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**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN MARIANA ISLANDS  
BANKRUPTCY DIVISION**

**In re**

**CASE NO. 24-00002  
Chapter 11**

**IMPERIAL PACIFIC INTERNATIONAL  
(CNMI), LLC**

**Debtor and  
Debtor-in-Possession**

**OPPOSITION TO SALE AND  
OBJECTION TO SALE FOR LACK OF  
ADEQUATE ASSURANCE FROM  
WINNING BIDDER AND BACKUP  
BIDDER**

NOW COMES the Commonwealth of the Northern Mariana Islands (the  
“Commonwealth”), by and through its counsel, Chief Solicitor, J. Robert Glass, Jr., and hereby  
files its opposition to the Sale Motion (ECF 367) and files its objection to lack of adequate  
assurance from the winning bidder and the backup bidder.

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## INTRODUCTION

On April 19, 2024, Debtor and Debtor in Possession, Imperial Pacific International (CNMI), LLC (“IPI” or “Debtor”) filed for Bankruptcy under chapter 11 of the Bankruptcy Code. Nearly a year has passed since that time, and an auction has finally taken place to attempt to sell all of the assets of Debtor to one of two bidders, each of which appears to be an insider of the Debtor. Loi Lam Sit, the Stalking Horse bidder, was outbid at the auction by the minimum overbid and thereafter submitted no further bid at the auction; as this Court previously noted in its decision denying the Debtor’s bid procedures motion (ECF 281), the Court does not have any information before it to suggest that Loi Lam Sit is or will be a good faith purchaser. In addition, the winning bidder, Team King Investment (CNMI), LLC (“Team King”), is a company that was founded in the CNMI on February 4, 2025; its corporate board includes insiders of the Debtor, its founding documents were submitted by Howyo Chi, the alleged director of Debtor. *See* Declaration of Brendan Layde (“Declaration”) ¶¶ 16-29 (setting forth the relationship between directors of IPI’s parent company and Team King).

Further, due to this insider transaction, the Debtor and the Committee of Unsecured Creditors (“Committee”) did not seek to maximize the value of a sale for substantially all of the Debtor’s assets; rather, they favored the two inside bidders by shutting out other meritorious bids that would have provided for a higher sale.

For the following reasons, the Commonwealth hereby opposes the sale and requests for this Court to apply a heightened scrutiny standard, to deny the sale, and to take other such action as the Court deems appropriate, which could be to allow the sale (but not free and clear of secured liens), to redo the sale, to allow the bids which were rejected to be accepted, to establish a more forthcoming and transparent process,<sup>1</sup> or to take other action as would benefit the creditors of the debtor in recovering more funds.

The Commonwealth further objects to the sale for lack of adequate assurance from the winning bidder and backup bidder.

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<sup>1</sup> For instance, there was no information supplied until after the auction that two bids were rejected, and that an interested bidder from Goldman Sachs with experience in this industry was rejected based on a hard stance as to the NDA. *See* Declaration of David Wickline dated March 10, 2025 and filed with Joshua Gray’s Opposition.

Finally, the Commonwealth joins in the opposition to be filed by Joshua Gray.

# **I. COMMONWEALTH’S OPPOSITION TO THE SALE**

## **LEGAL BASIS**

Section 363(b)(1) provides that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate....” 11 U.S.C. § 363(b)(1). In the Ninth Circuit, “cause” exists for authorizing a sale of estate assets only where it is in the best interest of the estate, and a reasonable business justification exists for authorizing the sale. *In re Huntington, Ltd.*, 654 F.2d 578 (9th Cir. 1981); *In re Walter*, 83 B.R. 14, 19-20 (9th Cir. B.A.P. 1988). “The court’s obligation in § 363(b) sales is to assure that optimal value is realized by the estate under the circumstances.” *See Simantob v. Claims Prosecutor, LLC (In re Lahijani)*, 325 B.R. 282, 288–89 (9th Cir. BAP 2005).

A sale must satisfy several requirements for a bankruptcy court to find that it is in the best interest of the estate, including that: (1) there is a sound business reason for the sale; (2) accurate and reasonable notice of the sale was provided to interested persons; (3) the sale yielded an adequate price (*i.e.*, one that is fair and reasonable); and (4) the parties to the sale have acted in good faith. *Titusville Country Club v. Pennbank (In re Titusville Country Club)*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *see also, In re Walter*, 83 B.R. at 19–20 (finding that a proposed use of assets was not in the best interest of the estate). Additionally, courts have long recognized the need for competitive bidding in private sales because it “yields higher offers and thus benefits the estate... [and thus] the objective is to maximize bidding, not restrict it.” *In re Atlanta Packaging Products*, 99 B.R. at 131 (internal quotations omitted).

While a sale to an insider is permitted, such a sale is subjected to heightened scrutiny because of the incentive to keep the price low instead of seeking the highest available price:

Nothing in the Bankruptcy Code prohibits a sale to insiders. However, insider sales are subject to “heightened scrutiny to the fairness of the value provided by the sale and the good faith of the parties in executing the transaction.” *In re Family Christian, LLC*, 533 B.R. 600, 622 (Bankr.W.D.Mich.2015). This is because insiders “usually have greater opportunities for ... inequitable conduct.” *Fabricators, Inc. v. Technical Fabricators, Inc. (Matter of Fabricators, Inc.)*, 926 F.2d 1458, 1465 (5th Cir.1991).

See also *In re Tidal Const. Co., Inc.*, 446 B.R. 620, 624 (Bankr.S.D.Ga.2009) (“[E]ven when parties are completely forthright with the facts surrounding the transfer, § 363 sales to insiders are subject to a higher scrutiny because of the opportunity for abuse.”); *Rickel & Associates v. Smith (In re Rickel & Associates, Inc.)*, 272 B.R. 74, 100 (Bankr.S.D.N.Y.2002) (same); *In re W.A. Mallory Co., Inc.*, 214 B.R. 834, 837 (Bankr.E.D.Va.1997) (same).

*In re Roussos*, 541 B.R. 721, 730 (Bankr. C.D. Cal. 2015). The Court in this case should subject the sale to heightened scrutiny because maximum value was not achieved in favor of a sale to an insider.

## ANALYSIS

The Commonwealth objects to the Joint Motion of Debtor and Official Committee of General Unsecured Creditors for Order (I) Approving the Sale of Substantially All of the Debtor's Assets Free and Clear of All Liens, Claims, and Encumbrances Pursuant to 11 U.S.C. § 363, Subject to Overbids; and (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Cure Amounts Associated Therewith" (ECF No. 367) (the "Motion"), and all related documents to the sale of essentially all assets of the debtor filed by IPI in the above-captioned chapter 11 bankruptcy case, and the "Committee."

### A. The Sale Should Be Subjected To Heightened Scrutiny.

The proposed sale of substantially all of Debtor’s assets for \$12.95 million to Team King should be subjected to heightened scrutiny and not approved. The auction process coordinated by the Debtor, Committee, and their investment banker, Intrepid Investment Bankers, LLC (“Intrepid”) failed to produce the highest possible value because the auction only included two bidders — the Stalking Horse bidder and Team King — while rejecting all other bids, including refusing to work with a potential buyer with extensive experience in casino and resorts. *See* Declaration of Wickline ¶ 2. Neither of the bidders in the auction has any experience running a casino or resort or hotel or any equivalent business, nor has either bidder provided any information supporting that it would be able to complete a hotel building and run a hotel/resort/casino.

Team King made the absolute minimum overbid, and then there was no further bid after that. Further, despite Intrepid's explicit reservation of the right to accept piecemeal bids, none

were allowed. Additionally, the two bidders who were permitted to participate in the auction are both insiders of Debtor. An insider is defined as:

(1) a director of the debtor; (2) an officer of the debtor; (3) a person in control of the debtor; (4) a general partner of the debtor; (5) a relative of a general partner, director, officer, or person in control of the debtor; or (6) an affiliate or insider of an affiliate of the debtor. 11 U.S.C. § 101(31)(B)–(E). However, the list of insiders provided in Section 101(31) is not exclusive and insider status may be found even if the creditor falls outside those categories listed in § 101(31). *See In re Holloway*, 955 F.2d 1008, 1011 (5th Cir.1992). When considering whether a creditor is an insider of the debtor, courts focus on two factors: (1) the closeness of the relationship between the parties; and (2) whether the transaction was negotiated at arm's length. *Id.*; 5 *Collier on Bankruptcy* § 547.03[6] (Alan N. Resnick & Henry Sommer eds., 16th ed.2014). Therefore, the question of whether a creditor is an insider of the debtor is primarily a question of fact to be decided at some point after the pleading stage.

*In re Alpha Protective Servs., Inc.*, 531 B.R. 889, 901 (Bankr. M.D. Ga. 2015). Here, Team King is a direct insider because members of its board of directors are directors of affiliates or insiders of affiliates of Debtor. *See* Declaration of Brendan Layde. Specifically, Teck Tien Kon was an executive director of Imperial Pacific International Holdings, Ltd. (“IPIH”), the parent company of IPI. *See* Exhibit K attached to Declaration of Brendan Layde. Additionally, Hiroshi Kaneko is the CEO of Japan Kyosei Group Company, Ltd., who entered into an agreement with IPIH to invest \$300 million to IPI. *See* ECF 136. Further, Howyo Chi, the alleged director of IPI, filed all corporate documents and paid the filing fee to establish Team King in the CNMI. *See* Exhibit J (Memorandum of the CNMI Department of Commerce). This association with IPI makes it clear why Team King has followed the same path as IPI in both its corporate structure and naming — they are essentially the same company run by the same insiders, working together to ensure their debts are erased without making anyone they harmed in the CNMI whole. This should lead this Court to apply heightened scrutiny to the sale.

**B. The Sale Lacks a Good Faith Purchaser.**

This Court already rejected the bid procedures in this case for lack of good faith purchaser on the basis of the purchaser being an insider and not being able to fully perform the transaction. (ECF 281.) Applying heightened scrutiny, this Court should find that the sale here also lacks a good faith purchaser. As discussed below, the Commonwealth has significant concerns that Team

1 King, an insider, can cure and complete the requirements of the Department of Public Lands'  
2 ("DPL") lease. Further, the fact that an experienced bidder was rejected on the basis of a third-  
3 party NDA agreement that Intrepid was not willing to negotiate on in favor of the two insiders  
4 shows that the sale procedures used were not in good faith. *See In re Lahijani*, 325 B.R. 282, 288-  
5 89 (B.A.P. 9th Cir. 2005) (finding the Court is obligated to assure optimal value is realized by the  
6 estate in a sale). Additionally, Intrepid, as the investment banker of the estate, had a fiduciary duty  
7 to maximize the return on the sale. By standing in the way of a third bidder with extensive  
8 experience, it raises doubts about the sales process and begs the question of who else was also  
9 interested in purchasing the assets but was likewise stonewalled. *See* ECF 367 (listing numerous  
10 potential buyers, but providing no information if any had been rejected or denied access or any  
11 other information other than pure number of individuals).

12 These insider connections led to a lower sale price. While Debtor and the Committee and  
13 Intrepid will no doubt point out the fact that a second bidder was found and a bid received, when  
14 it is two insiders bidding against each other, while keeping a third bidder with extensive  
15 experience out, the entire process should be questioned and this Court should reject the sale. *See*,  
16 *e.g., In re Fehl*, 19 B.R. 310, 312 (Bankr. N.D. Cal. 1982) (denying motion to confirm sale of real  
17 property because of deficient notice procedures and an inadequate sales price, and ordering that a  
18 new sale be conducted). Here, again, there is no information on how many bids were rejected,  
19 how many potential buyers were deterred through various oppressive mechanisms, and ultimately  
20 how many buyers could have been brought to the table with some small tweaks to the NDA.  
21 Without this information, the Court should continue to find that the sale lacks good faith and  
22 should deny the sale motion.

23 Further, even the mere fact that Creditor Joshua Gray's credit bid was rejected further  
24 exemplifies that maximum value was not sought. *See* Opposition of Joshua Gray. There was no  
25 sectioning off of the assets of Debtor, which would have at least allowed a separate evaluation of  
26 the fair market value of the personal property versus the Lease . By comingling the entire bid of  
27 the personal property and the Lease, it was not clear what value any bidder was placing on the  
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different aspects of the assets. For sure, it can be established that Joshua Gray valued the personal property to the tune of \$1.5 million. It is highly likely the two bidders will now state they placed a low value on the personal property and a high value on the Lease itself. However, by not requiring the bidders to state their values upfront when confronted with another bidder for the same personal property assets, it allows a post-hoc valuation, which is not a true market value. For these reasons, this Court should find the sale lacks a good faith purchaser and should deny the sale.

**C. The Sale Of The Assets Should Not Be Free And Clear Of The CNMI's Lien Unless The CNMI Is Fully Paid.**

Section 363(f) permits a sale of property “free and clear of any interest in such property of an entity other than the estate” only if any one of the following five conditions is met:

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f). Section 363(f) is written in the disjunctive; thus, satisfaction of any one of the five conditions is sufficient to sell property free and clear of liens. *See e.g., Citicorp Homeowners Services, Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988). Here, however, the Debtor and Committee cannot satisfy any of the five alternative prongs of Bankruptcy Code Section 363(f).

1. Section 363(f)(1). As the Motion addressed Section 363(f)(1) in tandem with Section 363(f)(5) (Motion at 19–20), the Commonwealth does the same here.

1           2.     Section 363(f)(2). In regard to Section 363(f)(2), the “consent” of an entity  
2     asserting an interest in the property sought to be sold, as referenced in Section 363(f)(2), can be  
3     implied if such entity fails to make a timely objection to the sale after receiving notice of the sale.  
4     *In re Eliot*, 94 B.R. 343, 345 (E.D. Pa. 1988); *see also, In re Ex-Cel Concrete Company, Inc.*, 178  
5     B.R. 198, 203 (B.A.P. 9th Cir. 1995) (“The issue here is whether there was consent or non-  
6     opposition by Citicorp.”); *In re Paddlewheels, Inc.*, 2007 WL 1035151 (Bankr. E.D.La. April 2,  
7     2007) (“The Sale Motion complies with section 363(f) of the Bankruptcy Code, in that the Trustee  
8     either obtained the consent of Whitney to the sale of the Vessel to Purchaser or Whitney had no  
9     objection to the Sale.”). The Commonwealth objects to the sale and as the holder of the highest  
10    lien, it controls whether or not such a sale could occur that would extinguish junior liens, if such a  
11    mechanism for the termination of a lease existed.

12           3.     Section 363(f)(3). Section 363(f)(3) authorizes a sale to be free and clear of an  
13    interest if such interest is a lien and the price at which the property to be sold is greater than the  
14    aggregative value of all liens against the property. Here, the aggregate value of all liens against the  
15    property greatly exceeds the proposed sale price of \$12.95 million. Debtor’s own table of secured  
16    claims shows the Commonwealth is “in the money” and indeed should be paid first and fully for  
17    its entire claim. However, the Commonwealth has a unique situation as a government entity in that  
18    it represents not only the various agencies, but also the people of the Commonwealth (those very  
19    people who were harmed and took up lawsuits and received judgments to make them whole from  
20    the bad actions of Debtor). The fact that the sale did not receive enough monetary value to cover  
21    all of the secured creditors, let alone provide any money for the unsecured creditors (including the  
22    Commonwealth, who was also the largest unsecured creditor — at least, prior to IPI’s sister  
23    companies filing claims totaling more than \$78 million on the last day of the claims period). Thus,  
24    the Commonwealth has a duty to ensure the highest possible return to all of the citizens and  
25    businesses harmed by the bad actions of Debtor.

26           4.     Section 363(f)(4). “The purpose of § 363(f)(4) is to permit the property of the estate  
27    to be sold free and clear interests that are disputed by the representative of the estate so that  
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liquidation of the estate's assets need not be delayed while such disputes are being litigated." *In re Clark*, 266 B.R. 163, 171 (B.A.P. 9th Cir. 2001). There is no bona-fide dispute that that certain liens listed by Debtor are not authorized. Debtor's dispute of those liens is not challenged in any way by any of the parties. The test for determining whether a bona-fide dispute exists is an object test which "requires the court to determine whether there is an objective basis for either a factual or legal dispute as to the validity of the claim." *In re Dewey Ranch Hockey, LLC*, 406 B.R. 496 (Bankr. D. Ariz. 2004) (citing *In re Vortex Fishing Systems, Inc.*, 277 F.3d 1057 (9th Cir. 2002)). Here, Debtor has provided no information to show there is a bona-fide dispute and thus this Court cannot find the provisions of this section are met. Further, this provision is not to be used to erase a bona-fide lien and to sell property free and clear of the bona-fide liens. *See id.* (finding that the dispute over Glendale's asserted rights for sale of franchise could not be done free and clear of NHL's interest).

5. Section 363(f)(1) and (f)(5). Applicable nonbankruptcy law may permit a sale of the assets free and clear of interests. 11 U.S.C. § 363(f)(1). Similarly, under Section 363(f)(5), a debtor in possession may sell property free and clear of any interest if the holder of that interest "could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest." 11 U.S.C. § 363(f)(5) (emphasis added). Section 363(f)(5) has generally been interpreted to mean that if, under applicable law, the holder of the lien or interest could be compelled to accept payment in exchange for its interest, the debtor in possession may take advantage of that right by replacing the holder's lien or interest with a payment or other adequate protection. COLLIER ON BANKRUPTCY, ¶ 363.06 [6] (15th ed. rev. 2003).

Here, the Commonwealth could only be compelled to accept a money satisfaction if such amount was for the **FULL** amount assessed, including all interest and fees. *See* 4 CMC § 1866(a)(1).<sup>2</sup> The full amount, along with interest, was at \$7,709,454.64 as October 11, 2024. *See*

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<sup>2</sup> 4 CMC § 1866(a)(1) reads:

(a) Release of Lien. Subject to such regulations as the Secretary may prescribe, the Secretary shall issue a certificate of release of any lien imposed with respect to any non-NMTIT tax not later than 30 days after the day on which: (1) Liability Satisfied or Unenforceable. The Secretary finds that the



ECF Claim 25-1. The only way the Commonwealth could be compelled to accept a money satisfaction, which would only release its tax lien but not extinguish the junior liens, would be if it were paid the full amount of its claim. It is doubtful that the Committee or Debtor intends to allow the Commonwealth to take approximately \$8 million of the \$12.95 million proceeds of the sale. Further, under Commonwealth law, foreclosure may only occur for mortgages. *See* 1 CMC § 4537(a). Here, there is no applicable law that allows for the foreclosure of a lease. Leases are terminated, as they are contracts. To the extent that a mortgage sale in the CNMI would allow for the extinguishment of junior liens, such is not applicable here as no foreclosure can occur on the lease.

**D. There Should Be No Breakup Fee and the Court Should Not Waive the 14 Day Stay Period.**

The Commonwealth joins in the arguments of Creditor Joshua Gray in opposing the breakup fee and stay period.

**II. OBJECTION TO LACK OF ADEQUATE ASSURANCE**

**Legal Basis**

11 U.S.C.A. § 365(b)(1) requires adequate assurance of future performance in order for a contract to be assumed and assigned. The winning bidder has failed to provide adequate assurance of future performance.

