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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)

VOLUNTARY UPDATE ANNOUNCEMENT ON SUSPENSION OF TRADING

This announcement is made by Imperial Pacific International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the Company’s annual report for the year ended 31 December 2020 (“**2020 Annual Report**”) and 31 December 2021 (“**2021 Annual Report**”), 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**”), the financial results of the Company for the year ended 31 December 2021 published on 24 June 2022 (the “**2021 Audited Annual Results**”), the announcement in respect of the resumption guidance issued by the Stock Exchange of Hong Kong published on 23 June 2022, the voluntary announcement in respect of business update published on 23 June 2022 on the setting up of a shopping mall in the Casino and underwriting the leasing of 250 hotel rooms and 15 villas at Imperial Palace to an independent travel agent, the announcement in respect of quarterly update on suspension of trading dated 13 July 2022 and the announcement in respect of the appointment of an independent non-executive director dated 15 July 2022 (collectively the “**Announcements**”).

Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise defined.

With reference to the announcement in respect of the Resumption Guidance published on 23 June 2022, the Stock Exchange of Hong Kong has set out the guidance for the Resumption Guidance as follows:

- (i) 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 of the Listing Rules;

- (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 of the Listing Rules (the "**Rule 13.24 Resumption Condition**");
- (iv) re-comply with Rule 3.21 of the Listing Rules; and
- (v) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

RESPONSES TO THE RESUMPTION LETTER

Pursuant to the Letter, the resumption of trading in the Shares is subject to the fulfilment of all Resumption Conditions. Set out below are the details of the fulfilment of each of the Resumption Conditions:

Address the issues giving rise to the Disclaimer of Opinion

Based on the 2020 Annual Report, HLB 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**"). Based on the 2021 Annual Report, KTC only issued a disclaimer of opinion on material uncertainties relating to the going concern basis and comparative figures/opening balances on the Impairment Issue.

Audit modifications regarding material uncertainties relating to the going concern basis

Based on the 2021 Annual Report, the Group incurred net loss of approximately HK\$1,077,617,000 during the year ended 31 December 2021 and, as of 31 December 2021, the Group had net current liabilities and net liabilities of approximately HK\$11,000,351,000 and approximately HK\$8,352,144,000, respectively. The Group's other borrowings with aggregate principal amounts of HK\$3,725,339,000 were overdue for repayment as at 31 December 2021 and, together with the overdue interests thereon of HK\$522,873,000, were not repaid as at 31 December 2021 or subsequently up to the date of the annual report. The Group's aggregate other borrowings and unsecured bonds and notes amounted to approximately HK\$4,226,835,000 and approximately HK\$149,655,000 as at 31 December 2021 respectively, out of which HK\$4,346,866,000 were repayable on demand or were due for repayment within twelve months from 31 December 2021; while its cash and cash equivalents amounted to approximately HK\$2,075,000 only as at 31 December 2021. In addition, the contingent liabilities, details of which are set out in the 2021 Annual Report, may result in outflows of cash from the Group for which no provision had been recognized as at 31 December 2021 in the consolidated financial statements, or in excess of the amount of provision recognized, thus causing the financial performance and financial position of the Group to be worse than that referred to above.

The Board will use their best endeavours to take practicable and feasible actions to resolve the issue including, but not limited to, the following means:

- (i) In view of the closure of the casino operations in the Imperial Palace • Saipan since 17 March 2020 as a result of the COVID-19 and the suspension order (the “**CCC Order**”) from the Commonwealth Casino Commission (“**CCC**”) dated 22 April 2021 regarding casino resort developer license of Imperial Pacific International (CNMI), LLC (“**IPI**” or the “**Licensee**”), an indirect wholly-owned subsidiary of the Company, the Licensee and CCC are in the process of finalizing the settlement terms through a settlement agreement which is expected to be signed by the end of August 2022 and the Licensee is actively planning, under CCC’s guidance, for casino reopening by November 2022.
- (ii) The Company has received an indicative offer of a credit facility of US\$100,000,000 (equivalent to HK\$777,000,000), which is valid until 27 September 2023 from an independent financial institution. As at the date of this submission, no drawn down has been made.
- (iii) The Group has entered into a construction agreement with an independent construction company which has undertaken to finance and complete the remaining constructions of Imperial Palace • Saipan.
- (iv) On 30 March 2022, the Company entered into a placing agreement with CNI Securities Group Limited, an independent third party 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 of up to an aggregate principal amount of HK\$800,000,000 at 6% coupon per annum.
- (v) Inventive Star Limited, the controlling shareholder of the Company, and other related parties will provide additional funding to settle the Group’s operations, liabilities, potential liabilities related to litigation, the casino annual license fee and the community benefit fund and capital investments as and when necessary.
- (vi) The management will consider other financing arrangements with a view to increasing the Group’s capitalisation/equity.
- (vii) The management will continue to refinance and/or rollover the Group’s existing loans with a view to improving the Group’s liquidity.
- (viii) IPI has entered into the Underwriting Agreement.
- (ix) IPI has entered into lease arrangements with Fujian Jiadingsheng Supply Chain Management Co., Ltd. (“**Jiadingsheng**”).

