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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)

**ANNOUNCEMENT
UPDATES ON THE ANNUAL RESULTS FOR THE YEAR ENDED
31 DECEMBER 2020
AND
THE 2020 ANNUAL REPORT**

This announcement is made by Imperial Pacific International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) to provide certain updates to its shareholders and potential investors regarding the audited annual results of the Group for the year ended 31 December 2020 and the despatch of the 2020 Annual Report.

Reference is made to the announcements of the Company dated 30 April 2021, 29 June 2021, 30 July 2021, 31 August 2021, 26 October 2021, 26 November 2021, 20 December 2021, 7 January 2022 and 31 January 2022 (the “**Announcements**”). Unless otherwise specified, capitalized terms used herein shall bear the same meanings as those defined in the Announcements.

The Board announces that the Company and its auditors, HLB Hodgson Impey Cheng Limited (“**HLB**”), have signed off the 2020 Annual Report for bulk printing and the 2020

Annual Report will be despatched by 20 April 2022. The material difference between the results announcement of the Company dated 31 March 2021 (the “**2020 Results Announcement**”) and the 2020 Annual Report are as follow:

MATERIAL DIFFERENCES BETWEEN 2020 RESULTS ANNOUNCEMENT AND 2020 ANNUAL REPORT

	Disclosure in 2020 Results Announcement (HK\$'000)	Disclosure in 2020 Annual Report (HK\$'000)	Difference (HK\$'000)	Note
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Revenue	26,507	26,507	—	
Cost of sales	<u>(51,515)</u>	<u>(51,515)</u>	—	
Gross loss	(25,008)	(25,008)	—	
Other income, gains and losses, net	49,137	49,137	—	
Selling and marketing expenses	(1,582)	(1,582)	—	
Operating and administrative expenses	(1,258,372)	(1,316,252)	(57,880)	2,3
Allowance for expected credit losses on trade receivables, net	(1,119,764)	(1,119,764)	—	
Allowance for expected credit losses on other receivables	—	(11,078)	(11,078)	2
Impairment of property, plant and equipment	—	(4,467,380)	(4,467,380)	1
Impairment of investment in a joint venture	(92,424)	(92,424)	—	
Share-based payments	(932)	(932)	—	
Finance costs	(404,055)	(404,055)	—	
Share of loss of a joint venture	<u>(927)</u>	<u>(927)</u>	—	
LOSS BEFORE TAX	(2,853,927)	(7,390,265)	(4,536,338)	1,2,3
Income tax expense	<u>—</u>	<u>—</u>	—	
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u><u>(2,853,927)</u></u>	<u><u>(7,390,265)</u></u>	(4,536,338)	1,2,3

	Disclosure in 2020 Results Announcement (HK\$'000)	Disclosure in 2020 Annual Report (HK\$'000)	Difference (HK\$'000)	<i>Note</i>
OTHER COMPREHENSIVE INCOME/(LOSS)				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	630	4,711	4,081	
Share of other comprehensive income of joint venture	—	54	54	
Reclassification of cumulative exchange reserve upon disposal of a foreign operation	<u>(9)</u>	<u>(9)</u>	—	
Net other comprehensive income that may be classified to profit or loss in subsequent periods	<u>621</u>	<u>4,756</u>	4,135	
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:				
Equity investments designated at fair value through other comprehensive income: —				
Change in fair value	<u>(1,884)</u>	<u>(1,884)</u>	—	
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(1,884)</u>	<u>(1,884)</u>	—	
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	<u>(1,263)</u>	<u>2,872</u>	4,135	
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u><u>(2,855,190)</u></u>	<u><u>(7,387,393)</u></u>	(4,532,203)	1,2,3
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Basic and diluted	<u>HK(2.00) cents</u>	<u>HK\$(1.03)</u>	(1.01)	1,2,3,4