**A. The Winning Bidder Has Not Provided Adequate Assurance In Accordance With § 365.**

The Commonwealth is not conceptually opposed to assumption and assignment of the Lease to an entity capable of providing adequate assurance of future performance and ability to comply with all provisions of the Lease on a going forward basis. However, the Commonwealth files this objection on the grounds that Team King has not yet provided DPL (the landlord under the Lease) with such adequate assurance.

Under DPL's regulations, leases shall not be assigned in part or in whole without the prior

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liability for the amount assessed, together with all interest in respect thereof, has been fully satisfied or has become legally unenforceable

1 written consent of DPL. NMIAC § 145-70-110(i). Proposed assignees are subject to the same  
2 eligibility requirements, qualifying factors, and level of scrutiny as lessees, NMIAC § 145-70-  
3 110(i)(1), so DPL must ensure that all requirements listed in its regulations are satisfied before it  
4 can approve an assignment to Team King.

5 Under NMIAC § 145-70-101(c)(3), Team King must demonstrate credit worthiness, ability  
6 to pay rent, and ability to fund all proposed development, and to comply with all conditions and  
7 covenants of the lease agreement to the satisfaction of the DPL Secretary. Team King has provided  
8 two bank statements for related parties, but no bank statement or other documentation of Team  
9 King's credit worthiness, ability to pay rent, ability to fund the proposed development, or ability  
10 to comply with the Lease has been provided.

11 Under NMIAC § 145-70-120(a), Team King must show that it meets DPL's regulatory  
12 criteria for character, capacity and capital. Under NMIAC § 145-70-120(a)(1), Team King must  
13 show evidence of its experience in and knowledge of the industry of the proposed development  
14 and evidence that it is in good standing with taxing and regulatory authorities, creditors, and  
15 depository institutions. For other newly formed companies requesting assignments of a public land  
16 lease for a hotel property, DPL has required proof of employees with hotel management experience  
17 and commitment to enter a management agreement with a major hotel brand. Team King has not  
18 provided any information in this regard.

19 Under the First Amendment to the Lease, Article 7 specifies a capital or bond requirement  
20 to satisfy DPL's requirements for Lessee's capacity and capital. Specifically, the Lease requires  
21 Lessee to submit to DPL verifiable evidence that Lessee has raised funds sufficient to complete  
22 the development and construction of a first-class hotel villa resort complex and associated  
23 amenities on the leased premises. If those assurances cannot be provided, Lessee can either: (i)  
24 tender a completion bond in favor of DPL from a surety acceptable to DPL guarantying completion  
25 of the project, or (ii) cause Imperial Pacific International Holdings Limited to encumber \$113  
26 million in cash and equivalents and assign all accounts to a third-party custodian for exclusive use  
27 of funding the project. DPL has not received any verifiable evidence that Team King has sufficient  
28

1 funds to complete development and construction of the project, nor has Team King tendered a  
 2 completion bond or encumbered \$113 million in cash for the use of funding the project. As a result,  
 3 it has not demonstrated its ability to meet DPL's requirements for either capital or capacity.

4 NMIAC § 145-70-120(b) requires Team King to submit a business plan including financial  
 5 projections, opportunities and risks, and who or what the competition is in its industry. The plan  
 6 must also include pro forma financial statements including profit and loss statements, cash flows,  
 7 balance sheets for the first five years of the proposed development, and revenue projections over  
 8 the life of the lease. Business plans must also address the areas of market analysis, financial  
 9 viability, and operational issues. Team King has not submitted any business plan to DPL  
 10 containing the required information.

11 In addition to the other financial information required by DPL's regulations, NMIAC §  
 12 145-70-120(c) requires evidence of adequate financing showing a commitment to fund the  
 13 proposed development project and satisfy payment obligations, including documents showing the  
 14 source of funding and an attestation as to the legal nature of the funds. No such evidence of  
 15 adequate financing has been provided by Team King.

16 NMIAC § 145-70-120(d) requires all the following information and documentation  
 17 regarding ownership, structure, guarantees, and authorizations, all of which are necessary for DPL  
 18 to ensure compliance with the Lease on a going forward basis:

- 19 (1) List of owners having an ownership interest in the applicant of 10% or greater.
- 20 (2) Certified entity formation documentation, certificate of incumbency, and  
 21 transactional authorizations of lessee and related parties. If lessee or any related  
 22 party is not a domestic entity or resident individual, such party shall first be  
 23 domesticated and authorized to do business in the Commonwealth. Foreign  
 24 documents and signatures shall be authenticated and legalized (or apostilled if  
 25 originated in Hague Convention jurisdiction). An organizational chart showing  
 26 the relationship of parent companies, subsidiaries, and related parties involved  
 27 in the funding and operations of the proposed development shall be provided.
- 28 (3) Formal resolution from applicant authorizing applicant to enter a lease with the  
 DPL and designating a specific director or officer or applicant to negotiate and  
 execute the lease agreement and related transactional documents.
- (4) Formal resolution from each related party identifying its authorized signatory  
 and authorizing related party to provide full financial support for the proposed  
 project and to guarantee applicant's obligations under the lease agreement.
- (5) Evidence of ability to secure performance bond, completion bond and/or stand

1 by letter of credit as security for lessee's development obligations under the  
2 lease.

3 (6) Agreement to issue personal guarantee from all related parties.

4 (7) Written authorization from applicant and related parties for creditors, banks,  
5 financiers, and depository institutions to release information to DPL regarding  
6 account balances, credit standing, and general business conduct of applicant and  
7 related parties.

8 Team King has provided its Articles of Organization, Certificate of Organization, Business  
9 License, Annual LLC Report, tax identification number certificate, minutes of a special meeting  
10 authorizing its managers to take all necessary acts to effectuate the company's participation in the  
11 auction to participate the hotel, and Consent and Authorization to Appointment as Registered  
12 Agent letter appointing Ningning Song to act as registered agent for service of process only. Team  
13 King has not provided a list of owners having an ownership interest of more than 10%; an  
14 organizational chart(s); or a formal resolution from Team King authorizing it to enter a lease with  
15 DPL and designating a specific director or officer to negotiate and execute the lease agreement  
16 and related documents. In addition, Team King has not provided evidence of its ability to secure a  
17 performance bond or other security for its development obligations, or authorization for creditors  
18 and banks to release information to DPL regarding Team King.

19 Finally, NMIAC § 145-70-120(e) requires the submission to DPL of construction plans,  
20 including an architectural layout and design with renderings and elevations. It is unclear if Team  
21 King is planning to make any changes to the construction plans submitted by the Debtor. Finally,  
22 NMIAC § 145-70-120(e) requires submission of a timeline for construction and an updated cost  
23 schedule, and DPL has not received no such documents.

24 **B. Related Parties**

25 In its bid for auction, Team King relies on funds and information from City East  
26 Investments Ltd. Documents attached to the bid include City East Investments' Limited Certificate  
27 of Incumbency; a Register of Members for City East Investments Limited indicating that there are  
28 two members, Mr. Kaneko and Mr. Yanase; a December 3, 2024 certificate of good standing of  
City East Investments Limited in the British Virgin Islands; and a City East Investments Ltd. bank  
statement. In addition, Team King submitted to DPL a bank statement from Kyosei Bank in an

attempt to demonstrate assurance of Team King's ability to meet lease requirements.

Based on this documentation submitted by Team King, which is presumably submitted to demonstrate funds available to Team King, both City East Investments Ltd. and Kyosei Bank meet DPL's definition of "related parties." Under NMIAC 145-70-010(n), the term "related parties" is defined as

[P]erson, persons, entity, or entities who participate in the funding or operations of the Applicant or Lessee's development or proposed development including without limitation parent companies in multinational company structures, as well as controlling or major shareholders. For the avoidance of doubt, Related Party shall include persons or entities that provide funding to an applicant or lessee. Transactions that, because of their nature, may be indicative of the existence of related parties include:

- (1) Borrowing or lending on an interest-free basis or at a rate of interest significantly above or below market rates prevailing at the time of the transaction.
- (2) Making loans with no scheduled terms for when or how the funds will be repaid.
- (3) Lack of sufficient working capital or credit to continue the business, or lack of complete business plan or financial projections.

For each company that will participate in Team King's funding or operations and thus be considered a "related party," DPL will require all of the following:

- Evidence that related parties are in good standing with taxing and regulatory authorities, creditors, and banks. NMIAC 145-70-120(a)(1).
- Financial statements of related parties. NMIAC 145-70-120(c)(2).
- Certified entity formation documentation for related parties. NMIAC 145-70-120(d)(2). If any related party is not a domestic entity, it must be domesticated and authorized to do business in the CNMI.
- An organizational chart showing the relationship of related parties involved in the funding and operations of the proposed development. NMIAC 145-70-120(d)(2).
- A formal resolution by the related party identifying its authorized signatory and authorizing the related party to provide full financial support for the proposed

1 project and guaranteeing the applicant's obligations under the lease agreement.

2 NMIAC 145-70-120(d)(4).

- 3 • A personal guarantee from the related party. NMIAC 145-70-120(d)(6).
- 4 • Written authorization from the related party for creditors, banks, financiers, and
- 5 depository institutions to release information to DPL regarding account
- 6 balances, credit standing, and general business conduct of the related party.

7 NMIAC 145-70-120(d)(7).

8 DPL will need all of the above to be provided by both City East Investments Limited and Kyosei  
9 Bank, as well as any other related parties, in order to make a determination regarding Team King's  
10 ability to perform under the Lease.

11 So far, the only information DPL has received for City East Investments Ltd. is limited to  
12 one bank statement from a bank in Hong Kong, which shows several accounts. The statement,  
13 which is a bit blurred, is from several months ago, and the balance shown is not sufficient to  
14 provide adequate assurance of future performance under the Lease. Similarly, the only information  
15 DPL has received for Kyosei Bank is a single bank statement. All other required related party  
16 documentation is still needed. Without these documents, DPL is unable to complete the review  
17 process required by its regulations to determine whether Team King satisfies DPL's eligibility  
18 requirements and qualifying factors.

19 Based on the lack of adequate assurance, the Commonwealth objects to sale and to the  
20 closing of the sale should the Court accept the sale to the extent that it would require DPL to  
21 approve an assignment to Team King without the necessary adequate assurances to meet DPL's  
22 regulatory requirements.

Respectfully submitted: March 11, 2025

OFFICE OF THE ATTORNEY GENERAL  
EDWARD MANIBUSAN  
ATTORNEY GENERAL

/s/ J. Robert Glass, Jr.  
J. ROBERT GLASS, JR. (F0523)  
Chief Solicitor

**CERTIFICATE OF SERVICE**

I hereby certify that the above and foregoing was electronically filed on March 11, 2025, with service requested to all parties of record.

/s/ J. Robert Glass, Jr.  
J. ROBERT GLASS, JR. (F0523)  
Chief Solicitor

EDWARD MANIBUSAN (F0131)  
Attorney General  
Rebecca Wiggins (T0176)  
Assistant Attorney General  
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Attorneys for Creditor, The Commonwealth of the Northern Mariana Islands

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN MARIANA ISLANDS  
BANKRUPTCY DIVISION**

**In re**

**IMPERIAL PACIFIC  
INTERNATIONAL (CNMI), LLC,**

Debtor and  
Debtor-in-Possession

CASE NO. 24-00002  
Chapter 11

**DECLARATION OF TERESITA  
SANTOS**

I, Teresita Santos, hereby declare and state, under penalty of perjury and the laws of the United States, as follows:

1. I am the Secretary of the Department of Public Lands (“DPL”).
2. I am over eighteen years of age and am fully competent to testify the facts set forth in this declaration.
3. I oversee the work of DPL. Part of the DPL mission, as trustees for public lands in the Commonwealth of the Northern Mariana Islands, is to provide for the disposition and development of public lands for the economic and social betterment of the people today and for future generations. DPL oversees all leases for public lands.



- 1 4. DPL has received the following documents from Team King Investment, (CNMI) LLC  
2 (“Team King”):
  - 3 a. The Auction Bid dated February 20, 2025. The Auction Bid includes the following  
4 documents: City East Investments Limited Certificate of Incumbency; City East  
5 Investments Limited Register of Members; City East Investments Limited Bank  
6 Statement that reflects the Hong Kong dollars in the accounts; Team King’s Articles of  
7 Organization; Team King’s Appointment as Registered Agent Letter; Team King’s  
8 Certificate of Organization; Team King’s Business License; Team King’s 2025 CNMI  
9 Annual LLC Report Letter; Team King’s Tax Identification Number; Team Kint’s  
10 Minutes of Special Meeting.  
11  
12  
13 b. A bank statement written in Japanese from Risona Bank.  
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- 15 5. No further documentation has been provided by Team King to DPL.  
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/s/ Teresita Santos  
TERESITA SANTOS

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*Attorney for Creditor, The Commonwealth of the  
Northern Mariana Islands*

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN MARIANA ISLANDS  
BANKRUPTCY DIVISION**

In re

IMPERIAL PACIFIC INTERNATIONAL  
(CNMI), LLC,

Debtor and  
Debtor-in-Possession.

Case No. 1:24-bk-00002

**DECLARATION OF BRENDAN LAYDE  
IN SUPPORT OF OPPOSITION BY THE  
CNMI TO JOINT MOTION TO APPROVE  
THE SALE OF DEBTOR'S ASSETS AND  
ASSIGNING CERTAIN CONTRACTS**

Hearing Date: March 25, 2025

Hearing Time: 9:00 a.m.

Judge: Hon. Robert J. Faris

I, BRENDAN LAYDE, hereby declare:

1. I am over eighteen years of age and am fully competent to testify to the facts set forth in this declaration.

2. I am an attorney with the government of the Commonwealth of the Northern Mariana Islands ("CNMI"), have represented the Governor of the CNMI in proceedings involving the Debtor, and have tracked the web of entities and individuals affiliated with the Debtor for several years. I have obtained

1 and compiled documents from the CNMI, British Virgin Islands (“BVI”), Hong Kong, and elsewhere  
2 on this issue.

3 3. I submit this declaration in support of the opposition by the CNMI to the Joint Motion of  
4 Debtor and Official Committee of General Unsecured Creditors for Order (I) Approving the Sale of  
5 Substantially All of the Debtors Assets Free and Clear of All Liens, Claims, And Encumbrances  
6 Pursuant To 11 U.S.C. § 363, Subject to Overbids; and (II) Authorizing the Assumption and  
7 Assignment of Certain Executory Contracts and Cure Amounts Associated Therewith (ECF No. 367  
8 (the “Motion”)). I am aware that secured creditor Joshua Gray will also file an opposition to the Motion  
9 and intends to rely on the facts and documents set forth in this Declaration.

10 4. This Declaration sets forth documentary evidence showing that both bidders in the auction  
11 have close ties to the Debtor and its principals that raise cause for concern. None of these relationships  
12 were disclosed in the bid proposal submitted as part of the auction process.

#### 13 Structure of the Debtor

14 5. Imperial Pacific International (CNMI) LLC (the “Debtor”) is a wholly-owned subsidiary of  
15 Imperial Pacific International Holdings (“IPIH”). The parent company, IPIH, is incorporated in  
16 Bermuda and was publicly traded on the Hong Kong Stock Exchange until it was delisted effective  
17 June 17, 2024, and is now in liquidation proceedings in Hong Kong. (**Exhibit A** at 3–4).

18 6. The Debtor is a member-managed Limited Liability Company incorporated in the CNMI and  
19 was organized by a single member, Best Sunshine International Ltd. (BVI), a company incorporated  
20 in the BVI and wholly-owned by IPIH. (**Exhibit B** at 2). Best Sunshine was administratively dissolved  
21 in April 2023 because its registered agent in the BVI had resigned. (**Exhibit C** at 2).  
22  
23  
24

Lijie Cui, Xiaobo Ji, and Howyo Chi

7. Lijie Cui (“Cui”), a Chinese national who resided in Hong Kong for a long period of time, is the controlling shareholder of IPIH via Inventive Star, a company of which she is the beneficial owner and which is in turn the majority shareholder of IPIH. (**Exhibit D** at 3).

8. Xiaobo Ji (“Ji”) is the son of Ms. Cui; he is also a Chinese national who lived in Hong Kong and, together with Ms. Cui, was primarily responsible for the Debtor’s casino and hotel project in Saipan. (**Exhibit E** at 3). As recently as February 2024, at a hearing before the Commonwealth Casino Commission on the possible revocation of the Debtor’s exclusive casino license, Howyo Chi testified that Mr. Ji “calls the shots” with respect to the Debtor’s decision-making.

9. Howyo Chi (“Chi”) has worked for the Debtor since 2017 in several different capacities. When virtually every other employee was terminated after COVID, Mr. Chi remained as one of the only employees of the Debtor. Since October 2023, Mr. Chi has stated that he holds the title of Manager and Director.<sup>1</sup>

10. Mr. Chi is also the husband of Ms. Cui (and therefore the stepfather of Mr. Ji). Although Ms. Cui is 66 years old and Mr. Chi is 40 years old, the two were married in Saipan on October 18, 2024—approximately six months after the Petition was filed. (**Exhibit F** is a copy of their CNMI marriage certificate).

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<sup>1</sup> I also note that Mr. Chi was not in fact properly appointed as the Manager of the Debtor pursuant to the Debtor’s Amended Operating Agreement, which requires that he be appointed by the members of the Debtor LLC. (**Exhibit Q** at 7 (Article VII 02)). The document purporting to appoint Mr. Chi was signed by Mr. Dongting Zheng, representing himself to be “constituting the director of the sole member” of the Debtor, on September 29, 2023. (**Exhibit Q-2**). But the sole member of the Debtor, Best Sunshine, had dissolved months earlier, on April 7, 2023. (**Exhibit B** at 2). Moreover, Mr. Zheng was not a director of Best Sunshine (**Exhibit Q-3**), but was rather the former director of the Debtor itself. (**Exhibit Q-2**; **Exhibit Q-4**).

Criminal Prosecutions and Contempt of the Debtor's Principals

1  
2 11. In or around November 2023, Limei Cui—who is the sibling of Ms. Cui and served as the  
3 executive director of IPIH in 2020—was sentenced to eight years of imprisonment by a Beijing court  
4 for the crime of establishing a casino. The court referenced that Limei Cui was part of a group of  
5 defendants organized by Mr. Ji, who is “being processed in another case.” (**Exhibit G**).

6 12. As part of the litigation *Joshua Gray v. Imperial Pacific International (CNMI), LLC*, No. 18-  
7 cv-0009 (“*Gray*”), before the U.S. District Court for the Northern Mariana Islands (the “District  
8 Court”), Ms. Cui was held in contempt numerous times for failing to comply with a subpoena,  
9 violating the Court’s order to preserve evidence, her behavior during a deposition, and her other  
10 violations of the District Court’s orders. (*Gray*, ECF Nos. 299, 409, 471, 479).

11 13. Previously, in August 2019, the U.S. Attorney for the Northern Mariana Islands filed an  
12 indictment against two senior executives of the Debtor, Liwen Wu and Jianmin Xu, charging them  
13 with participating in a RICO conspiracy that involved harboring illegal aliens, unlawful employment  
14 of aliens, and intentional promotion of money laundering. (**Exhibit H**). It is believed that Liwen Wu  
15 is a sibling of Pei Tzu Wu (a/k/a Pace Wu), who is the mother of Mr. Ji’s children and was listed as a  
16 “related party” of Ms. Cui in an interim annual report by IPIH in 2018. (**Exhibit I** at 17). The fact that  
17 Pace Wu and Xiaobo Ji have four children together but are not married is discussed in many press  
18 reports. (*See, e.g., Exhibit I-2*).