- (x) The Company has been contacting certain major lenders and bond and note holders to reach settlement agreement on certain other borrowing and unsecured bonds and notes which were originally due for repayment in 2021, for extension of the repayment term for 24 months and, subject to further agreement of terms, agree to convert all or part of the indebted amount into equity of the Company. As at the date of this submission, the abovementioned settlement agreement has been accepted by lenders and bond and note holders with an aggregate sum of approximately HK\$2,460 million.

The Board of the Company believes that, taking into account the above factors, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the end of the reporting period. Accordingly, there will be no audit modification in this respect in the Company's future financial statements upon the abovementioned proposals being materialised and improvement in the financial position of the Group.

Audit modifications regarding Impairment Issue and comparative figures/opening balances

As at 31 December 2020, included in the property, plant and equipment of the Group were certain property, plant and equipment, including right-of-use assets and construction in progress, of the Imperial Palace • Saipan. Due to the closure of the casino operations in the Imperial Palace • Saipan since 17 March 2020 as a result of the COVID-19 and the CCC Order, the management considered that impairment indicators for the property, plant and equipment of the Imperial Palace • Saipan existed as at 31 December 2020. When applying the income approach for the purpose of estimating the fair values of the properties of the Imperial Palace • Saipan as at 31 December 2020, the valuer engaged by the Group to perform the valuation of the properties had taken into consideration the fact that the casino license of the resort was suspended under the CCC Order. The valuer had assumed that (i) the proposed development of the resort would be completed in accordance with the provided development scheme and timeline and would be completed in all phases and ready for immediate occupation in December 2023 with the benefits of all approvals and permits, planning, building regulations, guidelines and consents required from all relevant government authorities would be issued without onerous conditions and delays; and (ii) there were no any legal, planning nor construction impediments to interrupt the completion of the proposed development. KTC and HLB stated respectively that the absence of a satisfactory opening balance in the consolidated financial statements for the year ended 31 December 2021 and corresponding impairment loss figure for property, plant and equipment in the consolidated financial statements for the year ended 31 December 2020 was due to insufficient appropriate audit evidence in relation to the uncertainties concerning the resort development completion date and additional development costs to be incurred, thus, unable to satisfy HLB as to whether there were material statements in the fair value less costs of disposal and the resulting provision for impairment loss.

In order to address the audit modifications regarding Impairment Issue, the following actions/factors have been taken/considered:

- (i) a valuer has been engaged by the Company to perform property valuation on the Imperial Palace • Saipan by applying the income approach to estimate the fair value as at 31 December 2021 (the “**2021 Valuation**”) based on the latest status and certain key assumptions set out below;

- (ii) when preparing the 2021 Valuation, the valuer has also accounted for the potential prolonged impact from the COVID-19 such as travel restrictions, which prudently assumed that Imperial Palace • Saipan will commence operations in January 2025 with a more conservative hotel occupancy rate as compared with the previous valuation;
- (iii) the Licensee and CCC are in the process of finalizing the settlement terms through a settlement agreement which is expected to be signed by the end of August 2022 and the Licensee is actively planning, under CCC's guidance, for casino reopening by November 2022;
- (iv) the Group has entered into a construction agreement with an independent construction company which has undertaken to finance and complete the remaining constructions of Imperial Palace • Saipan, where 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 as the aforesaid construction agreement fee shall be advanced by the construction company and interests then shall be paid in return upon completion of the renovation;
- (v) IPI has entered into lease arrangements with Jiadingsheng, which is considered to be beneficial for the operations of Imperial Palace • Saipan and accordingly the Group; and
- (vi) the Group has entered into the Underwriting Agreement and considers that the potential future income to be generated therefrom shall be beneficial for the operations of Imperial Palace • Saipan and accordingly the Group.

