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IMPERIAL PACIFIC

INTERNATIONAL HOLDINGS

博華太平洋國際控股有限公司

IMPERIAL PACIFIC INTERNATIONAL HOLDINGS LIMITED

博華太平洋國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1076)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT FOR
THE YEAR ENDED 31 DECEMBER 2021**

Reference is made to the announcement of Imperial Pacific International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) dated 31 March 2021 in relation to the announcement of unaudited annual results of the Group for the year ended 31 December 2021.

The board of directors (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) that the Board currently expects that the results for the financial year ended 31 December 2021 would be published on or before 29 April 2022 upon completion of the review of the consolidated financial statements for the year ended 31 December 2021 and after the auditor the Company reviewed and agreed with the financial information contained therein in relation to the results of the Group for the financial year 2021. The Company will make further announcement in this regard in due course in accordance with the requirements of the Listing Rules.

SUPPLEMENTARY INFORMATION

The Board would like to provide the following information in relation to the 2020 Annual Results Announcement and the Trading Suspension Announcement:

(1) Address the issues giving rise to the disclaimer of opinion on continuing operations in the 2020 Annual Results

- (i) The resumption of casino operations will not affect the normal operations of the Group. Imperial Pacific International (CNMI), LLC, a wholly-owned subsidiary of the Company, has been negotiating with several independent third party travel agencies and has signed an agreement, pursuant to which those travel agencies have agreed to underwrite the occupancy of 250 hotel rooms and 15 villas at Imperial Palace • Saipan for a term of 4 years at an average daily rate of US\$1,060 per hotel room and US\$2,400 per villa. The said arrangement was executed immediately after all measures implemented by the local government to prevent the transmission of COVID-19 were lifted. During the term of the agreement, 250 hotel rooms and 15 villas will generate at least HKD0.6 billion revenue per year to the Group.
- (ii) Imperial Pacific International (CNMI), LLC, a wholly owned subsidiary of the Company, has entered into an exclusive cooperation agreement with an independent third party. Pursuant to the Agreement, the independent third party will be granted an exclusive right to operate a shopping mall of approximately 8,000 square meters in Imperial Palace • Saipan for a term of 4 years. In return, the independent third party undertakes that, during the term of the agreement, the shopping mall will generate revenue of at least HKD0.3 billion and gross margin of HKD20 million per annum, and the Group is entitled to share 51% of such gross margin.
- (iii) The Company has been approaching certain major lenders and bond and note holders to renew certain other borrowings and unsecured bonds and notes which were originally due for repayment in 2021, for extension of the repayment tenure to 2024 and/or beyond. In addition, certain major lenders and bond and note holders have agreed to explore the possibility to settle the indebted amount by way of new shares of the Company if the indebted amount cannot be settled by way of cash within the next 12 months.
- (iv) The Company has received an indicative offer in respect of a credit facility of US\$100,000,000 (equivalent to HKD780,000,000) from an independent financial institution, which will be valid until 27 September 2022. As at the date of this announcement, the Company has not drawn down such credit facility.
- (v) Inventive Star Limited, the Company's controlling shareholder, and other related parties have undertaken to provide additional funding to settle the Group's operational needs, liabilities, potential liabilities related to litigation, the casino annual license fee and the social benefit fund and capital investments as and when necessary.

- (vi) On 30 March 2022, the Company entered into a placing agreement with, CNI Securities Group Limited, an independent third placing agent pursuant to which the placing agent has agreed to act as the sole placing agent, on a best effort basis, for the purpose of arranging independent placees to subscribe for bonds up to an aggregate principal amount of HKD800,000,000 at a coupon rate of 6% per annum.

Based on the above and as disclosed in the announcement of the Company dated 31 March 2022, the Directors are of the view that the disclaimer of opinion and material uncertainties in relation to continuing operations have been satisfactorily addressed.

(2) Address the issues giving rise to the disclaimer of opinion on impairment loss on property, plant and equipment in 2020 Annual Results

- (i) A valuer has been engaged by the Company to perform property valuation on the completed and ready-to-use portions of the properties and the portion to be renovated in the Imperial Palace • Saipan resort separately, applying the income approach to estimate the fair value for the years 2020 and 2021.
- (ii) No further capital investment is required from the Group in respect of the completed and ready-to-use portion of the property in Imperial Palace • Saipan Resort, and the Underwriting Agreement and the Shopping Mall Cooperation Agreement are able to bring a continuous and stable revenue to the Group.
- (iii) Imperial Pacific International (CNMI), LLC, a wholly owned subsidiary of the Company, has entered into construction agreements with several independent construction companies, pursuant to which those companies have agreed to complete the remaining construction works in Imperial Palace • Saipan within 24 months after all the measures implemented by the local government to prevent the transmission of COVID-19 have been lifted.
- (iv) No additional capital investment is required from the Group in respect of the portion to be renovated of the properties in the Imperial Palace • Saipan resort as the aforesaid construction agreement fee shall be advanced by the construction company and profits then shall be shared in return upon completion of the renovation.
- (v) The valuer has assumed that there is no legal, planning or construction impediment to the completion of the rooms underwriting arrangement, the Shopping Mall Cooperation Agreement and the Construction Agreement.

Based on the above and as disclosed in the announcement of the Company dated 31 March 2022, the Directors are of the view that the disclaimer of opinion on impairment loss on property, plant and equipment has been satisfactorily addressed and any modified opinion for the year of 2021 should only relate to the comparability of the 2022 figures.

Accordingly, the disclaimer of opinion on impairment loss on property, plant and equipment should not have any continuing effect on the consolidated financial statements of the Group after the financial year ended 31 December 2022.

Based on the above information, it is assumed that the auditor agree with the Directors' opinions above. If the auditor also concurs with the Directors' view, then the Company has addressed all the issues giving rise to the disclaimer of opinion (other than the disclaimer of opinion on continuing operations which is not subject to trading suspension). As such, the Directors are of the view that the Company has accordingly appropriately addressed the disclaimer of opinion.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Imperial Pacific International Holdings Limited
Xu Zhongxiang
Executive Director

Hong Kong, 4 April 2022

As at the date of this announcement, the Board comprises Mr. Xu Zhongxiang and Mr. Chen Feng as executive Directors and Mr. Robert James Woolsey, Mr. Lee Kwok Leung and Mr. Chi Yuan as independent non-executive Directors.

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