19 20 14. A title search that is discussed in the Motion showed that both Xiaobo Ji and Pei Tzu Wu had  
21 filed UCC liens against the Debtor. (Motion at 16).

22 23 15. Because of the above prosecutions, it is believed that Mr. Ji is in hiding and Ms. Cui is afraid  
24 to return to China.

Loi Lam Sit is Closely Related to the Debtor

16. Loi Lam Sit (“Mr. Sit”) is the DIP lender in this case and was the stalking horse bidder. He was initially willing to loan \$7 million of his own money as a DIP loan. (ECF No. 140 ¶ 22). Based on his declaration, he works for a cosmetics company; he has no experience in Saipan, the hotel industry, the casino industry, or real estate. (*Id.* ¶¶ 9–11). Eventually, Mr. Sit admitted that he agreed to take on these roles because he was “approached by a personal friend to help Mr. Ji with financing the Debtor’s Chapter 11 case . . . and to fund the potential settlement with the Commonwealth Casino Commission . . .”). Mr. Sit did not express that he himself ever had any interest in owning the assets of the Debtor, only that he was helping Mr. Ji.

Team King’s Principals are Closely Related to the Debtor

17. Team King Investment (CNMI) LLC (“Team King”) is a Limited Liability Company that was only organized on January 17, 2025, and registered with the Registrar of Corporations of the CNMI on February 4, 2025. (Team King’s corporate documents are attached as **Exhibit J**).

18. Documents exhibit the numerous and significant connections between Team King’s principals and Mr. Ji, Ms. Cui, Mr. Chi, and the Debtor, which date back to at least 2023.

19. Like the structure of the Debtor and its parent, Team King is a CNMI entity, but it is wholly-owned by Team King Investment Limited, which is a BVI company. (*Id.* at 4).

20. The Manager of Team King is Hiroshi Kaneko. (*Id.*).

21. The Members of Team King’s parent company in the BVI are: Hiroshi KANEKO, Boon Chuan TAN, and Teck Tien KON. (*Id.* at 50).

22. Teck Tien KON was made the Executive Director of IPIH (the Debtor’s parent company) and a member of its board, effective October 20, 2023—less than one year before the Petition was filed. (**Exhibit K** is an official announcement by IPIH).

1 23. Hiroshi KANEKO is CEO of the Japan Kyosei Group Company Limited, whose principal  
2 place of business is in Hong Kong. (**Exhibit L** is a page from the company’s website).

3 24. In July 2023, the Kyosei Group and Hiroshi Kaneko entered a Memorandum of Understanding  
4 (“MOU”) with IPIH in which the Kyosei Group agreed to invest \$300 million to assist Mr. Ji and Ms.  
5 Cui to make a settlement with the CNMI government and resume their operations in Saipan. In August  
6 2023, Kyosei Group transferred the first \$20 million (in two installments) of this money to Mr. Ji to  
7 “cover [the Debtor’s] urgent needs for capital.” This is all set forth in a Declaration provided by Mr.  
8 Chi in a lawsuit in which the Debtor sued the Governor and other CNMI officials. A copy of Mr. Chi’s  
9 Declaration, the money transfers, and the MOU were previously filed in this matter as ECF No. 136.

10 25. It is clear that Hiroshi Kaneko was part of the aforementioned transaction with IPIH because  
11 he signed the MOU as a “Witness.” **Exhibit M** is comprised of the signature page from the MOU and  
12 the copy of Hiroshi Kaneko’s passport with his signature that was submitted to the CNMI when  
13 incorporating Team King (which is also page 56 of **Exhibit J**). The “Witness” signature on the right  
14 side of the MOU signature page and the signature on Mr. Kaneko’s passport are exactly the same.

15  
16 The Debtor Facilitated Team King’s Participation in the Auction

17 26. The Debtor also arranged and facilitated the participation of Team King in the auction.

18 27. The corporate documents for Team King evidence that Howyo Chi paid the \$262.50 in  
19 registration fees on behalf of Team King with his personal Visa card, and presumably he also filed all  
20 its papers with the relevant CNMI agency. (See **Exhibit J** at 54).

21  
22 Failure to Disclose these Relationships

23 28. Per the Bidding Procedures, a Qualified Bid must disclose “any past or present connections or  
24 agreements with the Debtor . . . or any officer or director of any of the foregoing (including any current  
or former officer or director of the Debtor).” (ECF No. 338 at 7).

1 29. Team King did not disclose any of its “past or present connections” to the Debtor.

2 30. A portion of the bid proposal submitted by Team King for the auction of the Debtor’s assets is  
3 attached as **Exhibit N**. In that proposal, Team King states that: “Team King’s principal is Mr. Hiroshi  
4 Kaneko. Team King and Mr. Kaneko do not have any past or present connections or agreements with  
5 the Debtor, any stocking [sic] horse bidder, any other non-prospective bidder or qualified bidder, LOI  
6 LAM SIT (“Dip Lender”), or any officer or director of the Debtor.” (*Id.*)

7 31. Team King therefore did not disclose that Teck Tien KON is both the board member of its own  
8 parent company and was or is the executive director of the Debtor’s parent company.

9 32. Team King therefore did not disclose that Mr. Kaneko had an agreement (the MOU) with the  
10 Debtor, its parent company, and its principals, Mr. Ji and Ms. Cui, to invest \$300 million into the  
11 casino project, and that \$20 million was actually paid to Mr. Ji. At a minimum, this must constitute a  
12 “past or present connection[]” with the Debtor.

13 33. On March 10, 2025, as part of Team King’s adequate assurances that it could complete the  
14 project, Team King’s attorneys sent an email to the CNMI’s attorneys stating that they are forwarding  
15 a Risona Bank Statement with the equivalent of \$23.9 million. The email stated that this was a “bank  
16 account owned by Mr. Hiroshi Kaneko.” I speak Japanese and am able to read the language on the  
17 attached bank statement. The bank account is actually in the name of *Kyosei Bank*. (The transmitted  
18 email and bank statement are attached as **Exhibit O**).

19 34. **Exhibit P** is a chart exhibiting the various connections between the relevant players.

20  
21 Lack of Competitive Bidding

22 35. After Mr. Sit was selected as the stalking horse, the Bidding Procedures provided that the initial  
23 overbid would need to exceed the stalking horse bid of \$12.5 million by the amount of the breakup  
24 fee (\$200,000) and an additional \$250,000. (ECF No. 338 at 8; ECF 359 at 16).



1  
2 36. Team King bid the exact amount of the minimum overbid.

3 37. At the auction, after Team King's bid was announced, Mr. Sit did not make an additional bid.  
4

5 I declare under penalty of perjury that the foregoing is true and correct. Executed in Saipan,  
6 CNMI on this 11th day of March, 2025.  
7

8 \_\_\_\_\_/s/\_\_\_\_\_  
9 Brendan Layde  
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# EXHIBIT A

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**IMPERIAL PACIFIC**

INTERNATIONAL HOLDINGS

博華太平洋國際控股有限公司

**IMPERIAL PACIFIC INTERNATIONAL HOLDINGS LIMITED**

**(in Liquidation)**

**博華太平洋國際控股有限公司**

**(清盤中)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1076)**

**(1) INSIDE INFORMATION – WINDING UP OF  
THE COMPANY BY THE HIGH COURT  
AND  
(2) APPOINTMENT OF PROVISIONAL LIQUIDATOR**

This announcement is made by Imperial Pacific International Holdings Limited (the “**Company**”) pursuant to Rules 13.09(2)(a) and 13.25(1)(b) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 1 April 2022 regarding the suspension of trading of Shares on the Stock Exchange; (ii) the announcement of the Company dated 23 June 2022 regarding the Resumption Guidance in a letter received by the Company from the Stock Exchange; (iii) the annual results announcement of the Company for the year ended 31 December 2021 published on 24 June 2022; (iv) the annual report of the Company for the year ended 31 December 2021 despatched on 26 July 2022; (v) the announcements of the Company dated 11 July 2022, 13 July 2022, 11 November 2022, 31 October 2023 and 31 January 2024 in connection with the quarterly update on suspension of trading and resumption progress; (vi) the announcements of the Company dated 19 April 2022, 15 July 2022, 7 February 2023, 11 October 2023, 13 October 2023 and 20 October 2023 in relation to, amongst other things, the Company’s change of Directors, Company Secretary and Authorised Representative; (vii) announcements of the Company dated 11 October 2023, 22 November 2023, 21 December 2023, 3 January 2024, 16 January 2024, 31 January 2024, 6 March 2024 and 11 March 2024 in relation to, amongst other things, the Petitions; (viii) the announcement of the Company dated 27 October 2023 in relation to, amongst other things,

its submission of application requesting the LRC Review for the Delisting Decision; (ix) the interim results announcement and the interim report on the unaudited interim financial results of the Group for the six months ended 30 June 2022 despatched on 17 January 2024; and (x) the announcements of the Company dated 7 February 2024, 8 February 2024, 19 February 2024 and 6 March 2024 in relation to, amongst other things, the LRC Decision and Petition I (collectively, the “**Publication**”).

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Publication.

## **WINDING UP ORDER AND APPOINTMENT OF PROVISIONAL LIQUIDATOR**

On 15 April 2024, the Company was ordered to be wound up by the High Court in HCCW 408/2023 pursuant to the provisions of the Companies (Winding-up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) and the Official Receiver by virtue of her office becomes the Provisional Liquidator of the Company.

## **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.

Ms. Phyllis McKenna  
Official Receiver and Provisional Liquidator of  
**Imperial Pacific International Holdings Limited**  
**(In Liquidation)**

Hong Kong, 15 April 2024

*According to the information available from the previous announcement made by the Company, immediately before the making of winding up order against the Company by the Court, the Board of Directors of the Company Mr. Kon Teck Tien, Mr. Xu Zhongxiang and Mr. Chen Feng as executive Directors and Mr. Robert James Woolsey, Dr. Chew Chee Wah and Mr. See Lee Seng, Reason as independent non-executive Directors.*

*The affairs, business and property of the Company are being managed by the Official Receiver and Provisional Liquidator who acts as the agent of the Company only and is not subject to personal liability.*

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



香港聯合交易所有限公司  
(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## ANNOUNCEMENT

In relation to the matter of  
Imperial Pacific International Holdings Limited (In Liquidation)  
(incorporated in Bermuda with limited liability)  
(Stock Code: 1076)

### Cancellation of listing

The Stock Exchange of Hong Kong Limited (the **Exchange**) announced that with effect from 9:00 am on 17 June 2024, the listing of the shares of Imperial Pacific International Holdings Limited (In Liquidation) (the **Company**) will be cancelled under Rule 6.01A(1).

The Exchange announces that the listing of the Company's shares will be cancelled with effect from 9:00 am on 17 June 2024 under Rule 6.01A(1).

Trading in the Company's shares has been suspended since 1 April 2022. Under Rule 6.01A(1), the Exchange may delist the Company if trading does not resume by 30 September 2023.

The Company failed to fulfill the resumption guidance set by the Exchange and resume trading in its shares by 30 September 2023. On 13 October 2023, the Listing Committee decided to cancel the listing of the Company's shares on the Exchange under Rule 6.01A(1).

On 25 October 2023, the Company sought a review of the Listing Committee's decision by the Listing Review Committee. On 7 February 2024, the Listing Review Committee upheld the decision of the Listing Committee to cancel the Company's listing. On 5 March 2024, the Company applied to the High Court for leave for judicial review of the decision of the Listing Review Committee (the Application). On 30 May 2024, the High Court made an order ordering that the Application be discontinued.

Accordingly, the Exchange will cancel the Company's listing with effect from 9:00 am on 17 June 2024. The Exchange has requested the Company to publish an announcement on the cancellation of its listing.

The Exchange advises shareholders of the Company who have any queries about the implications of the delisting to obtain appropriate professional advice.

Hong Kong, 13 June 2024

香港交易及結算所有限公司  
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# EXHIBIT B

**FILED**  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
*Department of Commerce*  
DATE: 5/1/14 TIME: 2:00 AM/PM  
Maria B. De La  
REGISTRAR OF CORPORATION

**IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC**  
**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**P. O. Box 5194 CHRB, Saipan MP 96950**

**AMENDED OPERATING AGREEMENT**

**ARTICLE I**  
**NAME OF COMPANY**

The name of the Limited Liability Company herein shall be as follows: IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC (hereafter "Company").

**ARTICLE II**  
**PURPOSES, POWERS AND RESTRICTIONS**

The purpose of this Company is to engage and conduct any business duly authorized by law and/or from time to time as authorized or approved by the Board of Directors of this Company to engage in all businesses as stated under the Company's Articles of Organization.

**ARTICLE III**  
**DESIGNATED OFFICE, AGENT FOR SERVICE OF PROCESS**  
**AND COMPANY ORGANIZER**

**Article III 01: Designated Office for Service of Process**

The designated office of the Company and principal place of business is:

Puerto Rico, Chalan Pale Arnold  
Saipan, Northern Mariana Islands  
P.O. Box 5194 CHRB, Saipan, MP 96950

**Article III 02: Company Organizer & Designated Agent for Service of Process**

The Company's organizer is:

**BEST SUNSHINE INTERNATIONAL LIMITED**

The Company's designated agent, a domestic corporation, and street address is:

Hector Venus  
P.O. Box 5541 CHRB  
Saipan, MP 96950



## **ARTICLE IV TERM COMPANY**

### **Article IV 01: Term of the Company**

The Corporation's existence shall be perpetual beginning from the date the Articles of Organization is filed with the CNMI Registrar of Corporations.

### **Article IV 02: Dissolution of the Company**

In the event of dissolution of the Company, the Board of Directors shall, after paying and making provisions for the payment of all liabilities, obligations, liquidate the Company's assets, if any, and distribute the funds to the Members according to the percentage of shares possessed by each Member and to the laws of the CNMI.

### **Article IV 03: Continuation of Term Before Expiration of Specified Term With Member Action**

Before the term of the Company expires, the Company may extend or alter the Company's term of existence upon simply majority of the Members. Should the Members vote, by simple majority, to extend or alter the Company's term of existence, then the Board of Directors must execute all necessary documents and procedures to ensure the Company's continued term according to the laws of the CNMI.

### **Article IV 04: Continuation of Term After Expiration of Specified Term Without Member Action**

In the event that the Company continues after the expiration of the specified term, without any action taken by its Members, the rights and duties of the members and managers remain the same as they were at the expiration of the term except to the extent inconsistent with rights and duties of members and managers of an at-will company. In the event that the Managers of the Company continue the business without any winding up of the Company, then the Company continues as an at-will company.

### **Article IV 05: Continuation of Company after Termination of a Member**

The death, resignation, expulsion, bankruptcy, retirement of a Member or the occurrence of any other event that terminates the continued membership of a Member of the Company does not immediately terminate the Company. In the event of a Member's death, resignation, expulsion, bankruptcy, retirement or any other event that terminates a Member's membership, the remaining Members shall have the right to continue the business of the Company if the right is exercised by unanimous vote of the remaining Members within a reasonable time after the occurrence of the event described above in this provision.



**ARTICLE V**  
**VOTING, SHARES AND DISTRIBUTIONS**

**Article V 01: Votes Per Member**

Voting of the Company will be represented by each share held by an individual member of the company. ONE SHARE EQUALS ONE VOTE.

**Article V 02: Shares of the Company**

The authorized share of the Company is One Hundred (100) at One Dollar (\$1.00) per share for a total amount of One Hundred Dollars (\$100.00). The Members are authorized to vote to increase the numbers of shares of the Company at any time subject to the member's meeting and quorum requirements of this Operating Agreement.

Accordingly, the initial Member is Best Sunshine International Limited that has the 100% share of the company.

**Article V 03: Additional Rights of A Member per Number of Shares**

A member who owns more than 10% of the total shares of the Company shall have the right to request a general membership vote on any issue at the annual Company shareholder meeting.

**Article V 04: Distributions of Profits and Losses**

The Members shall determine and distribute available funds annually or at more frequent intervals as they fit. Available funds, as referenced to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Board of Directors. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the laws of the CNMI. To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset as permitted by the laws of the CNMI. For financial accounting and tax purposes the Company's net profits or net losses shall be determined on annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company and in accordance with the laws of the CNMI.

**ARTICLE VI**  
**MEMBER MEETINGS**

**Article VI 01: Place of Meeting.**

All meetings of the members shall be held at the principal office of the Company in Saipan, Commonwealth of the Northern Mariana Islands, or elsewhere as may be determined by the Board of Directors.

**Article VI 02: Regular Annual Meetings.**

The regular annual meeting of the members will be held on the first day of July every year, and if a legal holiday, then, on the next succeeding business day.

**Article VI 03: Purpose of the Annual Meeting.**

The regular annual meeting of the Members shall be for the purpose of electing managers (Directors) and for the transaction of any other business as may be placed on the agenda. Submission items to the agenda can only be submitted by Members possessing more than 10% of the shares outstanding.

**Article VI 04: Special Meetings.**

Special meetings of the Members may be called at any time for any purpose or purposes whatsoever by the Board of Directors or by a Member holding not less than one-fourth (1/4) of all the shares outstanding, or by the Registrar of Corporations.

**Article VI 05: Notice, Entry of Service of Notice and Consent for Members Meeting.**

Notice of the annual or a special meeting shall be given to Member in writing either by personally serving the Member or by sending a copy through the mail to the address of each Member as registered with the Company or as provided by the Member for the purpose of notice. Notice shall be served not less than five (5) or more than fifty (50) days before the date of the meeting. Notice of any meeting need not be issued to any Member who submits a signed waiver of notice before or after any meeting. The fact of the notice to each Member shall be entered in the minutes of the proceedings of the Members and if read and approved at a subsequent meeting of the Members shall be exclusive on the questions of notice. The Members may at any meeting, however called or noticed, sign written consent thereto which shall be entered into the minutes of the proceedings and such entry shall render the proceedings valid irrespective of the manner in which the meeting was called.

**Article VI 06: Notice Requirements**

Notice of each Member meeting must be in writing and state whether the meeting is annual or special, the time and place where the meeting will be held; written notice includes, but is not limited to, electronic mail (email) and facsimile. Notice of a special meeting must state the purpose or purposes for which the meeting is called, and shall indicate that is being issued by, or at the direction of, the person or persons calling the special meeting. If, at any meeting, action is proposed to be taken that would, if taken, entitle Members to receive payment for their shares, the notice of the meeting shall include a statement of that purpose and to that effect.



**Article VI 07: Quorum**

Quorum for any Member meeting is a simple majority of the total number of shares issued and entitled to vote. The withdrawal of any Member after commencement of a meeting shall have no effect on the existence of a quorum after a quorum has been established.

**Article VI 08: Presiding Officer**

Chairman of the Board of the Directors which is also the President shall preside at the Member meetings, shall call any meeting to order and shall act as recorder and in his or her absence, the presiding officer may appoint any person to act as Secretary.

**Article VI 09: Proxy voting and voting rights**

Proxy votes shall be allowed for each vote.

**Article VI 10: Members Acting Without A Meeting**

Any action, which may be taken at a meeting of the Members, may be valid without a meeting for such purpose, if (1) a Memorandum specifically stating the action is signed and ratified by a simple majority of the total number of shares issued and entitled to vote, and (2) filed with the Secretary of the Company. Any resolution in writing, signed by the requisite Members entitled to vote shall constitute action by the Members to the effect, with the same force and effect as if the same had been duly passed by the requisite vote at a duly called meeting of Members and such resolution so signed shall be inserted in the Minute book of the Company under its proper date.