It is considered that the above events and circumstances together with the updated financial support and financing arrangements as disclosed above have provided supports for reasonableness of the assumptions made for the 2021 Valuation. Based on the above, 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.

Audit modifications regarding Contingent Liabilities Issue

On 23 April 2021, the Licensee received the CCC Order that, among other matters, the casino resort developer license as granted under the Casino License Agreement between the Licensee and the CNMI was suspended, and the Licensee shall pay the annual license fee of approximately US\$31,000,000 (equivalent to approximately HK\$240,250,000) and the casino regulatory fee of US\$6,300,000 (equivalent to approximately HK\$48,825,100) for 2020 and 2021. The Board considered that pursuant to the force majeure clause under the Casino License Agreement, the Licensee is not required to pay the Annual License Fee in the event of natural disasters. However, CCC raised disputes and alleged that the COVID-19 pandemic does not constitute a natural disaster or force majeure. As a result, the Licensee has filed a review with Superior Court in Saipan to determine whether the pandemic constitutes a natural disaster or force majeure.

KTC, among others, obtained a list of outstanding litigations against the Group for the year ended 31 December 2021 prepared by the qualified lawyers in Hong Kong and Saipan, and ensured its completeness by reviewing a list of documents including but not limited to the previous year's provisions and contingent liabilities accounted for or disclosed, minutes of Board meetings and any significant agreements, as well as the banks' confirmations regarding the bills discounted, as well as the updated legal opinion from the Company's lawyers. KTC is satisfied with the results of its assessment and of the view that the Contingent Liabilities Issue has been adequately resolved as at 31 December 2021. It is considered that the audit modification regarding Contingent Liabilities Issue has been addressed.

Publication of any outstanding financial results and address any audit modifications

The 2020 Annual Report and the 2021 Annual Report were published on 31 March 2022 and 26 July 2022, respectively.

Demonstrate the Company's compliance with Rule 13.24

Pursuant to Rule 13.24 of the Listing Rules, an issuer shall carry out, directly or indirectly, a business with a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of the issuer's securities.

Background of the Company's business

In August 2014, IPI and CNMI entered into a casino license agreement (as amended) in respect of the exclusive casino resort developer license for the Island of Saipan, pursuant to which the Casino Resort Developer License was granted subject to the terms and conditions as stipulated therein. As at the date of this submission, Imperial Palace • Saipan comprises five parcels of public land and eight parcels of private land with a total site area of 445,920 square feet (equivalent to approximately 41,427.33 square meters (“sq. m.")). On 6 July 2017, the casino portion of Imperial Palace • Saipan commenced operation (with maximum capacity of up to 193 tables and 365 slot machines upon completion of all casino floor area in Imperial Palace • Saipan). Since then, casino gaming operations have become the major contributor to the revenue of the Group. In addition to the aforesaid gaming tables and slot machines, the villa resort was partially ready for operation in late 2019. As at the date of this submission, 15 villas have been constructed as planned and a total of 329 hotel rooms are under construction. On 10 July 2019, the Group acquired 50% equity interest in American Sinopan LLC, which, among others, owns the land for the Imperial Casha Hotel. Prior to the outbreak of COVID-19, it was the plan of the Group that the successful opening of villas and hotel rooms of Imperial Palace • Saipan would enhance the capacity to better accommodate the high-end patrons thereby diversifying the income stream of the Group.

Adverse impact due to COVID-19

Nevertheless, since the outbreak of COVID-19 in around January 2020, a number of travel restrictions have remained in place all over the world, significantly affecting the number of visitors to Saipan. For instance, foreign nationals who were physically present within Mainland China during the 14-day period preceding their attempted entries were not permitted to enter into the US, including Saipan. To cope with the measures imposed by local government, the casino in Imperial Palace • Saipan has suspended operations since 17 March 2020 to help curb the spread of the COVID-19. Furthermore, the Commonwealth Ports Authority had limited aircraft landing/flight operations at the Saipan International Airport to the hours between 8am and 12pm daily. Due to the COVID-19 pandemic, construction work for Imperial Palace • Saipan has been temporarily suspended. On 25 August 2020, the Company published a profit warning announcement pursuant to which the Group was expected to record a significant decrease in revenue for the six months ended 30 June 2020 as a result of social distancing measures and travel restrictions in response to the COVID-19 pandemic as compared to that of the corresponding period in 2019. During the six months ended 30 June 2020, unaudited VIP table games rolling showed a decline of approximately 90.0% as compared to the first half of last year due to the outbreak of COVID-19 which has severely reduced the number of visitor arrivals to Saipan since March 2020. The financial performance of the Group has been severely affected, details of certain key financial figures are set out as follows.

