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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)

**QUARTERLY UPDATE ANNOUNCEMENT
ON SUSPENSION OF TRADING**

This announcement is made by Imperial Pacific International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the unaudited financial results of the Company for the year ended 31 December 2021 and the subsequent clarification announcement of the Company in relation to the unaudited financial results of the Company for the year ended 31 December 2021 published on 31 March 2022 and 4 April 2022 respectively (the “2021 Unaudited Annual Results”); (ii) the announcement of the Company dated 30 April 2021 in relation to the receipt of a letter to the Company from the Stock Exchange setting out the resumption guidance for the Company; (iii) the announcement of the Company dated 23 June 2022 in relation to the business updates of the Group and (iv) the audited financial results of the Company for the year ended 31 December 2021 (the “2021 Audited Annual Results”) (collectively the “Announcements”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

This announcement sets out (i) the Resumption Guidance; and (ii) an update on the resumption progress as at the date of this announcement.

RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated 23 June 2022, the Company has been notified by the Stock Exchange of the Resumption Guidance as follows:

- (i) address the issues giving rise to the Disclaimer of Opinion, provide comfort that the Disclaimer of Opinion would no longer be required and disclose sufficient information to enable investors to make an informed assessment of its financial positions as required under Rule 13.50A;
- (ii) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (iii) demonstrate the Company's compliance with Rule 13.24;
- (iv) re-comply with Rule 3.21; and
- (v) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

For details of the Audit Issues, please refer to the 2021 Audited Annual Results dated 24 June 2022.

UPDATE ON RESUMPTION PROGRESS

Address the issues giving rise to the Disclaimer of Opinion and publish all outstanding financial results required under the Listing Rules and address any audit modifications

Based on the 2020 Annual Report, HLB Hodgson Impey Cheng Limited (HLB), the precedent auditors, issued a disclaimer of opinion with audit modifications of (i) material uncertainties relating to the going concern basis; (ii) impairment loss on property, plant and equipment (the "Impairment Issue"); and (iii) events after the reporting period and contingent liabilities (the "Contingent Liabilities Issue").

On 23 June 2022, the Company has issued its 2021 Audited Annual Results which KTC Partners CPA Limited (KTC), the current auditors, only issued a disclaimer of opinion on material uncertainties relating to the going concern basis and comparative figures/opening balances on the Impairment Issue. The Board is in the view that all issues, except the going concern issue, giving rise to the Disclaimer of Opinion have been addressed and there is no on-going effect on the financial statements. The Company is currently working with KTC in preparing the 2021 Annual Report, a further announcement shall be made in due course to inform the shareholders of the date of despatch of the 2021 Annual Report.

Demonstrate the Company’s compliance with Rule 13.24

The Company has been trying and will continue to try its best endeavour ensuring the Group’s could have sufficient level of operations and assets to comply with Rule 13.24. Details of the business update of the Group are as follows:

1. Imperial Pacific International (CNMI), LLC, (“IPI”) a wholly-owned subsidiary of the Company has entered into an exclusive cooperation agreement with Fujian Jiadingsheng Supply Chian Management Co., Ltd. (“Jiadingsheng”), pursuant to which IPI and Jiadingsheng has agreed to form a joint venture which has the exclusive right to operate a shopping mall with an area of 1,000 sq.m. located at the Imperial Palace ● Saipan for a period of 4 years commencing from 20 October 2022. Jiadingsheng has undertaken that the shopping mall will generate a minimum annual revenue and net profit in the sum of HK\$300 million and HK\$20 million respectively during the term of the agreement and IPI and Jiadingsheng are entitled to share 51% and 49% of the net profit respectively.
2. IPI and Sino Travel Samoa Limited (“Sino Travel”) has entered into an underwriting agreement, pursuant to which Sino Travel has agreed to underwrite the leasing of 250 hotel rooms and 15 villas at Imperial Palace ● Saipan for a term of 4 years after IPI obtains all necessary licenses and approvals from Saipan’s authorities in relation to the operation of Imperial Palace ● Saipan.
3. On 9 June 2022, the wholly-owned subsidiaries of the Company, namely, Best Sunshine International Ltd. (BVI) and IPI (collectively the “Plaintiffs”) and CCC jointly provide notice to the United States District Court for the Northern Mariana Island (the “Court”) that Plaintiffs and the Executive Director of CCC have reached an agreement in principle as to the terms of a settlement. The parties are in the process of finalizing the settlement terms through a settlement agreement (the “Agreement”) and will provide notice to the Court upon the entry of the Agreement. Based on the parties’ significant progress towards settlement, on 31 May 2022, the Court extended the Temporary Restraining Order through 8 July 2022, and stayed briefing on the Plaintiffs’ Complaint and Emergency Motion for Temporary Restraining Order and Order Compelling Arbitration for a period of 30 days. The Agreement is expected to be signed by the end of June and IPI is actively planning, under CCC’s guidance, for reopening by November 2022.

Re-comply with Rule 3.21

Pursuant to Rule 3.21 of the Listing Rules, the Audit Committee must comprise a minimum of three members. The Board is in the course of identifying a suitable candidate to fill the vacancy in order to comply with the relevant Listing Rules and shall make further announcement(s) as and when appropriate.

Inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position

The Company will publish further announcement(s) to inform the shareholders and investors of the Company of any material developments as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended until further notice. 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, 11 July 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.