**Article VI 11: Special Member Rights**

Members possess the special rights to sell or transfer the Company's interest upon recommendation by the Board of Directors and in accordance with the laws of the CNMI; any action by a Member to sell or transfer the Company's interest must be by unanimous vote of the total Members.

**ARTICLE VII  
MANAGEMENT-DIRECTORS**

**Article VII 01: Powers & Duties of The Managers-Directors**

The Company powers, business and affairs of the Company shall be controlled by the Managers of the Company, called the Board of Directors. The Board of Directors shall have the powers customarily and usually held and performed by like directors of a company similar in organization and business purposes to this Company as a manager-managed limited liability company. The Board of Directors has the power to implement policy and corporate direction for the Company; the Board of Directors is responsible for the control and management

of the affairs, property, and interest of the Company and may exercise all powers of the Company, except as expressly conferred upon or reserved by the Members. The duties of the Board of Directors of the Company shall be to attend to the day to day operations, business and affairs of the Company. The Board of Directors are to report to the Members annually, at the Members Annual Meeting, as to the status of the business and its financial standing.

**Article VII 02: Appointment of the Managers-Directors**

Any Member may appoint a person to be on the Board of Director and appointment must be confirmed by a simple majority of the Members. The Board of Directors shall appoint a Chairman, President, Secretary and Treasurer to conduct the day to day business, affairs and operations of the Company; the Chairman may also be the Secretary and the President may also be the Treasurer.

**Article VII 03: Chairman**

The Chairman, also a Board of Director, and is the Chief Executive Officer of the Company are subject to the control of the Members. The Chairman shall have general supervision, direction and control of the business and employees of the Company. The Chairman presides at all meetings of the Members and Board of Directors; the Chairman shall be an ex-officio member of all standing committees and shall have the general powers and duties of management usually vested in its office.

**Article VII 04: President**

The President, also a Board of Director, shall perform all duties of the Chairman; when so acting, the President shall have all the powers thereof subjected to all restrictions of the President. The President shall have other powers and duties as prescribed by the Board of Directors. The President shall have the authority to open any position and name such position to assist in the daily business operation of the Company.

**Article VII 05: Secretary**

The Secretary shall give, or cause to be given, notice of all meetings of the Member and Board of Directors, and shall keep the seal of the Company in safe custody, and shall have other powers and perform other duties as prescribed by the Board of Directors. The Secretary shall keep, or cause to be kept:

- (a) Book of Minutes at the principle office or such other place as the Board of Directors may order, of all meetings of the Members and Board of Directors. The book of minutes must at minimum include: (1) the time and place of the meetings, (2) whether the meeting was regular or special, if special state how it was authorized and the notices given, (3) the names and numbers of shares present or represented at the Members meetings, and (4) the proceedings of the meetings.



(b) Share Register at the Company's principle place of business. The share register must at minimum include: (1) the name and address of each Member, (2) the number and classes of shares held by each Member, (3) the number and date of certificates issued for each Member, and (4) the number and date of cancellation of every certificate surrendered for cancellation.

**Article VII 06: Treasurer**

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursement, gains, losses, capita, and surplus of the Company; any paid-in-capital shall be classified according to source and showing in a separate account. The books of account shall be open to inspection by any Director at reasonable times. The Treasurer shall deposit all monies and other valuables that belong to the Company in the name of the Company. The Treasurer shall disburse the funds of the Company as ordered by the Board of Directors and shall render to the Board of Directors and the President upon request an account of all transactions and of the financial condition of the Company. The Treasurer shall have such other powers and perform other duties as prescribed by the Board of Directors.

**Article VII 07: Management Fee**

Any Manager rendering services to the Company shall be entitled to compensation commensurate with the value of such services

**Article VII 08: Election of Board of Directors**

The election of the Board of Directors shall take place at the regular annual Member meeting for the Company. A quorum must be established in order for the election to take place. Members with more than 20% ownership of the outstanding shares of the Company will have an automatic seat on the board, no election is necessary.

**Article VII 09: Composition of the Board of Directors**

The initial member of the Board of Director is CAI, LINGLI.

**Article VII 10: Terms of Office and Vacancies for Directors**

Terms for Board of Directors shall be for three (3) years. However, if no meeting is held to elect new Board of Directors, then the existing Board of Directors will automatically have a year term. Elected members of Board of Directors do not have term limits. Directors may be re-elected for as many as warranted by the Members.

**Article VII 11: Vacancies for Directors**

Vacancies will be deemed to exist upon: (1) a Directors failure to attend two consecutive Board of Directors meeting within a fiscal year and his or her non attendance is listed in the roll call minutes, (2) death of a Director, (3) receipt by the Board of a Director's resignation and which acceptance of such resignation is unnecessary to make the resignation effective, (4) removal of a Director as provided by the Civil Code of the Commonwealth of the Northern Mariana Islands, (5) upon a court issued judgment that a Director has been convicted of fraud or embezzlement from the Company or breach of a fiduciary duty owed to the Company, or (6) at any time the Members fail to elect a full number of authorized Directors. The vacancy may be filled at the discretion of the President of the Board of Directors; the vacancy is filled only for the remaining term left by the vacancy. The Members may at any time elect a Director to fill any vacancy.

**Article VII 12: Quorum**

Quorum for any Board of Director meeting will be established only if the Chairman of the Board of Directors is present and a simple majority of the members of the Board of Directors is also present. A Director is present if he or she is physically at the meeting or is able to participate in the meeting via telephonically or through a broadcast system such as an online camera; a Director who attends a meeting telephonically or through a broadcast system, for quorum purposes, is sufficient if and only if said Director can hear and be heard by the Directors who are physically present at the meeting place.

**Article VII 13: Proxy voting and voting rights**

Proxy voting is permitted for any Board of Director.

**Article VII 14: Presiding Officer**

The President shall call any meeting to order and shall act as recorder and in his or her absence, the presiding officer may appoint any person to act as Secretary.

**Article VII 15: Manner of Acting**

At all Board of Directors meeting, each Director present will have one vote, irrespective of the number of shares a Director holds, if any. The action of a majority of the Directors present at any meeting at which quorum is present shall be the act of the Board.

**Article VII 16: The Board Acting Without A Meeting**

Any action, which may be taken at a meeting of the Board, may be valid without a meeting for such purpose, if (1) a Memorandum specifically stating the action is signed and ratified by a simple majority of the Board, and (2) filed with the minutes of the Company. Any Memorandum in writing, signed by the requisite number of Members shall constitute action by the Board to the effect, with the same force and effect as if the same had been duly passed by the requisite vote at a



duly called meeting of the Board and such resolution so signed shall be inserted in the Minute book of the Company under its proper date.

**Article VII 17: Conflict Of Interest**

(a) No contract or other transaction between this Company and any other entity shall be impaired, affected, or invalidated because a Director of this Company is also a Director, or expresses interest in, the other entity – provided that such fact is disclosed or made known to this Company. Nor shall any Director be liable in any way, by reason of the fact that one of the Directors of this Company is a Director of the other entity – provided that such fact is disclosed or made known to this Company's Board of Directors.

(b) Any Director, personally and individually, may be a party to or may possess interest in any contract or transaction of this Company, and no Director shall be liable in any way by reason of such interest, provided that the fact of such interest is disclosed or made known to the contract or transaction.

**ARTICLE VIII  
RECORDS AND REPORTS**

**Article VIII 01: Books and Records**

The Company shall keep correct and complete books and records of all Company related monetary accounts and related expenses. The Company shall also keep minutes of the proceedings of its Members and Board of Directors, and shall keep at its registered office, a record of its Members and the number and class of the shares held by each.

**Article VIII 02: Inspection**

All books and records required by the laws of the Commonwealth of the Northern Mariana Islands, shall be open to the inspection by the Members, Board of Directors from time to time and in the manner prescribed in said laws.

**Article VIII 03: Annual Report**

The President shall prepare and distribute to the Members an annual report detailing the conduct of the business for the prior calendar year for the Company. The annual report shall contain a summary of all business goals set forth by the Board of Directors and the status of those goals. In addition, the annual report shall contain a detailed breakdown of the financial health of the Company in the form of Financial Statements. The annual report shall be distributed not later than ninety (90) days after the close of the calendar year. The President and another Board Member shall certify the annual report and financial statements contained in the report. Upon written request to the Directors by any Member holding not less than one-fourth (1/4) of all outstanding shares of the Company,

the Directors shall cause any such financial statement to be audited by a certified public accountant.

## **ARTICLE IX ISSUANCE AND TRANSFER OF SHARES**

### **Article IX 01: Consideration and Repayment**

Subscription to any share shall be paid in full unless otherwise authorized by the Directors of the Company and shall be paid in lawful money. In kind consideration for shares are allowed by this Operating Agreement and Articles of Organization of the Company. When payment or in kind consideration of the advertisement for which shares are to be issued has been received by the Company, the shares shall be deemed to be fully paid and non-assessable.

### **Article IX 02: Transfer of Share & Rights of First Refusal**

In the event that any Member decides to sell or transfer for value all or any portion of their shares in the Company, the Company and Members shall have rights of first refusal.

### **Article IX 03: Reliance on the Records**

The Company shall be entitled to recognize the exclusive right of the person registered on its books as the owner of shares to receive dividends, and to vote as an owner. Registered Members only shall be entitled to be treated by the Company as the holders in fact of the stock standing in their respective names. The Company shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person whether or not it shall have express or other notice therefore, except as expressly provided by the laws of the CNMI.

### **Article IX 04: Disposition of Shares**

The Directors may, subject to law, sell, exchange and or dispose of the shares of the Company, in such amounts, and at such times as shall be determined by the said Directors pursuant to the provisions of the Articles of Organization. The Directors may also accept in full or in partial payment therefore, such property, services or other consideration at such valuations as the Directors may determine.

### **Article IX 05: Rules and Regulations**

The Directors upon a majority vote may make such rules and regulations, as they may deem expedient considering the issues of the Company in accordance with and under such restrictions and conditions as may be imposed by the laws of the Commonwealth of the Northern Mariana Islands.



**Article IX 06: Record Date**

The Board of Directors will fix in advance the record date. The Record date may not exceed 50 days nor be less than 10 days, from the date of any meeting of the Members and in which meeting the purpose is to determine receive of payment of any dividend, allotment of any rights or any such purpose.

**ARTICLE X  
AMENDMENT**

The Operating Agreement may be amended, repealed or altered, in whole or in part by the Board of Directors, pursuant to the same provisions as are contained in the Articles of Organization, so long as (1) the present composition of the Company remains, and (2) the amendment, repeal or alteration is not in violation of the laws the CNMI. At such time as additional Members join the Company, the Directors may not make or alter any operating agreement the Directors qualifications, classifications, terms of office or compensation. At such time as additional Members are added to the Company, they may, by unanimous vote, make, altar and repeal the operating agreement made or altered by the Directors.

**ARTICLE XI  
INDEMNITY**

**Article XI 01: Indemnification**

Any person made a party to any action, suit or proceeding, by reason of the fact that he or she, testator thereof, or interstate representative is or was a Member, Director, Officer or employee of the Company, or of any Company in which he or she served as much at the request of the company shall be indemnified by the Company against reasonable expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein that such Member, Director, Officer, or employee is held liable for negligence or misconduct in the performance of his or her duties.

**Article XI 02: Nonexclusive**

The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any Member, Director, Officer or employee may be entitled apart from the provisions of this Article.

**Article XI 03: Amount of Indemnity**

The amount of indemnity to which any Member, Director, Officer or employee may be entitled shall be fixed by the Board of Directors, except that in any case where there is no disinterested majority of the available, the amount shall be fixed by arbitration pursuant to the then existing rules of the American Arbitration Association.

**ARTICLE XII  
LAW TO GOVERN AGREEMENT**

It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of the Northern Mariana Islands. Any action or claim arising out this Agreement shall be filed in the CNMI Superior Court, and the prevailing party shall be entitled to recover its costs and expenses including, without limitation, reasonable attorney's fees, in connection with such action, including any appeal of such action.

**ARTICLE XIII  
ADOPTION**

IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC., hereby certifies, by and through its authorized representative, Cai, Lingli, that the above have been initially adopted by unanimous vote of the Board of Directors of and by Members subscriptions below accept and acknowledge the same.

  
\_\_\_\_\_  
CAI, LINGLI  
Authorized Representative

4/28/2014  
\_\_\_\_\_  
Date

# EXHIBIT C



## BVI Financial Services Commission, Registry of Corporate Affairs Register of Companies Search Report

**Date of Search :** 25/07/2024

This search is accurate as at the Search Date above.

**Company Name :** BEST SUNSHINE INTERNATIONAL LIMITED

**Company Number :** 1817378

**Foreign Character Name :** 佳曦國際有限公司

**Company Type :** BC New Incorporation **Date of Incorporation / Registration :** 25/03/2014

**Current Status :**

Status Description: Dissolved  
Status Date: 04/07/2023  
Current Registered Agent: Agent Resigned from Company

Current Registered Agent Address: -  
-  
-  
-  
VIRGIN ISLANDS, BRITISH

Current Registered Agent Phone Number:

Current Registered Agent Fax Number:

Current Registered Office : Commerce House, Wickhams Cay 1  
P.O. Box 3140  
Road Town  
Tortola  
VG1110  
VIRGIN ISLANDS, BRITISH

Telephone:

Agent Fax:

Register of Directors Filed : Yes

First Registered Agent: Vistra (BVI) Limited  
Vistra Corporate Services Centre  
Wickhams Cay II  
Road Town  
Tortola  
VG1110  
VIRGIN ISLANDS, BRITISH

First Registered Office:

**Share/Capital Information:**

Maximum Number of Shares the company is authorized to issue: 50,000

Ability to Issue Bearer Shares: No

**Previous Names History**

| S.No | Previous Name                       | Foreign Character Name | Date Range or Cease Date |    |
|------|-------------------------------------|------------------------|--------------------------|----|
|      |                                     |                        | From                     | To |
| 1    | BEST SUNSHINE INTERNATIONAL LIMITED | 佳曦國際有限公司               | 25/03/2014               |    |

**Transaction History**

| S.No | Date       | Transaction Number | Description                                     | Status   | Eforms/Attachments  |
|------|------------|--------------------|---|----------|---|
| 1    | 24/03/2014 | T140136003         | Name Reservation (10 days)                      | Approved | Name Reservation (10 days)<br>Attach affidavit confirming accurate translation of foreign character         |
| 2    | 25/03/2014 | T140140490         | Application for Incorporation (BC)              | Approved | Application for Incorporation (BC)<br>Memorandum and Articles of the Company                                |
| 3    | 11/04/2014 | T140187210         | Request for Certificate of Goodstanding         | Approved | Request for Certificate of Goodstanding   |
| 4    | 30/03/2015 | T150160616         | Annual Fee Submission (BC)                      | Approved | Annual Fee Submission (BC)  |
| 5    | 21/07/2015 | T150541402         | Request for Certificate of Goodstanding         | Approved | Request for Certificate of Goodstanding   |
| 6    | 29/03/2016 | T160134930         | Annual Fee Submission (BC)                      | Approved | Annual Fee Submission (BC)  |
| 7    | 19/12/2016 | T161187828         | Register of Members or Directors                | Approved | Register of Members or Directors  |
| 8    | 13/02/2017 | T170162466         | Notice of Change of Registered Office Address   | Approved | Notice of Change of Registered Office Address   |
| 9    | 24/05/2017 | T170795967         | Annual Fee Submission (BC)                      | Approved | Annual Fee Submission (BC)  |
| 10   | 25/05/2018 | T180444442         | Annual Fee Submission (BC)                      | Approved | Annual Fee Submission (BC)  |
| 11   | 26/02/2019 | T190109463         | Register of Directors - Registration of Changes | Approved | Register of Directors - Registration of Changes   |
| 12   | 17/06/2019 | T190451174         | Annual Fee Submission (BC)                      | Approved | Annual Fee Submission (BC)  |
| 13   | 08/07/2019 | T190496762         | Registered Agent intent to Resign               | Approved | Registered Agent intent to Resign<br>Notice of intention to resign given to the company under section 93(2) |
| 14   | 31/10/2019 | T190707754         | Notice of Resignation of Registered Agent       | Approved | Notice of Resignation of Registered Agent   |
| 15   | 27/11/2019 | T190838380         | Appointment of Registered Agent                 | Approved | Appointment of Registered Agent   |
| 16   | 29/01/2021 | T210060731         | Annual Fee Submission (BC)                      | Approved | Annual Fee Submission (BC)  |
| 17   | 28/10/2021 | T210760901         | Annual Fee Submission (BC)                      | Approved | Annual Fee Submission (BC)  |
| 18   | 01/03/2023 | T230112722         | Registered Agent intent to Resign               | Approved | Registered Agent intent to Resign<br>Notice of intention to resign given to the company under section 93(2) |

**Certificate History**

| S.No | Transaction No. | Type of Certificate                      | Date of Filing |
|------|-----------------|--|----------------|
| 1    | T170715969      | Certificate of Incorporation (Certified) | 12/05/2017     |
| 2    | T140140490      | Certificate of Incorporation (Original)  | 25/03/2014     |
| 3    | T140187210      | Certificate of Good Standing             | 11/04/2014     |

|   |            |                              |            |
|---|------------|------------------------------|------------|
| 4 | T150541402 | Certificate of Good Standing | 21/07/2015 |
| 5 | T210060731 | Certificate of Restoration   | 29/01/2021 |

**DISCLAIMER:**

Although care has been taken to ensure the accuracy, completeness and reliability of the information provided through the use of this service ("the Information"), neither the Registrar of Corporate Affairs ("the Registrar") nor the Financial Services Commission ("the Commission") assumes any responsibility for the accuracy, completeness and reliability of the Information. This report does not reflect any transactions that may be submitted and not yet registered, or other changes for which the Registrar has not received notice. The user of the Information agrees that the Information is subject to change without notice, and neither the Registrar nor the Commission is responsible for any discrepancies that may result if a transaction is approved for filing after the issuance of this report. Neither the Registrar nor the Commission assumes any responsibility for the consequences of use of the Information, nor for any infringement of third party intellectual property rights which may result from its use. In no event shall the Commission or the Registrar be liable for any direct, indirect, special or incidental damage resulting from, arising out of or in connection with the use of the Information.

# EXHIBIT D

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*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **FIRST NATURAL FOODS HOLDINGS LIMITED**

**第一天然食品有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1076)**

### **MAJOR AND CONNECTED TRANSACTION INVOLVING THE ISSUE OF CONVERTIBLE NOTES**

#### **ACQUISITION OF PROFIT STREAM FROM MACAU GAMING BUSINESS**

##### **THE ACQUISITION**

The Board is pleased to announce that, on 27 November 2013 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell and transfer, and the Company has conditionally agreed to acquire and accept, the entire issued share capital of the Target Company and the Shareholder's Loan at a total Consideration of HK\$400,000,001. The Consideration will be settled as to HK\$1 by means of cash and the remaining HK\$400 million by the issuance of the Convertible Notes.