	For the year ended 31 December		
	2021	2020	2019
	(audited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000
Revenue			
— VIP gaming operations	—	(24,713)	253,787
— Mass gaming operations	—	32,818	186,381
— Slot machines and Electronic Table Game gaming operations	—	12,754	63,237
— Food and beverage	—	5,648	35,861
	<u>—</u>	<u>26,507</u>	<u>539,266</u>
Total	<u>—</u>	<u>26,507</u>	<u>539,266</u>
Loss for the year attributable to owners of the Company	(1,077,617)	(7,390,265)	(3,904,270)

As a result of the outbreak of COVID-19, significant declines in the income from all revenue segments were recorded for the year ended 31 December 2020 as compared to those for the previous corresponding year. No revenue was generated for the year ended 31 December 2021.

On 23 April 2021, IPI received the CCC Order where the casino resort developer license has been temporarily suspended by CCC on the same date, pending the settlement of certain outstanding fees associated with the license owing by the Group. The Group has been actively communicating with CCC for settlement proposal with an aim to resume the casino resort developer license as soon as practicable. The settlement agreement is expected to be signed by the end of August 2022 and IPI is actively planning, under CCC's guidance, for casino reopening by November 2022.

Business strategies formulated by the Group

Despite the current impact from the COVID-19, the Group is confident that the Island of Saipan still has great potential in the long run benefiting from the island's favorable weather, stunning attractions, proximity location and flexible visa policies. Recently, travel restrictions to Saipan have been gradually lifted and the number of visitors' arrivals to Saipan has been gradually picking up. With the intention to focus on the development of the gaming and resort business in Saipan, the Company expects that once the travel restrictions to Saipan are fully lifted, the casino in Imperial Palace • Saipan shall resume operations and be opened to public upon settlement with CCC.

(i) Gaming business — resumption of the operation of casino portion of Imperial Palace • Saipan

Upon signing of the agreement with CCC in respect of the settlement proposal, it is expected that an aggregate outstanding fee in the amount of US\$37,300,000 (equivalent to approximately HK\$289,000,000) is required for resuming the casino resort developer license. Furthermore, prior to the outbreak of COVID-19, the Group has been operating 193 tables and 365 slot machines in Imperial Palace • Saipan. It is expected that operations of the casino (including all tables and slot machines) shall be resumed in full upon its reopening.

The Company is in the course of identifying potential investor in respect of the funding required for settlement proposal with CCC and/or the resumption of the operation of casino portion of Imperial Palace • Saipan. The Company has received an indicative offer of a credit facility of US\$100,000,000 (equivalent to HK\$777,000,000), which is valid until 27 September 2023 from an independent financial institution. As at the date of this submission, no drawn down has been made. The Group will from time to time consider other financing arrangements with a view to increasing the Group's capitalisation/equity.

(ii) Resort business — underwriting agreement with an independent travel agency

Currently, the construction of Imperial Palace Saipan has been suspended after the outbreak of COVID-19, which is expected to resume after all the measures implemented by the local government to prevent the transmission of COVID-19 have been lifted. As at the date of this submission, construction of 15 villas has been completed and the construction of a total of 329 hotel rooms is under progress, completion of which is expected to take place in early 2024. The Group has entered into a construction agreement with an independent construction company which has undertaken to finance and complete the remaining constructions of Imperial Palace • Saipan, where no

additional capital investment is required from the Group as the aforesaid construction agreement fee shall be advanced by the construction company and interests then shall be paid in return upon completion of the renovation.

On 20 June 2022, IPI and Sino Travel Samoa Limited (“**Sino Travel**”) entered into the underwriting agreement (the “**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. The annual gross rental income underwritten by Sino Travel will not be less than US\$104,390,000 (equivalent to approximately HK\$814,242,000) at an average rate of US\$1,000 per hotel room per night and US\$2,400 per villa per night, which have been determined with reference to the market rates available of comparable hotels nearby Imperial Palace • Saipan. As at the date of this submission, prepayment of the underwriting fee in the amount of HK\$7,800,000 has been received by the Group from Sino Travel.