	Disclosure in 2020 Results Announcement (HK\$'000)	Disclosure in 2020 Annual Report (HK\$'000)	Difference (HK\$'000)	<i>Note</i>
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
NON-CURRENT ASSETS				
Property, plant and equipment	7,116,235	2,650,641	(4,465,594)	1
Investment in a joint venture	55,986	55,986	—	
Prepayments, deposits and other receivables	32,058	32,058	—	
Equity investments in listed shares designated at fair value through other comprehensive income	<u>5,121</u>	<u>5,121</u>	—	
Total non-current assets	<u>7,209,400</u>	<u>2,743,806</u>	(4,465,594)	1
CURRENT ASSETS				
Inventories	24,118	24,118	—	
Trade receivables	1,005,677	1,005,677	—	
Prepayments, deposits and other receivables	159,096	138,321	(20,775)	2
Restricted bank deposit	—	—	—	
Cash and cash equivalents	<u>10,013</u>	<u>10,013</u>	—	
Total current assets	<u>1,198,904</u>	<u>1,178,129</u>	(20,775)	2
CURRENT LIABILITIES				
Trade payables	72,096	72,096	—	
Other payables and accruals	6,698,229	6,744,063	(45,834)	3
Other borrowings	3,662,240	3,662,240	—	
Lease liabilities	3,611	3,611	—	
Unsecured bonds and notes	102,997	102,997	—	
Loans from a joint venture	8,477	8,477	—	
Tax payable	<u>21,048</u>	<u>21,048</u>	—	
Total current liabilities	<u>10,568,698</u>	<u>10,614,532</u>	(45,834)	3
NET CURRENT LIABILITIES	<u>(9,369,794)</u>	<u>(9,436,403)</u>	(66,609)	2,3
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>(2,160,394)</u>	<u>(6,692,597)</u>	(4,532,203)	1,2,3
NON-CURRENT LIABILITIES				
Other payables and accruals	—	—	—	
Lease liabilities	19,097	19,097	—	
Other borrowings	504,099	504,099	—	
Unsecured bonds and notes	<u>49,755</u>	<u>49,755</u>	—	
Total non-current liabilities	<u>572,951</u>	<u>572,951</u>	—	
NET LIABILITIES	<u>(2,733,345)</u>	<u>(7,265,548)</u>	(4,532,203)	1,2,3
CAPITAL AND RESERVES				
Share capital	71,492	71,492	—	
Reserves	<u>(2,804,837)</u>	<u>(7,337,040)</u>	(4,532,203)	1,2,3
Deficiency in assets	<u>(2,733,345)</u>	<u>(7,265,548)</u>	(4,532,203)	1,2,3

Notes:

1. On 23 April 2021, Imperial Pacific International (CNMI), LLC (“IPI”) received an order from Commonwealth Casino Commission (“CCC”) that the casino resort developer license was suspended. The revenue from the casino gaming operation is highly uncertain unless the IPI can resume the casino operation by retrieving the gaming license. On 7 July 2021, a letter from CCC regarding IPI ability to operate a hotel/resort stated that the Commission Order suspended only the portion of the license which pertained to casino gaming operation and IPI should finish that resort as required by applicable law and the Casino License Agreement (“CLA”) as soon as possible and begins operations forthwith. The management of the Group then considered that there was an indicator for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment and right-of-use assets without considering the estimated future cash flows expects to derive from the casino gaming operation. Please refer to Note 13 of the Annual Report for details of the basis of impairment.

Based on the recoverable amount and the allocation, an impairment loss of HK\$4,448,626,000 and HK\$18,754,000 have been recognised in the profit or loss for the year ended 31 December 2020 against the carrying amounts of property, plant and equipment and right-of-use assets respectively.

2. The difference in the prepayment, deposits and other receivables mainly comprised of the increase of the expected credit loss on certain other receivables amounted to HK\$11,078,000 based on subsequent indicators that certain other receivables would not be recoverable in full and under-provision of casino regulatory fee HK\$9,692,000. The management considered the amount were immaterial and have not provided in 2020 Results Announcement.
3. The difference in other payables and accruals mainly comprised of further provision of penalties regarding failure of payment of annual license fee, community benefit and regulator fee amounted to US\$6,600,000 (equivalent to HK\$51,256,000).
4. On 16 August 2021, the Board proposed to implement a share consolidation on the basis that every twenty (20) issued and unissued existing shares of the Company of HK\$0.0005 each will be consolidated into one (1) consolidated Share of HK\$0.01 each (“Consolidated Share(s)”) (the “Share Consolidation”), details of which were set out in the circular of the Company dated 25 August 2021. The Share Consolidation was approved by the shareholders at the special general meeting of the Company held on 14 September 2021. The Share Consolidation became effective on 16 September 2021 and thereafter there were 7,149,240,383 Consolidated Shares in issue.

The financial figures and adjustments herein this announcement have been reviewed by HLB, thus, the financial figures herein this announcement shall supersede the financial figures contained in the results announcement of the Group dated 31 March 2021 and shall make reference to the 2020 Annual Report dated 31 March 2022.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The 2020 Annual Report will be despatched to Shareholders and published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.equitynet.com.hk/1076/> on 31 March 2022.

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

Hong Kong, 31 March 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. Ip Mei Shun 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.