As at the date of this announcement, the principal asset of the Target Company is its interests under, and entitlements to, the Profit Transfer from the Junket. The Junket is one of the leading gaming promoters in Macau which has been rapidly expanding since its incorporation. It currently operates seven VIP rooms across major casinos in Macau, including StarWorld Casino, Wynn Casino, Galaxy Casino, Sands Cotai Central Casino, MGM Casino, and Venetian Casino. Based on the information provided by the Vendor, the unaudited net profit of the Junket for the ten months ended 31 October 2013 amounted to approximately HK\$462,080,000.

\* For identification purposes only



The Directors (excluding the independent non-executive Directors who will give their view on the Acquisition after taking into account the advice of the independent financial adviser) consider that the Acquisition is an investment with minimal risk but strong upside potential and is in the interests of the Company and the Shareholders as a whole for the following reasons:

- (i) Taking into account the Profit Guarantee to be provided by the Vendor which will be 100% secured by the Convertible Notes, the Acquisition will in substance and effect provide the Group with a secured and guaranteed income stream of at least HK\$25 million per year on average (representing approximately a guaranteed minimum yield of 6.25% per annum) over a period of 16 years.
- (ii) The Acquisition represents a conservative but appropriate strategic move of the Group with strong growth potential in view of the attractive prospect of the gaming industry in Macau and the competitive strength of the Junket.
- (iii) The Acquisition is expected to have positive impact on the financial results and cash flow position of the Company.
- (iv) The principal risks associated with the Acquisition have been satisfactorily dealt with by the terms of the Sale and Purchase Agreement and the Acquisition represents an investment with minimal risk.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios in respect of the Acquisition are greater than 25% but less than 100% for the purpose of Rule 14.07 of the Listing Rules, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is the younger sister of Ms. Cui Lijie, who is the beneficial owner of the controlling Shareholder, Inventive Star, which holds 300,182,154 Shares, representing approximately 75% of the issued share capital of the Company as at the date of this announcement, the Vendor is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all three independent non-executive Directors, namely Mr. Ng Hoi Yue, Mr. Tso Hon Sai Bosco and Mr. Lee Kwok Leung has been established to advise and give recommendation to the Independent Shareholders on the terms of the Sale and Purchase Agreement and the transaction contemplated thereunder (including but not limited to the issue of the Convertible Notes and the allotment and issue of the Conversion Shares). An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be held for the Independent Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. Inventive Star and its associates are required to abstain from voting at the SGM in respect of the relevant resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

#### **GENERAL**

A circular containing, among other things, (i) further details of the Acquisition; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 18 December 2013.

**As completion of the Sale and Purchase Agreement is subject to the fulfillment (or waiver, as the case may be) of a number of conditions (which are detailed in this announcement), the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

The Board is pleased to announce that on 27 November 2013 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell and transfer, and the Company has conditionally agreed to acquire and accept, the entire issued share capital of the Target Company and the Shareholder's Loan.

As at the date of this announcement, the principal asset of the Target Company is its interests under, and entitlements to, the Profit Transfer. Taking into account the Profit Guarantee to be provided by the Vendor (subject to and upon Completion), which will be 100% secured by the Convertible Notes (please see the paragraph headed "The Sale and Purchase Agreement — Profit Guarantee" of this announcement) and the attractive prospect of the gaming industry in Macau (please see the paragraph headed "Reasons and benefits for the Acquisition — Attractive prospect of the gaming industry in Macau") the Acquisition will in substance and effect provide the Group with a secured and guaranteed income stream of at least HK\$25 million per year on average (representing approximately a guaranteed minimum yield of 6.25% per annum on average) with substantial upside potential over a period of 16 years.

Details of the Acquisition are set out as follows:

#### **THE SALE AND PURCHASE AGREEMENT**

Date: 27 November 2013

Parties: the Company (as the Purchaser); and  
Ms. Cui Limei (as the Vendor)

Ms. Cui Limei is the younger sister of Ms. Cui Lijie, who is the beneficial owner of the controlling Shareholder, Inventive Star, which holds 300,182,154 Shares, representing approximately 75% of the issued share capital of the Company as at the date of this announcement. Accordingly, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules.

### **Assets to be acquired**

The Sale Share, being one (1) share of US\$1.00 in the share capital of the Target Company, representing the entire issued share capital of Target Company; and the Shareholder's Loan, in the amount of HK\$18 million owing by the Target Company to the Vendor as at the date of the Sale and Purchase Agreement.

As at the date of this announcement, the principal asset of the Target Company is its interests under, and entitlements to, the Profit Transfer. Subject to and upon Completion, the Company will, through the Target Company, be entitled to receive the Profit Stream under the Profit Transfer.

### **Consideration**

The consideration for the sale and purchase of the Sale Share and the assignment and transfer of the Shareholder's Loan is Hong Kong Dollars Four Hundred Million only (HK\$400,000,000) and Hong Kong Dollar One only (HK\$1) respectively, which shall be payable in full on Completion in the following manner:

- (i) as to HK\$1 by means of cash; and
- (ii) as to HK\$400 million by issuing to the Vendor or her nominee(s) the Convertible Notes.

The Consideration was determined after arm's length negotiation between the Company and the Vendor with reference to, among other things, the Profit Transfer, the Profit Guarantee and the prospect of the Junket and the Target Company.

### **Conditions**

Completion is subject to the satisfaction (or waiver) of all of the following conditions:

- (i) the Company being satisfied in reliance on the representations, warranties and undertakings given by the Vendor to the Company and upon inspection and investigation as to:
  - (a) the financial, contractual, taxation and trading positions of the Target Company; and
  - (b) the entitlement under the Profit Transfer pursuant to the Profit Transfer Agreement, the Loan Agreement and other arrangements (contractual or otherwise) in relation thereto;

- (ii) the Vendor having complied fully with the obligations under all pre-completion matters and otherwise having performed all of the covenants and agreements required to be performed by her prior to Completion under the Sale and Purchase Agreement;
- (iii) the Company having received a legal opinion in form and substance satisfactory to the Company from a firm of Macau legal advisers appointed by the Company in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder in relation to such matters as it may require, including in relation to the legality of the Profit Transfer;
- (iv) the representations, warranties and undertakings given by the Vendor to the Company remaining true and correct as at the Completion Date with respect to facts and circumstances as at the Completion Date;
- (v) the passing of the necessary resolutions by the Shareholders at the SGM to approve, among other matters, the Sale and Purchase Agreement and the transactions contemplated thereby, including but not limited to the issue of the Convertible Notes, the allotment and issue of the Conversion Shares, and all other consents and acts required under the Listing Rules and other applicable laws and regulations having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;
- (vi) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Conversion Shares;
- (vii) Bermuda Monetary Authority granting necessary approvals for the allotment and issue of the Conversion Shares and all other necessary approval being obtained, if necessary;
- (viii) the Company being satisfied that there has not been any Material Adverse Change (or Effect) in respect of the Junket since the date of the Sale and Purchase Agreement;
- (ix) DICJ having approved the Profit Transfer for the 12-month period ending on 31 December 2014;
- (x) the Target Company and the Junket having agreed upon the commencement date of the Profit Transfer which shall not be later than 1 January 2014; and
- (xi) all other necessary consents, licences and approvals required to be obtained on the part of the Company and/or the Vendor in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect.

The Sale and Purchase Agreement shall be terminated automatically if any of the above conditions is not satisfied or waived (by the Company as to the above conditions (i) to (iv) and conditions (vii) to (xi) (so far as it relates to the Vendor) or by the Vendor as to the conditions (xi) (so far as it relates to the Company)) on or before the Long Stop Date and none of the parties shall have any claim against the other save in respect of any antecedent breaches of the Sale and Purchase Agreement. Conditions (v) and (vi) above shall not be waivable.

## Completion

Completion will take place on the 5th Business Day after the last of the above conditions is satisfied (or waived as the case may be).

## Profit Guarantee

Subject to Completion, the Vendor irrevocably and unconditionally guarantees to the Company that the Profit Stream for each guaranteed period mentioned below (each a “**Guaranteed Period**”) commencing from 1 January 2014 and ending on 31 December 2029 shall not be less than the amount set opposite to the relevant Guaranteed Period in the table below (each the “**Guaranteed Profit Share**”):

| <b>Guaranteed Period</b>        | <b>Guaranteed Profit Share</b> |
|---------------------------------|--------------------------------|
| 1 January 2014–31 December 2014 | HK\$24,000,000                 |
| 1 January 2015–31 December 2017 | HK\$72,000,000                 |
| 1 January 2018–31 December 2021 | HK\$100,000,000                |
| 1 January 2022–31 December 2025 | HK\$102,000,000                |
| 1 January 2026–31 December 2029 | HK\$102,000,000                |

If the aggregate actual Profit Stream received by the Company for one or more Guaranteed Periods shall be equal to or more than HK\$400,000,000, the Profit Guarantee shall forthwith terminate and cease to have further force and effect.

If the actual Profit Stream received by the Company in a relevant Guaranteed Period plus the surplus amount of the actual Profit Stream of all previous Guaranteed Periods over and above the applicable Guaranteed Profit Share, is less than the amount of relevant Guaranteed Profit Share, the Vendor shall pay to the Company the difference between such actual Profit Stream and the Guaranteed Profit Share (the “**Shortfall**”).

If at any time during the subsistence of the Profit Guarantee, in the reasonable opinion of the Company, there shall have occurred any Material Adverse Change (or Effect) or any development involving a prospective Material Adverse Change (or Effect), the Company shall be entitled by giving the Vendor not less than fourteen days’ written notice to demand for the payment of the total Guaranteed Profit Share for the remaining Guaranteed Period.

As security for the Profit Guarantee, the Convertible Notes, when issued, will be deposited with and retained by the Company. If the Vendor shall at any time have failed to pay (a) the Shortfall or (b) the Guaranteed Profit Share for the remaining Guaranteed Period, the Company shall be entitled to repurchase and the Vendor shall sell to the Purchaser such principal amount of the Convertible Notes at the consideration of HK\$1 and/or forfeit such part of the Cash Security (as defined below) which together will be equal to the amount of

Shortfall or the Guaranteed Profit Share for the remaining Guaranteed Period (as the case may be) due and owing from the Vendor within three Business Days after serving a written notice thereof to the Vendor as compensation for the Vendor's said default. The Convertible Notes will only be released to the Vendor in the following manner:

- (a) if the Vendor shall have deposited cash (the "**Cash Security**") to the Company as alternative security for the Profit Guarantee, the Company will release an equivalent principal amount of the Convertible Notes to the Vendor provided that such right may only be exercisable by the Vendor after 12 months from the issue of the Convertible Notes; and/or
- (b) if the actual Profit Stream received by the Company for a particular Guaranteed Period shall have reached or exceeded the relevant Guaranteed Profit Share, the Company will release to the Vendor such part of the Convertible Notes and/or Cash Security (without interest), which together will be equal to the amount of the relevant Guaranteed Profit Share; and/or
- (c) if the Profit Guarantee shall terminate and cease to have further force and effect, the Company will release to the Vendor the whole of the Convertible Notes that are still outstanding together with all the remaining Cash Security (without interest) (if any).

The Profit Guarantee was determined after arm's length negotiations between the Company and the Vendor with reference to (i) the unaudited net profit of the Junket for the ten months ended 30 October 2013 of approximately HK\$462 million; (ii) the prospect of the Junket and the Target Company; and (iii) the guaranteed period of 16 years as agreed by the Vendor.

The Directors (excluding the independent non-executive Directors who will give their view on the Acquisition after taking into account the advice of the independent financial adviser) consider that the Profit Guarantee which will be 100% secured by the Convertible Notes will in substance and effect provide the Group with a secured and guaranteed income stream of at least HK\$25 million per year on average (representing approximately a guaranteed minimum yield of 6.25% per annum) over a period of 16 years. Further analysis is discussed in the section headed "Reasons and benefits for the Acquisition" below.

### **Convertible Notes**

Pursuant to the Sale and Purchase Agreement, the Company will issue to the Vendor or her nominee(s) the Convertible Notes in the principal amount of HK\$400 million upon Completion as partial settlement of the Consideration. The principal terms of the Convertible Notes are summarized as follows:

|                   |                                |
|-------------------|--------------------------------|
| Issuer:           | the Company                    |
| Noteholder(s):    | the Vendor (or her nominee(s)) |
| Principal Amount: | HK\$400 million                |
| Interest:         | Nil                            |



- Maturity: 192 months from the date of issuance of the Convertible Notes
- To the extent not previously converted, purchased or cancelled, the Convertible Notes outstanding on the Maturity Date shall be mandatorily converted into Conversion Shares at the Conversion Price in effect on the Maturity Date.
- Early Redemption: The Company may not redeem the Convertible Notes at its option.
- Conversion Price: The initial Conversion Price will be HK\$1 per Conversion Share, which represents:
- (a) a discount of approximately 77.68% to the closing price of HK\$4.48 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;
  - (b) a discount of approximately 77.83% over the average closing price of HK\$4.51 per Share as quoted on the Stock Exchange for five (5) consecutive trading days immediately prior to and including the date of the Sale and Purchase Agreement;
  - (c) a discount of approximately 48.98% over the average closing price of HK\$1.96 per Share as quoted on the Stock Exchange for one hundred and eighty (180) consecutive trading days immediately prior to and including the date of the Sale and Purchase Agreement; and
  - (d) a premium of 150% over the unaudited net asset value of approximately HK\$0.40 per Share as at 30 June 2013 and the audited net asset value of approximately HK\$0.40 per Share as at 31 December 2012.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Vendor with reference to (i) the unaudited net asset value of HK\$0.40 per Share as at 30 June 2013; (ii) the audited net asset value of HK\$0.40 per Share as at 31 December 2012; (iii) the offer price of HK\$1 per Share under the Offer; (iv) the thin liquidity of the Shares; and (v) the future business prospects of the Group after the completion of the Acquisition. Further analysis is discussed in the section headed "Reasons and benefits for the Acquisition" below.

The Conversion Price is subject to adjustments upon the occurrence of, among others, consolidation or subdivision of Shares in the share capital of the Company, capitalization of profits or reserves, capital distributions, rights issues of Shares or other securities, issue of shares or other securities. In such event, the Company may appoint a licensed financial adviser to consider whether the adjustments to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby, including but not limited to the holders of the Convertible Notes.

- Conversion rights: Subject to the conversion restriction, each Convertible Note shall entitle the holder to convert such Convertible Notes into Shares credited as fully paid at any time during the Conversion Period.
- Conversion restriction: Conversion at the option of a Noteholder provided that the conversion rights shall only be exercisable:
- (a) so long as the minimum public float of the issued share capital of the Company as enlarged by the issue of the Conversion Shares can be maintained in accordance with the Listing Rules; and
  - (b) provided that any exercise by the Noteholder and parties acting in concert (within the meaning ascribed to it under the Takeovers Code) with it does not trigger a mandatory offer under Rule 26 of the Takeovers Code on the part of the Noteholder and parties acting in concert with it.
- Ranking of Conversion Shares: The Conversion Shares, when allotted and issued, will rank *pari passu* in all respects with all other Shares in issue as at the relevant date of conversion.
- Voting: Noteholder(s) will not be entitled to attend or vote at any meetings of the Company by reason only of it/they being the holder(s) of the Convertible Notes.
- Transferability: Except with the written consent of the Company, the Convertible Notes shall not be transferrable during a period of one year from the date of issuance of the Convertible Note(s) (“**Lock Up Period**”). The Convertible Notes or interests in such Convertible Notes (and any part thereof) shall then be freely transferrable provided that they may not be transferred by the Noteholders to any connected person of the Company without written consent of the Company and compliance of any applicable Listing Rules.



**Conversion Share:** Assuming the issue of the Convertible Notes is completed and based on the initial Conversion Price of HK\$1 per Conversion Share, a number of 400,000,000 Conversion Shares will be allotted and issued if the conversion rights attaching to the Convertible Notes are exercised in full, representing approximately 99.94% of the issued share capital of the Company as at the date of this announcement and approximately 49.99% of the Company's issued share capital as enlarged by the allotment and issue of the Conversion Shares in full.

The Conversion Shares will be issued and allotted under the specific mandate of the Company. The Directors proposed to seek approval from the Independent Shareholders at the SGM to issue the Conversion Shares.

**Listing:** No application will be made for the listing of, or permission to deal in, the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

**Lock Up:** During the Lock Up Period, the Vendor can neither transfer nor exercise any conversion rights attaching to the Convertible Notes.

## **EFFECT OF THE ISSUE OF THE CONVERTIBLE NOTES ON SHAREHOLDING STRUCTURE**

The existing and enlarged shareholding structure of the Company immediately before and after the allotment and issue of the Conversion Shares is set out below (assuming no further Shares are issued before the allotment and issue of the Conversion Shares):

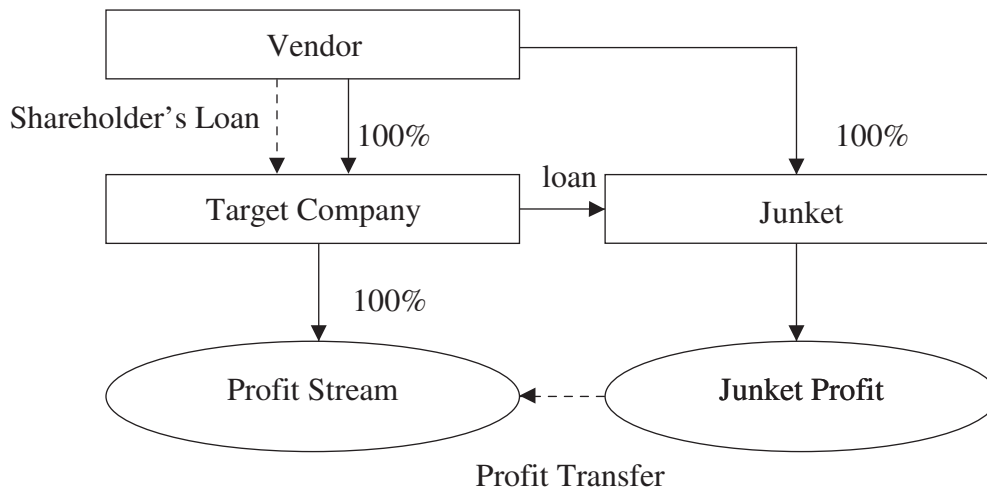
| <b>Shareholders</b>        | <b>As at the date of this announcement</b> |               | <b>After allotment and issue of the Conversion Shares upon full conversion of the Convertible Notes (Note)</b> |               |
|----------------------------|--|---------------|--|---------------|
|                            | <i>Number of Shares</i>                    | <i>%</i>      | <i>Number of Shares</i>  | <i>%</i>      |
| Inventive Star             | 300,182,154                                | 75.00         | 300,182,154  | 37.51         |
| Ms. Cui Limei (the Vendor) | —  | —             | 400,000,000  | 49.99         |
| Public Shareholders        | 100,064,120                                | 25.00         | 100,064,120  | 12.50         |
| <b>Total</b>               | <b>400,246,274</b>                         | <b>100.00</b> | <b>800,246,274</b>   | <b>100.00</b> |

*Note:* The above scenario is set out for illustrative purpose only and will never occur. The conversion of the Convertible Notes is subject to the conversion restrictions under the Convertible Notes regarding Takeovers Code implications and public float requirements under the Listing Rules.