Sino Travel is a subsidiary of a travel agency company which has been operated since 1982. Sino Travel provides its customers with a wide variety of travelling related services including planning and selling transportations, accommodations, insurance and other travel services covering Hong Kong, the PRC, India and Samoa. Sino Travel agreed that it shall (i) provide full support to the operator of Imperial Palace • Saipan by recruiting or outsourcing hotel management team to operate Imperial Palace • Saipan in a manner of a 6-star hotel and (ii) settle the underwriting fee by end of each month.

Given the experience of Sino Travel as described above, the Group is confident that the entering into of the Underwriting Agreement would enable the Group to secure stable income from the resort and hotel accommodation part of the Saipan project. The Group is of the view that the cooperation with Sino Travel in respect of the operation of Imperial Palace • Saipan would allow the Group to allocate minimal resources to the resort business at the initial stage of resuming the casino operation while capturing the potential economic benefits once the travel restrictions of Saipan are lifted.

In respect of Imperial Casha Hotel, the Group will consider to continue the project through cooperation with suitable partner(s), or to realise its investment by way of disposal under favourable terms. As at the date of this submission, no such opportunity was identified.

(iii) Shopping mall business — leasing arrangements with an independent third party

Apart from the casino and resort businesses, given the significant number of visitors’ arrivals to Saipan before the outbreak of COVID-19 and the recent gradual resumption thereof, the Group plans to develop the shopping mall business within Imperial Palace • Saipan after the travel restrictions of Saipan are fully lifted.

On 20 June 2022, IPI and Jiadingsheng entered into an exclusive cooperation agreement in relation to the operation of a portion of the shopping mall located at Imperial Palace • Saipan through the formation of a joint venture. As at the date of this submission, the aforesaid cooperation agreement has lapsed. Alternatively, IPI and Jiadingsheng have entered into an agreement (the “**Shopping Mall Lease Agreement**”) pursuant to which Jiadingsheng has agreed to rent a shopping mall with site area of 1,000 sq.m.. located at the ground floor of Imperial Palace • Saipan for a period of 4 years commencing from 1 September 2022. Based on the terms of the Shopping Mall Lease Agreement, the annual rental fee payable by Jiadingsheng to IPO shall be equivalent to 7% of the annual revenue to be generated by the end tenants or US\$2,500,000 (equivalent to approximately HK\$19,500,000), whichever is higher. Accordingly, it is expected the Group shall recognise annual gross rental income of not less than approximately US\$836,000 (equivalent to approximately HK\$6,521,000) for the year ending 31 December 2022 and not less than US\$2,500,000 (equivalent to approximately HK\$19,500,000) for the year ending 31 December 2023. As at the date of this submission, rental deposit has been received by the Group from Jiadingsheng. In order to ensure the accuracy and completeness of the income to be generated from the Shopping Mall Lease Agreement, various internal control measures shall be adopted including: (i) point-of-sale systems of the end tenants shall be assessed and approved by the company before they are allowed to be put into use; (ii) daily sales reports of the end tenants shall be provided by Jiadingsheng to the Company on a daily basis; (iii) the Company shall have the right to access to the point-of-sale systems on a monthly basis or upon its request; and (iv) Jiadingsheng shall be responsible for keeping proper books and records of, and the annual audited consolidated financial statements of Jiadingsheng shall be provided to the Company. Taking into account the lack of the Group’s experience in shopping mall operation, the Group is of the view that, as compared to the Shopping Mall Cooperation Agreement, the entering into of the Shopping Mall Lease Agreement would enable the Group to secure a more stable income without participating in the operating of shopping mall through the joint venture cooperation and to allocate its resources to other businesses of the Group.

Jiadingsheng was incorporated in China in 2010 with registered capital of RMB200 million. Jiadingsheng is principally engaged in the provision of supply chain management services, e-commerce and trading of food products, jewellerys, arts and collectibles. With the lease arrangements with Jiadingsheng, the Group aims to bring one-stop shopping experience to visitors with mainly local products and souvenirs and believes that the shopping mall would become a popular tourist spot given its proximity to the casino. It is expected that the income stream of the Group will be diversified, maximising the Shareholders’ value.

Subject to the lifting of travel restrictions to Saipan, it is expected that the business operation of the Group will resume gradually by the end of 2022.

