandy) and the settlor (i.e. Ms. Tse) of the Bar Pacific Trust. Each of Harneys Trustees Limited, Ms. Tse, Ms. Chan Tsz Kiu Teresa and Ms. Chan Ching Mandy is deemed to be interested in the Shares held by BVI Holdco under the SFO.

Note 2: On 17 November 2017, BP Sharing Limited ("**BP Sharing**") declared and distributed a dividend by distribution in specie of all its shares in the Company ("**the Distribution**") to its shareholders on the same day. Ms. Tse is one of the shareholders of BP Sharing and was distributed a total of 12,094 Shares pursuant to the Distribution. Ms. Tse becomes interested in 431,555,794 Shares (comprising (i) 431,543,700 Shares held by Moment to Moment Limited; and (ii) 12,094 Shares directly held by Ms. Tse as a result of the Distribution).

Save as disclosed above, as at 31 December 2017, 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.



COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the nine months ended 31 December 2017.

CORPORATE GOVERNANCE CODE

The Company adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance and save for the deviation from paragraph A.2.1 of the CG Code, the Board is satisfied that the Company had complied with the code provisions of the CG Code for the Review Period.

Paragraph A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Ms. Tse is the chairlady and the chief executive officer of the Company. Considering that Ms. Tse has been operating and managing the Group since its incorporation, the Board believes that it is in the best interest of the Group to have Ms. Tse taken up both roles for effective management and business development. Therefore, the Board considers that the deviation from paragraph A.2.1 of the CG Code is appropriate in such circumstances.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the “**Code of Conduct**”) regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries to all the Directors and all Directors have confirmed that they had complied with the required standards as set out in the Code of Conduct for the Review Period.

INTERESTS OF COMPLIANCE ADVISER

As at 31 December 2017, as notified by the Company’s compliance adviser, Red Solor Capital Limited (the “**Compliance Adviser**”), except for the compliance adviser agreement dated 27 October 2017 and entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Review Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Scheme**”) on 17 December 2016. 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 of the Scheme and there was no share option outstanding as at 31 December 2017.

OTHER INFORMATION

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has declared an interim dividend of HK0.55 cents per share (2016: nil per share) for the year ending 31 March 2018.

Relevant Dates for Interim Dividend Payment

Ex-dividend date	28 February 2018
Closure of Register of Members	1 March 2018 to 2 March 2018 (both dates inclusive)
Record date	1 March 2018
Payment date	19 March 2018

To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 pm on Wednesday, 28 February 2018.

AUDIT COMMITTEE

The Company 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. Written terms of reference in compliance with paragraphs C.3.3 and C.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 judgments 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, namely Mr. Tang Wing Lam David, Mr. Chin Chun Wing and Mr. Yung Wai Kei. Mr. Yung Wai Kei is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017 and this quarterly 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.

By order of the Board
Bar Pacific Group Holdings Limited
Tse Ying Sin Eva
Chairlady

Hong Kong, 12 February 2018

As at the date of this quarterly report, the executive Directors are Ms. Tse Ying Sin Eva and Mr. Chan Darren Chun-Yeung; and the independent non-executive Directors are Mr. Tang Wing Lam David, Mr. Chin Chun Wing and Mr. Yung Wai Kei.