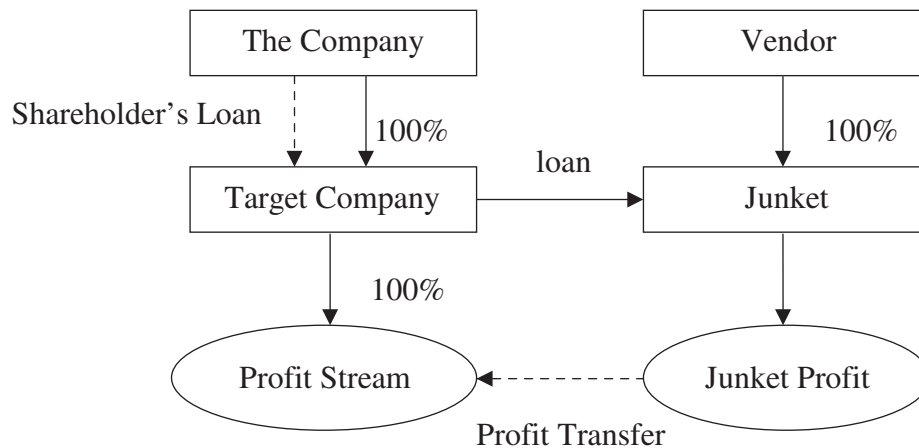
As at the date of this announcement, the Company has no outstanding convertible securities or options which are convertible or exchangeable into Shares. The Acquisition and the issue of the Convertible Notes will not result in a change of control of the Company.

### GROUP STRUCTURE BEFORE AND AFTER COMPLETION OF THE ACQUISITION

The diagram below shows the shareholding structure of the Target Company immediately before Completion:



The diagram below shows the shareholding structure of the Target Company immediately after Completion:



## **POSSIBLE FINANCIAL EFFECTS OF THE ACQUISITION**

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's financial statements.

As the value of the Consideration to be reflected in the Group's financial statements will depend on the fair value of the Convertible Notes as of the Completion Date, certain financial impacts on the profit or loss and the financial position of the Group arising from the Acquisition can only be ascertained on or after the Completion Date.

The Acquisition does not require any material cash outlay as the consideration for the Sale Share is to be satisfied by the issuance of Convertible Notes with principal amount of HK\$400 million which shall be mandatorily converted into Conversion Shares on the Maturity Date while the Consideration for the Shareholder's Loan of HK\$1 will be settled by cash. In view of the aforesaid and the steady cash flow to be derived from the Profit Stream, which will be amounted to at least HK\$25 million per year on average for a period of 16 years, it is expected that the Acquisition would result in a positive effect to the trading and liquidity positions and cash flow of the Group.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company was incorporated on 30 May 2013 and is an investment holding company. Its issued share capital is US\$1.00 which is fully paid up by the Vendor.

Since its incorporation, the Target Company has not conducted any business or undertaken any activity except the making of the contractual arrangements with the Junket in relation to the Profit Transfer.

### **The Profit Transfer**

On 8 July 2013, the Target Company entered into the Profit Transfer Agreement and the Loan Agreement with the Junket, pursuant to which the Target Company has agreed to keep available to the Junket a loan facility of up to the maximum aggregate amount of HK\$18 million (or such other amount as may be agreed by the parties thereto in writing) and to provide consultancy service to the Junket to support the operation of its VIP rooms. In return, the Junket has agreed to transfer the Profit Stream, being 5% (five percent) of the Junket Profit, to the Target Company with effect from a date to be mutually agreed by the Junket and the Target Company. Although DICJ has approved the Profit Transfer for the period ending 31 December 2013, the Target Company and the Junket have not yet agreed on the commencement date of the Profit Transfer.

As a safeguard for the Target Company against any understatement of the Junket Profit, pursuant to the Loan Agreement, the Junket is obliged to furnish the Target Company, within the first seven (7) days of each month, with financial information of the VIP rooms, including a statement on (i) a net profit or loss; (ii) rolling chips turnover; (iii) cash position; and (iv) administrative expenses, for the preceding calendar month and a director's certificate to the effect that such furnished financial information does not contain any untrue statement of a material fact or will omit any material fact which would make the statements and information contained therein misleading. At the request of the Target Company, the Junket is also obliged to provide it with full access to the operating data on any selected

day(s) and/or period(s) within a profit sharing period. The Target Company will also be entitled to audit the books and records of the Junket and will have the right to claim compensation if the result of such audit differs in a material way from the financial information provided by the Junket.

In the event that any of the VIP rooms operated by the Junket are terminated by the relevant covered casino or have otherwise changed in a materially adverse manner during the term of the Loan Agreement, the Target Company shall have the option to require the Junket to repay all or a portion of the outstanding principal amount of the loan facility based on the affected operating revenue.

The Profit Transfer Agreement will be automatically renewed on a yearly basis and the Loan Agreement will be valid up to 31 December 2017 and will then be automatically renewed for subsequent terms of four (4) years each unless it is terminated by the parties pursuant to the terms thereof. The Profit Transfer is subject to the annual approval of DICJ and pursuant to the Profit Transfer Agreement, the parties have agreed to make the necessary applications and promptly provide all relevant documents and information to DICJ or other competent authorities in Macau (where applicable) in order to allow, make effect and legalize the Profit Transfer in every fiscal year.

#### **Financial information of the Target Company**

As the Target Company has not yet commenced any business nor received any Profit Stream, according to the unaudited accounts of the Target Company, no profit has been recorded since its incorporation and up to 31 October 2013. The net asset value of the Target Company as at 31 October 2013 was HK\$8.

#### **INFORMATION ON THE VENDOR**

The Vendor, namely Ms. Cui Limei, is the sole shareholder of the Junket and the younger sister of Ms. Cui Lijie, who is the beneficial owner of the controlling Shareholder, Inventive Star.

As informed by the Vendor, the Vendor has extensive experience and knowledge in the Asian gaming industry.

#### **INFORMATION ON THE JUNKET**

The Junket, namely Hang Seng Sociedade Unipessoal Limitada, was incorporated on 30 March 2011 as a single shareholder private company with limited liability under the laws of Macau.

The Junket commenced its gaming promotion business to offer solely the game of VIP Baccarat in Macau in July 2011 with only one VIP room and 12 VIP table games at StarWorld Casino and has since then been expanding quickly. Up to the date of this announcement, the Junket has evolved to become one of the leading gaming promoters in Macau with seven VIP rooms across most of the major casinos in Macau, including StarWorld Casino, Wynn Casino, Galaxy Casino, Sands Cotai Central Casino, MGM Casino,

and Venetian Casino offering 86 VIP table games exclusively for VIP or premium players. Based on the information provided by the Vendor, the performance of the Junket Profit since its commencement of business in July 2011 and up to October 2013 is summarized below:

|   | <b>Junket Profit</b><br><i>HK\$ (approximately)</i> |
|---|---|
| From 28 July 2011 to 31 December 2011   | 305,530,000   |
| From 1 January 2012 to 31 December 2012 | 453,410,000   |
| From 1 January 2013 to 31 October 2013  | 462,080,000   |

The following are certain significant milestones of the Junket since its inception of business:

| <b>Time</b> | <b>Achievements</b>  |
|-------------|--|
| 2011        |  |
| July        | Opening of the first VIP gaming room at StarWorld Casino   |
| December    | Opening of the VIP gaming room at Wynn Casino  |
| 2012        |  |
| March       | Opening of the VIP gaming room at Galaxy Casino  |
| 2013        |  |
| January     | Opening of the VIP gaming room at Sands Cotai Central Casino   |
| April       | Opening of the second VIP gaming room at Wynn Casino<br>Opening of the VIP gaming room at MGM Casino<br>Monthly rolling turnover exceeded HK\$20 billion |
| May         | Opening of the VIP gaming room at Venetian Casino  |
| July        | Monthly rolling turnover exceeded HK\$30 billion   |
| October     | Monthly rolling turnover exceeded HK\$39 billion   |

In addition to rising Junket Profit, the client base of the Junket has also recorded significant growth. According to the Vendor, as at 31 December 2011, being five months since the Junket has commenced operations, only around 200 client accounts were maintained by the Junket. However, the number of client accounts surged to around 650 as at 31 December 2012, representing an increase of approximately 225%. Since the Junket expands its clientele by utilizing the professional services of its employees and other collaborators and encouraging existing clients to introduce new clients, it is expected that such exponential marketing effect would contribute to the favorable increase in the Junket's client base and the Junket Profit in 2013 and the years ahead.

## **REASONS AND BENEFITS FOR THE ACQUISITION**

The Company is an investment holding company and through its subsidiaries is principally engaged in the processing and trading of food products mainly including frozen and functional food products.

As mentioned in the composite document of the Company dated 24 October 2013, Inventive Star, the then Offeror and the existing controlling Shareholder of the Company, had expressed its intention to leverage on its network to diversify the existing business of the Group to eco-tourism and entertainment business in the PRC and/or gaming business in Macau and/or worldwide. In line with this diversification initiative and strategy, Ms. Cui Lijie, the ultimate beneficial owner of Inventive Star, has introduced to the Company the Target Company as an appropriate acquisition target for the Group. Having considered and balanced the various factors mentioned below, the Directors (excluding the independent non-executive Directors who will give their view on the Acquisition after taking into account the advice of the independent financial adviser) consider the Acquisition is an investment with minimal risk but strong upside potential and is in the interests of the Company and the Shareholders as a whole:

### **(i) Nature of the Acquisition**

As mentioned in the section headed “Information of the Target Company” above, the Target Company has not conducted any business or undertaken any activity since its incorporation except the making of the contractual arrangements with the Junket in relation to the Profit Transfer. Hence, by acquiring the Target Company, the Company is in essence acquiring the Profit Stream that the Target Company is entitled to receive under the Profit Transfer. Taking into account the Profit Guarantee to be provided by the Vendor upon Completion which will be 100% secured by the Convertible Notes, the Acquisition will in substance and effect provide the Group with a secured and guaranteed income stream of at least HK\$25 million per year on average (representing approximately a guaranteed minimum yield of 6.25% per annum on average) over a period of 16 years.

### **(ii) A conservative but appropriate strategic move of the Group**

The mechanism of the Profit Transfer provides an opportunity for the Group to share the return on the gaming business through the Profit Stream without substantial involvement in the daily operation of the Junket thereby minimizing the risk exposure of the Group, the Profit Guarantee further protects the Group against any monetary loss as the aggregate guaranteed profit is more or less equal to the Consideration. As the Group’s first strategic move into the gaming industry, the Acquisition is considered as a conservative yet appropriate investment given the Company’s lack of relevant experience in the gaming business in Macau.

**(iii) An investment with strong growth potential**

The Acquisition also provides an opportunity for the Group to tap into the fast growing and lucrative gaming related business in Macau. The growth potential of the Profit Stream is strong in view of the following:

*(a) Attractive prospect of the gaming industry in Macau*

Macau is the world's largest gaming market calculated by gross gaming revenue (the “**GGR**”) and the only area within China to offer legalized casino gaming. According to the statistics published by DICJ and the Las Vegas Convention and Visitors Authority, the GGR from games of fortune of the Macau market reached approximately HK\$295,281 million in 2012 and was approximately six times the size of the Las Vegas Strip market of the same year. The GGR from the game of VIP Baccarat, which is the major income source for most of the junket operators in Macau, has been escalating since 2008 with a compound annual growth rate (“**CAGR**”) of approximately 30% and has accounted for approximately 69% of the total GGR of Macau in 2012. The GGR from gaming activities in Macau from 2008 to the third quarter of 2013 are set out in the table below:

**GGR from gaming activities in 2008–3Q’2013 (HK\$ million)**

|                                | 2008    | 2009    | 2010    | 2011    | 2012    | CAGR       | 2013     |          |          |
|--------------------------------|---------|---------|---------|---------|---------|------------|----------|----------|----------|
|                                |         |         |         |         |         |            | 1st Qtr. | 2nd Qtr. | 3rd Qtr. |
| Games of Fortune <i>(Note)</i> | 105,604 | 115,892 | 182,857 | 260,065 | 295,281 | <b>29%</b> | 82,800   | 83,653   | 86,587   |
| VIP Baccarat                   | 71,623  | 77,509  | 131,697 | 190,414 | 204,709 | <b>30%</b> | 56,131   | 56,336   | 56,111   |
| % of VIP Baccarat              | 68%     | 67%     | 72%     | 73%     | 69%     | —          | 68%      | 67%      | 65%      |

*Source: DICJ*

*Note:* GGR from games of fortune includes typical casino games such as Baccarat, VIP Baccarat, Blackjacks, Slot Machines, etc., but excludes racings and lotteries.

The supports by the PRC government and the Macau government are decisive for the prosperity of the Macau gaming industry. Since 2002, the introduction of new casino concessionaires by the Macau government has resulted in modern full-service casinos and propelled construction and development in the gaming sector, which are increasingly appealing to new, premium-focused customers who are attracted by a diversified range of gaming, retail, entertainment and leisure offerings. In 2009, Macau was further designated by the PRC government in its Planning Study on the Coordinated Development of the Greater Pearl River Delta Townships to be developed as the “most attractive tourism and recreation center in the world” for its twelfth-five-years-plan. The continuous development in the infrastructure and transportations to and within Macau and the further relaxation of the Individual Visit Scheme is expected to boost its visitation, especially from those high-value casino customers of Guangdong province and Hong Kong. Looking forward, the success of the Macau gaming industry is anticipated to persist with Asia’s cultural affinity for gaming, the low relative supply penetration as one



of the few locations in Asia to offer legal gaming, an enormous visitation base from the PRC, the fast emergence of a wealthy, middle-class segment from the PRC which has the financial capacity for leisure and entertainment consumption.

*(b) Competitive strength of the Junket*

From a bottom up prospect, the Junket, having expanded rapidly over the last couple years and being one of the leaders of the gaming promotion business in Macau, has demonstrated its ability for continuous growth and promising profitability. The Directors consider that it can benefit from the growth of overall gaming industry in Macau and through the Profit Transfer, provide not only a stable and sustainable income but also substantial upside potential to the Target Company.

**(iv) Positive impact on the Group's financial results and operations**

*(a) Potential improvement in the financial results of the Company*

Upon Completion, the Profit Stream of the Target Company will be available as a new source of income for the Group. For the six months ended 30 June 2013, the Company recorded a loss of approximately HK\$1,895,000, representing a loss per share of HK\$0.0047 based on 400,246,274 Shares in issue. Pursuant to the Sale and Purchase Agreement, the relevant Profit Guarantee for the year ending 31 December 2014 is HK\$24 million. Such earnings may further increase if the Profit Stream outperforms the Profit Guarantee. The financial results of the Company are therefore expected to turnaround as a result of the Acquisition with the Profit Stream broadening the Group's revenue bases and providing a stable source of income.

*(b) Potential improvement in cashflow position of the Company*

Given that the Consideration (except HK\$1 cash payment for the Shareholder's Loan) will be satisfied by the issue of the zero coupon Convertible Notes with mandatory conversion upon maturity, the Acquisition will not exert any liquidity pressure to the financial position of the Group. Having considered the liquidity position of the Group and the steady cash flow to be derived from the Profit Stream, which will amount to at least HK\$25 million per year on average for a period of 16 years, the Acquisition would result in positive effect to the liquidity positions and cash flow of the Group. The Group may be able to utilize the cash flow to be generated from the Profit Stream for other investment opportunities, if identified and considered appropriate.



**(v) An investment with minimal risks**

In assessing the fairness and reasonableness of the Acquisition, the Directors are also mindful of the following principal risks associated with the Acquisition:

- (a) The operation of the Junket's business is subject to its ability in renewing the gaming promoter licence from DICJ each year. If it fails to obtain the renewal of such licence from DICJ, it can no longer operate the junket business and no Profit Stream can be paid to the Target Company as a result.
- (b) In addition to the gaming promoter licence, the Profit Transfer also needs to be approved by the DICJ annually; no Junket Profit may be transferred to the Target Company unless prior approval has been granted by the DICJ.
- (c) Given the competitive nature of the gaming promotion business, there is no guarantee that clients of the Junket will stay but not turn to other junket operators.
- (d) The Junket Profit relies on, among other things, the annual renewal of its gaming promoter licence by DICJ, tenure of the Junket acting as a junket representative for the various partner casino hotels, the attractiveness of the partner casinos to prospective clients and the Junket's ability to procure clients and the various partner casino hotels being granted gaming concessions. In the event that the Junket ceases to be committed to the junket business or cease to be appointed as a junket representative by one or more of the partner casino hotels or there is a loss of concessions by one or more of the partner casino hotels, the Junket Profit, and thereby the Profit Stream, may be adversely affected.

If any of the above events occurs, the subsistence of the Profit Transfer and hence the business, financial condition and results of operation of the Target Company will be adversely affected. The Directors however consider that the aforesaid risks have been sufficiently dealt with and mitigated by the terms of the Sale and Purchase Agreement:

*(a) Assurance from the Profit Guarantee*

Under the Sale and Purchase Agreement, the Directors have negotiated a dollar-to-dollar guarantee by the Vendor for a term of 16 years with an aggregated Guaranteed Profit Share of HK\$400 million being equivalent to the consideration for the Sale Share. In addition, if there shall have occurred any Material Adverse Change (or Effect), e.g. the revocation or non-renewal of the Junket's gaming promoter licence, the Company will have the right to demand the Vendor for the immediate payment of the total Guaranteed Profit Share for the remaining Guaranteed Period. This ensures that the consideration payable by the Company for the Sale Share can be fully recovered within the designated period, thus barring the Group from any loss as a result of any downturn in the gaming industry in Macau or any occurrence of the unfavourable events mentioned above or otherwise but at the same time allowing the Group to enjoy the potential growth of the Profit Stream.

*(b) Favorable terms of the Convertible Notes*

The Profit Guarantee will be fully secured and backed up by the Convertible Notes and/or the Cash Security, which will only be released upon satisfaction of the Profit Guarantee. The Convertible Notes are designed to have a long maturity period of 192 months covering the entire Guaranteed Period so as to minimize any risk of breach of the Profit Guarantee by the Vendor.

*(c) Nominal consideration for the assignment of Shareholder's Loan*

The Shareholder's Loan will be assigned to the Company at a nominal consideration of HK\$1 only. Such nominal consideration for the assignment of Shareholder's Loan will provide a monetary gain or further cushion against potential loss in addition to the Profit Guarantee of approximately HK\$18 million to the Company.

**(vi) Discounted Conversion Price**

The initial Conversion Price of HK\$1 represents a discount of approximately 77.83% and 48.98% to the average closing price per Share for the five and 180 consecutive trading days immediately prior to and including the date of the Sale and Purchase Agreement respectively. The Directors are aware of the aforesaid discounts which were considered to be acceptable in view of the following circumstances.

As mentioned in the composite document of the Company dated 24 October 2013, the Offeror planned to leverage on its network to diversify the existing business of the Group to eco-tourism and entertainment in the PRC and/or gaming business in Macau and/or worldwide and in the event that the Offeror is required to put up any equity financing, it will be at a price per Share with reference to the offer price of HK\$1.00 per Share. Accordingly, when the Vendor, who was introduced to the Company by the Offeror, entered into negotiations with the Company and in particular, regarding the Conversion Price, she had requested the Company not to take into account the upward surge in the trading price of the Shares for the period since 2 September 2013, being the date of despatch of the announcement in relation to, among other things, the possible change of substantial Shareholder ("**Unusual Price Announcement**"), but make reference to the offer price under the Offer and the net asset value per Share.