Sufficiency of level of assets

Since the obtaining of the exclusive casino resort developer license for the Island of Saipan in 2014, the development of Imperial Palace • Saipan has become the major investment of the Group. As at 31 December 2019, being the latest reporting date for audited results immediately prior to suspension of the casino operations in Imperial Palace • Saipan due to COVID-19 and the CCC Order which leads to the Impairment Issue, the carrying value (including right-of-use assets and construction in progress of Imperial Palace • Saipan) and the amount of investment (including the investment in design, consulting, engineering, construction material and labour) of property, plant and equipment amounted to approximately HK\$7,318 million and approximately US\$879 million (equivalent to approximately HK\$6,856.2 million), respectively. As at 31 December 2021, despite the impairment loss recorded for each of the two years ended 31 December 2021, respectively, the amount of investment of property, plant and investment amounted to approximately US\$914 million (equivalent to approximately 7,129.2 million). The Company has been contacting certain major lenders and bond and note holders to reach settlement agreement on certain other borrowing and unsecured bonds and notes which were originally due for repayment in 2021, for extension of the repayment term for 24 months and, subject to further agreement of terms, agree to convert all or part of the indebted amount into equity of the Company. As at the date of this announcement, the abovementioned settlement agreement has been accepted by lenders and bond and note holders with an aggregate sum of approximately HK\$2,460 million.

The Board of the Company is in the view that believe that the steps taken or to be taken by the Company as illustrated in the above should amply justify the compliance with the requirements of Rule 13.24 of the Listing Rules.

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. Upon the resignation of Mr. Ip, the number of members of the Audit Committee reduced to two which was below the minimum requirement prescribed under Rule 3.21 of the Listing Rules.

On 15 July 2022, the Company announced that Mr. Luk Chi Shing (“**Mr. Luk**”) has been appointed as an independent non-executive Director, a member of audit committee, remuneration committee and nomination committee of the Company with effect from 15 July 2022. The biographical details of Mr. Luk are set out in the announcement of the Company dated 15 July 2022. Upon the appointment of Mr. Luk, the Company is in compliance with the requirements under Rule 3.21 of the Listing Rules.

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

Since the suspension of trading in the Shares, the Company has informed the Shareholders about the latest status of the business and financial operations of the Company by way of announcements. The Company will continue to comply with the relevant Listing Rules and make announcements regarding all material information of the Company as and when appropriate.

CONCLUSION

The Company would like to draw the attention of the Stock Exchange that the trading in the Shares has been suspended since 1 April 2022 due to the delay in the publication of the financial statements of the Group for the years ended 31 December 2020 and 2021. The Company had released its unaudited financial statements for the year ended 31 December 2021 on 31 March 2022 which complies with the COVID-19 guidelines issued by the Stock Exchange. The reason for the delay in publication of the 2021 Annual Results was due to change of auditors and the preparation of the 2021 Valuation which requires additional time. Nevertheless, the 2020 Annual Report and the 2021 Annual Report were published on 31 March 2022 and 26 July 2022.

However, in addition to the resumption conditions regarding, among others, the publication of outstanding financial results and audit qualifications, the Rule 13.24 Resumption Condition, was also included in the resumption guidance letter issued by the Stock Exchange dated 2 June 2022. The Company considered that it is not fair to include Rule 13.24 Resumption Condition in the resumption guidance as the core reasons for the suspension of trading in the Shares were the delay in the publication of audited financial statements required under the Listing Rules and the multiple disclaimers arising therefrom.

Given the core reasons for the suspension have been addressed, the Stock Exchange is urged to allow resumption in the trading of the Shares. The Company did not have any chance to file their appeal regarding the imposition of the Rule 13.24 Resumption Condition. While the Company has been working on the implementation of the aforementioned business strategies of the Group to satisfy all resumption conditions, the lifting of the travel restrictions to Saipan is one of the key factors to the resumption of the business operation and therefore the financial performance of the Group. The Group would monitor closely the latest status of the travel restrictions to Saipan and shall inform the Shareholders by way of announcement as and when appropriate. Upon resumption, further inquiries on the position of the Company regarding the compliance with Rule 13.24 of the Listing Rules shall be continued, and the Company shall provide more information to address them thereafter.

The Board of the Company is of the view that based on the status of the Resumption Conditions and the proposed funding and operation arrangements of the Group as described above, the Group has fulfilled all Resumption Conditions and a submission has been sent to the Stock Exchange of Hong Kong for seeking approval from the Listing Division on the resumption in the trading of the Shares.

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

Hong Kong, 12 August 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, Mr. Luk Chi Shing 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.