The Directors noted that the closing price of the Shares were traded within a range of HK\$2.01 to HK\$0.55 during the period from 2 January 2013 to 30 August 2013, the last trading day before the publication of the Unusual Price Announcement (the "**Reference Date**"). Prices of the Shares traded below HK\$1 on most of the days during the aforesaid period (153 days out of a total of 162 days). The Directors further noted that the closing price of the Shares surged after the publication of the Unusual Price Announcement and traded between HK\$2.65 to HK\$5.4 from 2 September 2013 up to the date hereof. The Directors consider that the trading price for the period since 2 September 2013 has been significantly influenced by market speculation on the change of substantial Shareholder and may not therefore represent a fair benchmark for determining the Conversion Price. The Directors therefore consider it fair to accept the

Vendor's request that the Conversion Price shall be determined with reference to the offer price under the Offer and the net asset value per Share. In this regard, the Conversion Price represents:

- (i) a premium of approximately 38.89% over the average closing price of HK\$0.72 per Share as quoted on the Stock Exchange for the period from 2 January 2013 to the Reference Date;
- (ii) a discount of approximately 8.26% to the average closing price of HK\$1.09 per Share as quoted on the Stock Exchange for thirty (30) consecutive trading days immediately prior to and including the Reference Date;
- (iii) a discount of approximately 39.02% to the average closing price of HK\$1.64 per Share as quoted on the Stock Exchange for ten (10) consecutive trading days immediately prior to and including the Reference Date; and
- (iv) a premium of 150% over the unaudited net asset value of approximately HK\$0.40 per Share as at 30 June 2013 and the audited net asset value of approximately HK\$0.40 per Share as at 31 December 2012.

The Directors also noted that the trading volume of the Shares was significantly thin during the period from 2 January 2013 to the Reference Date, with an average daily trading volume of 748,330 Shares, representing approximately 0.75% of the Company's total public float. Given the relatively low liquidity of the Shares, the Directors (excluding the independent non-executive Directors who will give their view on the Acquisition after taking into account the advice of the independent financial adviser) consider that the level of Conversion Price discount of 8.26% and 39.02% to the average closing price per Share for the 30 and 10 consecutive trading days immediately prior to and including the Reference Date respectively to be fair and reasonable.

On the other hand, the Conversion Price represents a premium of 150% over the unaudited net asset value of approximately HK\$0.40 per Share as at 30 June 2013 and the audited net asset value of approximately HK\$0.40 per Share as at 31 December 2012.

After weighing the aforesaid circumstances and factors against each other, the Directors (excluding the independent non-executive Directors who will give their view on the Acquisition after taking into account the advice of the independent financial adviser) consider the initial Conversion Price of HK\$1 as fair and reasonable to the Company and the Shareholders as a whole.

**(vii) Decrease in independent Shareholders' percentage shareholding**

Assuming the issue of the Convertible Notes is completed and based on the Conversion Price of HK\$1 per Conversion Share, a number of 400,000,000 Conversion Shares will be allotted and issued if the conversion rights attaching to the Convertible Notes are exercised in full, representing approximately 99.94% of the issued share capital of the Company as at the date of this announcement and approximately 49.99% of the

Company's issued share capital as enlarged by the allotment and issue of the Conversion Shares in full. Independent Shareholders' holdings would be diluted by approximately 12.5% upon Completion, from 25% to approximately 12.5%.

Such dilution effect is however theoretical in nature and would not have occurred given that pursuant to the terms of the Convertible Notes, (a) the Convertible Notes may not be converted into Conversion Shares if such conversion causes the Shares held in public hands to fall below the minimum public float required under the Listing Rules (i.e. 25% of the issued share capital of the Company); (b) the Vendor or her nominee(s) are not allowed to transfer or convert the Convertible Notes during the Lock Up Period; and (c) the whole of the Convertible Notes will be retained by the Company during the Lock Up Period. The Directors (excluding the independent non-executive Directors who will give their view on the Acquisition after taking into account the advice of the independent financial adviser) therefore consider that the existing shareholdings of the Independent Shareholders are protected by the terms of the Sale and Purchase Agreement against any immediate dilution before the Company can benefit from the return of the Profit Stream.

In short, the Acquisition, as supported by the Profit Guarantee, will provide the Group with a secured and guaranteed annual income of at least HK\$25 million per year on average (representing approximately a guaranteed minimum yield of 6.25% per annum) for a period of 16 years with substantial upside potential while the Convertible Notes (or the Cash Security as alternative security) will offer sufficient security to the Company to guard against any default of the Vendor in performing its obligations under the Profit Guarantee.

Having taken into account and balanced the prospects of all the abovementioned factors, in particular, after weighing the potential benefits of the Acquisition to the Group against the potential dilution effect of the Conversion Notes, the Directors (excluding the independent non-executive Directors who will give their view on the Acquisition after taking into account the advice of the independent financial adviser) are of the view that the Sale and Purchase Agreement has been entered into upon normal commercial terms following arm's length negotiations between the parties thereto and the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

If the investment return from the Acquisition is proved favorable in the future, the Company may consider to further increase the investment and/or explore alternative investment strategies in this industry. Both Ms. Cui Limei and Ms. Cui Lijie have expressed their intention to assist the Group to further expand and develop in the gaming related industry upon the Group's request, including, but not limited to, the introduction of relevant investment opportunities and provision of necessary financing on terms and conditions to be further agreed upon.

As at the date of this announcement, the Company did not enter or propose to enter, into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, and negotiation (whether concluded or not) with an intention to dispose of or down size the existing businesses of the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios in respect of the Acquisition are greater than 25% but less than 100% for the purpose of Rule 14.07 of the Listing Rules, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is the younger sister of Ms. Cui Lijie, who is the beneficial owner of the controlling Shareholder, Inventive Star, which holds 300,182,154 Shares, representing approximately 75% of the issued share capital of the Company as at the date of this announcement,, the Vendor is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Sale and Purchase Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The SGM will be held for the Independent Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. Inventive Star and its associates are required to abstain from voting at the SGM in respect of the relevant resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

## **GENERAL**

An Independent Board Committee comprising Mr. Ng Hoi Yue, Mr. Tso Hon Sai Bosco and Mr. Lee Kwok Leung (all being independent non-executive Directors) has been established to advise the Independent Shareholders (i) as to whether the terms of the Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) on whether to vote in favour of the Acquisition, after taking into account the recommendation of the independent financial adviser to be appointed.

A circular containing, among other things, (i) further details of the Acquisition; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 18 December 2013.

**As completion of the Sale and Purchase Agreement is subject to the fulfillment (or waiver, as the case may be) of a number of conditions (which are detailed in this announcement), the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## DEFINITIONS

|                       |   |
|-----------------------|---|
| “Acquisition”         | the proposed acquisition of the Sale Share and the Shareholder’s Loan by the Company pursuant to the Sale and Purchase Agreement  |
| “associate(s)”        | shall have the meaning ascribed to it under the Listing Rules   |
| “Board”               | the board of Directors  |
| “Business Day(s)”     | a day (excluding Saturday, Sunday and public holidays) on which banks are generally open for business in Hong Kong  |
| “Company”             | First Natural Foods Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange   |
| “Completion”          | completion of the Acquisition pursuant to the Sale and Purchase Agreement   |
| “Completion Date”     | the fifth (5th) Business Day subsequent to the satisfaction of all conditions of the Sale and Purchase Agreement or the waiver thereof  |
| “connected person(s)” | shall have the meaning ascribed to it under the Listing Rules   |
| “Consideration”       | the consideration payable for the Sale Share and the Shareholder’s Loan under the Sale and Purchase Agreement   |
| “Conversion Period”   | at any time on or after one year from the date of issuance of the Convertible Notes up to the close of business on the date falling on the Maturity Date  |
| “Conversion Price”    | the price at which Conversion Shares will be issued upon conversion of the Convertible Notes  |
| “Conversion Share(s)” | Share(s) to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Notes or otherwise pursuant to the terms and conditions of the Convertible Notes                                |
| “Convertible Note(s)” | means the zero coupon convertible note(s) in the aggregate principal amount of HK\$400 million due on the sixteenth (16th) anniversary of the Completion Date and issued at Completion to the Vendor or her nominee(s) by the Company |



|                                |  |
|--------------------------------|--|
| “DICJ”                         | the Macau Government Gaming Inspection and Coordination Bureau   |
| “Director(s)”                  | the director(s) of the Company   |
| “Group”                        | the Company and its subsidiaries   |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                    | Hong Kong Special Administrative Region of the PRC   |
| “Independent Board Committee”  | an independent board committee of the Company, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Acquisition   |
| “Independent Shareholder(s)”   | Shareholders other than those who are required under the Listing Rules to abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the Acquisition and the transactions contemplated thereunder  |
| “Independent Third Party(ies)” | third parties who are independent of, and not connected with, the Company and its connected persons  |
| “Junket”                       | Hang Seng Sociedade Unipessoal Limitada, a single shareholder private company with limited liability duly incorporated under the laws of Macau and wholly-owned by the Vendor  |
| “Junket Profit”                | the distributable profit of the Junket in respect of a fiscal year, which is equal to the aggregate gross income (loss) of the Junket minus the aggregate amount of the commissions payable by the Junket to the collaborators and administrative costs; provided, however, that if such net amount is less than zero, the Junket Profit shall be zero |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Loan Agreement”               | the cooperation and loan agreement dated 8 July 2013 (as varied and supplemented by a supplemental agreement dated 20 November 2013) made between the Target Company and the Junket  |
| “Long Stop Date”               | 30 June 2014 or such later date as the parties to the Sale and Purchase Agreement may agree in writing   |
| “Macau”                        | Macau Special Administrative Region of the PRC   |



|                                       |  |
|---------------------------------------|--|
| “Material Adverse Change (or Effect)” | means any change (or effect) or any development involving a change (or effect) which has, or is or could reasonably be expected to have, a material and adverse effect on the financial position, business or property, results of operations or prospects of the Junket as a whole  |
| “Maturity Date”                       | 192 months from the date of issuance of the Convertible Notes  |
| “Noteholder(s)”                       | holder(s) of the Convertible Notes   |
| “Offer”                               | the mandatory unconditional cash offer for all the issued Shares (other than those already acquired by or agreed to be acquired by the Offeror and parties acting in concert with it) being made by Yu Ming Investment Management Limited on behalf of the Offeror, details of which were set out in the composite document of the Company dated 24 October 2013 |
| “Offeror” or “Inventive Star”         | Inventive Star Limited, a company wholly owned by Ms. Cui Lijie, which was the offeror to the Offer  |
| “PRC”                                 | the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan  |
| “Profit Guarantee”                    | the irrevocable profit guarantee provided by the Vendor to the Company for the amount to be shared and receivable by the Target Company from the Junket under and pursuant to the Profit Transfer for the period commencing from 1 January 2014 and ending on 31 December 2029   |
| “Profit Stream”                       | the amount to be shared and receivable by the Target Company from the Junket under and pursuant to the Profit Transfer   |
| “Profit Transfer”                     | the transfer of five percent (5%) of the Junket Profit for each twelve-month period pursuant to the terms and conditions of the Profit Transfer Agreement and subject to the annual approval by DICJ   |
| “Profit Transfer Agreement”           | the profit transfer agreement dated 8 July 2013 made between the Target Company and the Junket in relation to the Profit Transfer  |
| “Sale and Purchase Agreement”         | the conditional sale and purchase agreement in relation to the Acquisition dated 27 November 2013 entered into between the Company and the Vendor  |

|                      |  |
|----------------------|--|
| “Sale Share”         | one (1) ordinary share of US\$1.00 each fully paid in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement |
| “SGM”                | the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder                           |
| “Share(s)”           | ordinary share(s) of HK\$0.01 each in the share capital of the Company   |
| “Shareholder(s)”     | holder(s) of the Share(s)  |
| “Shareholder’s Loan” | the interest-free demand loan in the principal amount of HK\$18 million owing by the Target Company to the Vendor as at the date of the Sale and Purchase Agreement  |
| “Stock Exchange”     | The Stock Exchange of Hong Kong Limited  |
| “Takeovers Code”     | The Code on Takeovers and Mergers of the Securities and Futures Commission of Hong Kong  |
| “Target Company”     | Excel Earth Limited, a company incorporated in the British Virgin Islands with limited liability, with one (1) ordinary share of US\$1.00 being issued and fully paid up as at the date of the Sale and Purchase Agreement |
| “US\$”               | U.S. dollar, the lawful currency of the United States of America   |
| “Vendor”             | Ms. Cui Limei, the legal and beneficial owner of the entire issued share capital of the Target Company and the Shareholder’s Loan  |
| “%”                  | per cent   |

By order of the Board  
**First Natural Foods Holdings Limited**  
**Cai Lingli**  
*Executive Director*

Hong Kong, 27 November 2013

*As at the date of this announcement, the Board comprises Ms. Cai Lingli and Ms. Xia Yuki Yu as executive directors; and Mr. Ng Hoi Yue, Mr. Tso Hon Sai Bosco and Mr. Lee Kwok Leung as independent non-executive directors.*

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

# EXHIBIT E

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*Cui Lijie has become a billionaire, thanks to Imperial Pacific International's casino.... [+]*

Cui Lijie has no official position with Imperial Pacific International Holdings, but everyone calls her Madame Chairlady. She deserves a title, since she holds two-thirds of the shares in the Hong Kong-traded company that has made her an unlikely billionaire.

**Imperial Pacific owns Best Sunshine Live, the casino on the U.S. Pacific island of Saipan** producing high roller betting numbers better than Venetian Macao. This week, Madame Chairlady bought \$100 million of company bonds to help finance its \$600 million hotel, under construction on the Saipan beachfront. The company still needs an estimated \$200 million to complete the hotel, its opening pushed back from early this year to August, though its casino area aims to open next month. Cui's son, Ji Xiaobo, has the title of project director, but he's known as the mastermind of the company's ambitious \$7.1 billion integrated resort plan for Saipan that's begun with a casino in a tourist shopping mall, opened in July 2015.

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Commonwealth of Northern Marianas Islands.



Cui's road to Saipan began as a so-called "barefoot doctor" treating patients in the countryside as a teenager. Back in Harbin, a series of business ventures led to investing RMB20,000 (roughly \$5,000 at that time) in an auto repair shop in 1988. In the early 2000s, working with her son, Cui diversified into property and then LED lighting, prompting a 2008 move to Jiangsu on China's central coast where that factory was located.

Efforts to obtain Hong Kong stock market listings for that LED maker, a health tonic company and other mainland small businesses led mother and son to relocate to Hong Kong. While Ji joined the securities profession and then Macau junket promoter Heng Sheng Group along with his aunt Cui Limei, Cui Lijie focused on property and jewelry collecting. "She likes jewelry more than property," Ji says.



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A vacation trip to Saipan inspired Ji to seek a casino license on Saipan, assisted by his mother and aunt. As part of the family push, in 2013, Cui led the family's takeover of First Natural Foods Holdings, later renamed Imperial Pacific, for HK\$300 million (\$38.7 million). That initial investment has blossomed into a holding the market values around \$1.7 billion.

Cui now spends most of her time in Saipan because "Hong Kong has way too many people." On Saipan, she enjoys photography and is an enthusiastic participant in Imperial Pacific's community outreach efforts. Cui says she particularly enjoys programs aimed at helping the rural poor, as she did in China 40 years ago, before she was a billionaire.

*With additional reporting by Xiang Wang*

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# EXHIBIT F



**COMMONWEALTH OF THE NORTHERN MARIANAS**  
**APPLICATION FOR MARRIAGE LICENSE**  
**AND**  
**RECORD OF MARRIAGE**

|                                       |  |
|---------------------------------------|--|
| <b>FOR CLERK OF COURTS</b>            |  |
| MARRIAGE FILE NO. <u>W050025-0917</u> |  |
| CNMI<br>COMMONWEALTH                  |  |

| APPLICATION  | PARTY A  |                                   |  | PARTY B  |                                   |  |
|--|--|-----------------------------------|--|--|-----------------------------------|--|
| COMPLETE NAME  | LAST<br>CHI                                    | FIRST<br>HOWYO                    | MIDDLE   | LAST<br>CUI  | FIRST<br>LIJIE                    | MIDDLE   |
| PRESENT ADDRESS  | CHALAN LAULAU, SAIPAN CNMI                     |                                   |  | CHALAN LAULAU, SAIPAN CNMI   |                                   |  |
| PERMANENT ADDRESS                                      | CHALAN LAULAU, SAIPAN CNMI                     |                                   |  | CHALAN LAULAU, SAIPAN CNMI   |                                   |  |
| DATE OF BIRTH AND AGE                                  | DATE OF BIRTH<br>DECEMBER 15, 1983             |                                   | AGE<br>40  | DATE OF BIRTH<br>APRIL 16, 1958  |                                   | AGE<br>66  |
| PLACE OF BIRTH   | TAIWAN   |                                   |  | CHINA  |                                   |  |
| OCCUPATION / EMPLOYER ADDRESS                          | MANAGER  |                                   |  | RETIRED  |                                   |  |
| NUMBER OF MARRIAGES AND HOW TERMINATED                 | NUMBER OF PRIOR MARRIAGES<br>-1-               | HOW TERMINATED                    | 1. ( ) DEATH (X) DIVORCE ( ) ANNULMENT<br>2. ( ) DEATH ( ) DIVORCE ( ) ANNULMENT<br>3. ( ) DEATH ( ) DIVORCE ( ) ANNULMENT | NUMBER OF PRIOR MARRIAGES<br>-1-   | HOW TERMINATED                    | 1. (X) DEATH ( ) DIVORCE ( ) ANNULMENT<br>2. ( ) DEATH ( ) DIVORCE ( ) ANNULMENT<br>3. ( ) DEATH ( ) DIVORCE ( ) ANNULMENT |
| DATE AND SIGNATURE OF APPLICANTS                       | DATE   | SIGNATURE OF PARTY A<br>CHI HOWYO |  | DATE   | SIGNATURE OF PARTY B<br>CUI LIJIE |  |
| APPLICATION GRANTED                                    | DATE APPLICATION GRANTED<br>SEPTEMBER 24, 2024 |                                   |  | SIGNATURE OF MAYOR<br>RAMON "R" JOSE BLAS CAMACHO                            |                                   |  |
| RECORD OF MARRIAGE                                     |  |                                   |  |  |                                   |  |
| DATE AND PLACE OF MARRIAGE                             | DATE OF MARRIAGE<br>OCTOBER 18, 2024           |                                   |  | PLACE OF MARRIAGE<br>OFFICE OF THE MAYOR 2799 TEER DR, SUITE A. OLEAL SAIPAN |                                   |  |
| SIGNATURE OF PARTY A AND PARTY B                       | A. SIGNATURE OF PARTY A                        |                                   |  | B. SIGNATURE OF PARTY B  |                                   |  |
| SIGNATURE OF WITNESSES                                 | A. WITNESS (1)<br>SHANGMING ZUO                |                                   |  | B. WITNESS (2)<br>CHUANFU HUANG  |                                   |  |
| CERTIFICATION OF PERSON WHO PERFORMED WEDDING CEREMONY | SIGNATURE<br>RAMON "R" JOSE BLAS CAMACHO       |                                   |  | TITLE<br>MAYOR OF SAIPAN   |                                   |  |
| CLERK OF COURTS  | DATE RECEIVED                                  |                                   |  | SIGNATURE OF CLERK OF COURTS   |                                   |  |

"If either party had more than three prior marriages, show on back of this form how each after the first three was ended."  
 \*\* Item II 5A and B to be completed only one copy filed with Clerk of Courts.

\*\* Any person that intentionally falsifies information is subject to punishment under pwp. PL 9 -15

# EXHIBIT G





## Ex-exec of Saipan casino-tied firm jailed by Beijing court

Nov 27, 2023 Newsdesk Latest News, Rest of Asia, Top of the deck, World



A group of 15 defendants was sentenced on Friday by a Beijing court over gambling-related crimes, according to an announcement from the tribunal in the Chinese capital. Among them was a woman who briefly served in 2020 as an executive director of Hong Kong-listed Imperial Pacific International Holdings Ltd, a company linked with a casino project on Saipan, a U.S.-administered Pacific island.

The No.1 Intermediate People's Court of Beijing Municipality said Cui Limei was given eight years and six months in prison, plus a CNY200,000 (US\$27,968) fine, for the [crime of "establishment of casino"](#). The other 14 defendants got prison terms ranging from one year and eight months, to seven years and six months, over crimes including the establishment of casino, "collection of illegal debt" and "organising people to illegally cross the national borders".

Cui Limei had been an executive director at Imperial Pacific International Holdings from June 15, 2020 to June 29, 2020, according to corporate filings with the Hong Kong bourse.

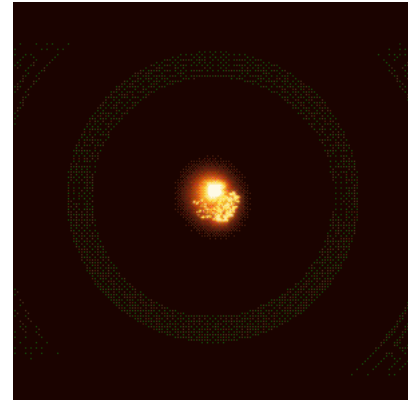
The company used to promote a casino resort known as Imperial Palace Saipan. The property's gaming licence has been [suspended since April 2021](#).

According to several Chinese-language media reports, Cui Limei is a sibling of a businesswoman called Cui Lijie. The latter resigned as Imperial Pacific International Holdings' chairperson and executive director, with effect from June 4, 2021.

The company – which has been suspended from trading on the Hong Kong bourse since April 1, 2022 – is now facing hearings in relation to two winding up petitions, both scheduled for January 2024. That is according to a November 22 filing by the firm.

The Beijing court's announcement did not mention to which jurisdictions outside China the relevant defendants had channelled players.

The court only noted that Cui Limei and other defendants in the case – led by an individual surnamed "Ji" – had exploited "illicit profits" in the period "2008 to 2021", when they allegedly "organised and solicited" Chinese citizens from Beijing and provincial cities to "gamble abroad",



Pick of the Da

"[The increas  
revenues was]  
due to continue  
in Mohegan Di  
revenue from A  
Inspire

**Ari Glaz**  
Chief financial  
Mohegan Gai  
Entertainr

### Latest News



#### Decline in VIP guests hurting Okada Manila casino: Universal

Aug 09, 2024

Japanese conglomerate Universal Entertainment Corp, the parent of the Okada Manila casino resort (pictured) in the Philippine capital Manila, says a decline in the number of VIP guests has negatively...

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The individual surnamed “Ji” mentioned in the Friday announcement was “being processed in another case”, the Beijing court statement mentioned.

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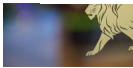
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August 7, 2024



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August 7, 2024



Singapore ops ok s player AML data u update  
August 6, 2024

# EXHIBIT H



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**FILED**  
Clerk  
District Court

**AUG 01 2019**

for the Northern Mariana Islands  
By \_\_\_\_\_  
(Deputy Clerk)

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN MARIANA ISLANDS**

**UNITED STATES OF AMERICA,**

Plaintiff,

vs.

**LIWEN WU (a/k/a "Peter Wu"),  
JIANMIN XU, and YAN SHI,**

Defendants.

Criminal Case No. 1:18-cr-00008

**SUPERSEDING  
INDICTMENT**

**Count One:**

Title 18, U.S.C. § 1962(d), RICO Conspiracy

**Count Two:**

Title 8, U.S.C. § 1324(a)(1)(A)(iii) and (v)(I),  
Conspiracy to Harbor Illegal Aliens

**Counts Three to Thirty-Four:**

Title 8, U.S.C. § 1324(a)(1)(A)(iii),  
Harboring Illegal Aliens

**Counts Thirty-Five to Sixty-Six:**

Title 8, U.S.C. § 1324a, and Title 18, U.S.C. §  
2, Unlawful Employment of Aliens

**Counts Sixty-Seven to Seventy-One:**

Title 18, U.S.C. §§ 1956 and 2, International  
Promotional Money Laundering

1 THE GRAND JURY CHARGES THAT:

2 **INTRODUCTION**

3 Private Entities

4 At all times relevant to this Superseding Indictment:

5 1. Imperial Pacific International (CNMI), LLC (“IPI”) was a company incorporated  
6 and doing business in the Commonwealth of the Northern Mariana Islands (“CNMI”). IPI was  
7 wholly-owned by Imperial Pacific International Holdings Limited (“IPI HK”), a business  
8 registered in Bermuda and with its principal place of business in Hong Kong, People’s Republic  
9 of China.

10 2. MCC International Saipan Ltd. Co. (“MCC CNMI”) was a company incorporated  
11 and doing business in the CNMI. MCC CNMI was a wholly-owned subsidiary of China  
12 Metallurgical Group Corporation (“MCC China”), a state-owned business incorporated in the  
13 People’s Republic of China.

14 3. Marianas Enterprises Limited (“MEP”) was a company incorporated and doing  
15 business in the CNMI. MEP was wholly-owned by IPI and performed services for IPI and its  
16 contractors, including recruitment, importation, housing, and transportation of foreign workers.

17 4. Worldwide Asia Engineering Limited (“WWA”) was a company incorporated and  
18 doing business in Hong Kong. In August 2015, WWA contracted with IPI to recruit and supply  
19 workers for a casino construction project.

20 Government Agencies

21 At all times relevant to this Superseding Indictment:

22 5. The United States Department of Homeland Security (“DHS”) Citizenship and  
23 Immigration Services (“CIS”) was an agency of the United States responsible for processing and  
24 reviewing applications for immigration benefits and employment-based visa petitions pursuant to

1 the Immigration and Nationality Act.

2 6. The United States Customs and Border Protection (“CBP”) was an agency of the  
3 United States responsible for managing, securing, and controlling the country’s borders, a task  
4 which includes ensuring foreign visitors have lawful authority to enter the United States.

5 Co-conspirators

6 At all times relevant to this Superseding Indictment:

7 7. LIWEN WU (a/k/a “Peter Wu”) was a citizen of the Republic of China (Taiwan),  
8 and was a senior executive for IPI and WWA, and manager of MEP.

9 8. JIANMIN XU was a citizen of the People’s Republic of China and acted as a  
10 senior executive for IPI.

11 9. YAN SHI was a citizen of the People’s Republic of China and was a project  
12 supervisor for MCC CNMI.

13 10. Unindicted Co-conspirator No. 1 was a citizen of the People’s Republic of China  
14 and was a senior executive for IPI and WWA.

15 11. Unindicted Co-conspirator No. 2 was a citizen of the People’s Republic of China  
16 and was a senior executive for IPI HK.

17 12. Unindicted Co-conspirator No. 3 was a citizen of the People’s Republic of China  
18 and was a senior executive for MCC China.

19 13. Unindicted Co-conspirator No. 4 was a citizen of the People’s Republic of China  
20 and was a senior executive for MCC CNMI. On September 25, 2017, Unindicted Co-conspirator  
21 No. 4 pled guilty to one count of a pattern and practice of Unlawful Employment of Aliens, in  
22 violation of Title 8, United States Code, Sections 1324a(a)(1)(A), 1324a(a)(2), and 1324a(f)(1).

23 LIWEN WU, JIANMIN XU, Unindicted Co-conspirator No. 1, and Unindicted Co-  
24 conspirator No. 2 are referred to collectively as “IPI Defendants”; YAN SHI, Unindicted Co-

conspirator No. 3, and Unindicted Co-conspirator No. 4 are referred to collectively as “MCC Defendants”; LIWEN WU, JIANMIN XU, and YAN SHI are referred to collectively as “Defendants.”

#### Other Individuals

14. Individual 1 was a citizen of the People’s Republic of China employed by MEP and was subordinate to LIWEN WU and JIANMIN XU.

15. Individual 2 was a citizen of the People’s Republic of China employed by MCC China and was subordinate to Unindicted Co-conspirator No. 3.

16. Individual 3 was a citizen of the People’s Republic of China employed by MCC CNMI and was subordinate to Unindicted Co-conspirators No. 3 and No. 4.

17. Individual 4 was a citizen of the People’s Republic of China employed by MEP and IPI and was subordinate to LIWEN WU and Unindicted Co-conspirator No. 2.

18. Individual 5 was an unidentified employee of either IPI or MEP.

#### Background

19. The United States assumed control of the CNMI’s borders on November 28, 2009, pursuant to the Consolidated Natural Resources Act of 2008. To ease the transition from CNMI to federal control of immigration, the United States introduced two temporary programs unique to the CNMI. First, the CNMI-Only Transitional Worker program, or “CW-1 Program,” enabled eligible employers conducting legitimate business in the CNMI to hire qualified alien workers, provided there were no qualified U.S. resident workers to fill those jobs. The number of CW-1 workers could not exceed a numerical limitation in a given year. The regulations governing the CW-1 Program are set forth in 8 C.F.R. § 214.2(w). Second, by exercise of the Secretary of Homeland Security’s parole authority, the United States created a conditional parole program, or “CP Program,” which permitted Chinese and Russian nationals visa-free entry into

the CNMI for “business or pleasure” only. The CP Program limited stays in the CNMI to a maximum of forty-five days and explicitly prohibited recipients from engaging in “local employment or labor for hire.”

20. In August 2014, the CNMI government granted IPI exclusive rights to build a large hotel and casino in Garapan, the primary business and tourism district on the island of Saipan. The license agreement imposed deadlines for completing various phases of the project; failure to meet those deadlines would result in monetary penalties payable to the CNMI.

21. Construction began on the worksite in July of 2015. IPI contracted with several Chinese construction companies for the project, including MCC China. MCC China then formed MCC CNMI as its U.S. subsidiary.

22. Availing of the CW-1 Program, as well as the jurisdiction’s comparably low wage rates, IPI, MCC CNMI, and the other contractors chose to import nearly all of their employees from China instead of hiring U.S. citizens or otherwise eligible foreign nationals. However, DHS and CIS limited the number of CW-1 visas for the project’s companies to several hundred.

23. Beginning as early as September 2015, Defendants LIWEN WU and JIANMIN XU and Unindicted Co-conspirator No. 1 pressured MCC CNMI to accelerate work, threatening to impose fines if the contractors failed to meet deadlines. As part of this pressure, Defendants LIWEN WU and JIANMIN XU and Unindicted Co-conspirator No. 1 implicitly and explicitly ordered MCC CNMI to hire unauthorized alien workers, referred to informally as “heigong,” Mandarin for “black worker.”

24. In addition to hiring workers who were already present in the CNMI, living either illegally or present with non-working visas, IPI Defendants encouraged, authorized, and instructed MCC CNMI to import workers from China using the CP Program.

1       25. To do this, IPI Defendants, MCC Defendants, and other foreign contractors  
2 instigated a plan to deceive CBP by instructing prospective hires in China to lie to immigration  
3 inspectors, claiming they wished to enter the CNMI as tourists under the CP Program.

4       26. Over the next year, in response to heightened scrutiny by CBP inspectors,  
5 Defendants and Unindicted Co-Conspirators No. 1, No. 2, No. 3, and No. 4 promulgated  
6 increasingly elaborate schemes of deception, including but not limited to, providing costumes  
7 and backstories to hired workers, as well as pairing them with existing female employees in  
8 China.

9       27. The female employees posed as the illegal foreign workers' spouses or girlfriends  
10 in exchange for paid vacations to the CNMI. In addition to reimbursing MCC CNMI and other  
11 contractors for the illegal workers' salaries, IPI Defendants also purchased plane tickets and paid  
12 other expenses for the illegal workers and their fake spouses or girlfriends.

13       28. Once in the CNMI, the aliens worked without authorization, receiving their wages  
14 either in cash or via electronic transfer between bank accounts in China. Most remained in the  
15 CNMI long after their CP status expired.

16       29. MCC CNMI and other contractors invoiced IPI to pay their workers, both legal  
17 and illegal. These invoices distinguished legal and illegal workers, with illegal workers  
18 receiving wages lower than legal workers, and almost always below the minimum wage.

19       30. Upon receiving an invoice, IPI or IPI HK reimbursed MCC CNMI by check or  
20 wire transfer to and from accounts in China and the CNMI.

21       31. IPI HK and IPI also wired money to MEP to transport, feed, and house legal and  
22 illegal foreign workers together at a compound in Tanapag village, as well as in hotels and other  
23 rented properties around the island of Saipan.



32. The scheme lasted through at least March 2017 and resulted in an influx of more than 600 illegal workers onto the worksite, many of whom were inexperienced and/or not qualified to perform their assigned tasks.

33. Throughout the course of the scheme, Defendants and Unindicted Co-Conspirators No. 1, No. 2, No. 3, and No. 4 took active measures to conceal the illegal workers from local and federal authorities, including immigration, labor, and safety inspectors. This, coupled with the fact that many of the workers had little to no experience in construction, created a worksite environment with a substantial risk of death or serious bodily injury.

34. Throughout the course of the scheme, Defendants and Unindicted Co-Conspirators No. 1, No. 2, No. 3, and No. 4 knowingly authorized, directed, and financed the recruitment, hiring, harboring, and concealment of unauthorized alien workers.

#### **THE ENTERPRISE**

35. Defendants LIWEN WU, JIANMIN XU, and YAN SHI, Unindicted Co-conspirators No. 1, No. 2, No. 3, No. 4, and others known and unknown to the grand jury, constituted an enterprise as that term is defined in 18 U.S.C. § 1961(4), that is, a group of individuals associated in fact that was engaged in, and the activities of which affected, interstate and foreign commerce (hereinafter “the Enterprise”). The Enterprise constituted an ongoing organization whose members functioned as a continuing unit for a common purpose of achieving the objectives of the Enterprise. The Enterprise was led by Defendants LIWEN WU; JIANMIN XU; YAN SHI, and Unindicted Co-conspirators No. 1, No. 2, No. 3, and No. 4, who participated in the operation and management of the Enterprise as leaders, and directed other members of the Enterprise to carry out unlawful and other activities in furtherance of the conduct of the Enterprise’s affairs.

**PURPOSES OF THE ENTERPRISE**

36. The purposes of the Enterprise included the following:

- a. To reduce labor costs by inducing aliens to travel to the United States for the purpose of encouraging them to enter and remain in the United States in violation of the laws of the United States.
- b. To avoid complying with the immigration and labor laws of the United States through the use of fraud and deceit.
- c. To avoid taxes and penalties that would be imposed by the Federal and CNMI governments for violating the immigration, labor, and other laws through fraud and deceit.

**MEANS AND METHODS OF THE ENTERPRISE**

37. Among the means and methods used by Defendants, members, and associates of the Enterprise in conducting and participating in the conduct of the affairs of the Enterprise, were the following:

- a. Members and associates of the Enterprise hired, employed, harbored, and induced foreign workers to enter the United States illegally for the purpose of completing construction of the casino project.
- b. Members and associates of the Enterprise evaded and violated wage and labor laws by directing illegal foreign workers to obtain and turn over information for bank accounts in China. In this way, wage payments could be made entirely within China and thereby evade United States regulators.
- c. Members and associates of the Enterprise concealed the location of illegal foreign workers for the purpose of defrauding the United States as to their true immigration status.
- d. Members and associates of the Enterprise encouraged and trained illegal foreign workers for the purpose of deceiving agencies of the United States.
- e. Members and associates of the Enterprise financed the illegal foreign workers' travel from China to the CNMI, transportation within the CNMI, accommodations, food, and other expenses.

**COUNT ONE**

**RICO Conspiracy**

38. Paragraphs 1 through 37 of the Superseding Indictment are re-alleged as if fully incorporated in this Count.

39. Beginning in or around September 2015, and continuing through on or about March 31, 2017, in the District of the Northern Mariana Islands, and elsewhere, Defendants LIWEN WU, JIANMIN XU, and YAN SHI, and others known and unknown to the grand jury, being persons employed by and associated with the Enterprise, which was engaged in, and the activities of which affected, interstate and foreign commerce, did knowingly and intentionally combine, conspire, confederate, and agree with one another to violate Title 18, United States Code, Section 1962(c); that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of the Enterprise through a pattern of racketeering activity, as defined in Title 18, United States Code, Sections 1961(1) and (5), consisting of multiple acts indictable under:

(1) 8 U.S.C. § 1324, acts committed for the purpose of financial gain (relating to bringing in and harboring certain aliens); and

(2) 18 U.S.C. § 1956 (relating to the laundering of monetary instruments).

**Overt Acts**

40. In furtherance of the racketeering conspiracy, and to effect the object thereof, Defendants and others committed and caused to be committed the following overt acts, among others, in the District of the Northern Mariana Islands, and elsewhere:

a. On or about September 17, 2015, JIANMIN XU signed “agree” to a written request from MCC CNMI to use construction workers with tourist visas on the casino construction project, and to have IPI reimburse MCC CNMI for related expenses.

b. In or before February 2017, Defendants and Unindicted Co-Conspirators No. 1, No. 2, No. 3, and No. 4 created a scheme to deceive CBP by recruiting men from

1 China who would travel to Saipan, along with female companions provided by the  
2 companies in China, by posing as tourist couples.

3 c. On or about February 23, 2017, Defendants, Unindicted Co-Conspirators  
4 No. 1, No. 2, No. 3, and No. 4, and other associates of the Enterprise created a WeChat  
5 page titled “MEP Visa Arrangement Trip,” the purpose of which was to plan and  
6 facilitate the entry of thirty-five illegal workers from China into the CNMI using the CP  
7 Program.

8 d. On or about February 24, 2017, using the WeChat MEP Visa Arrangement  
9 Trip page, Defendants and Unindicted Co-Conspirators No. 1, No. 2, No. 3, and No. 4  
10 caused to be transmitted and shared plane itineraries for twenty-nine illegal foreign  
11 workers and their paid companions.

12 e. On or about February 24, 2017, LIWEN WU purchased an airplane ticket  
13 for one of the illegal foreign worker using an American Express corporate credit card  
14 ending in 2008.

15 f. On or about February 25, 2017, using the WeChat MEP Visa Arrangement  
16 Trip page, Unindicted Co-conspirator No. 2 gave an illegal foreign worker instructions on  
17 how to transit through Je Ju Island airport, and attached templates for completing United  
18 States and CNMI customs and immigration forms, directing: “Here is a sample of the  
19 customs form. Have everyone store it in his/her cell phone so that he/she can refer to it  
20 while filling out the form on the plane.”

21 g. On or about February 25, 2017, using the WeChat MEP Visa Arrangement  
22 Trip page, Unindicted Co-conspirator No. 3 sent a list of illegal foreign workers and their  
23 female companions to Individual 4, along with pictures of their passports, and wrote:  
24

[Individual 4], thanks. Also, I am planning to send you information on the second group of workers (20 persons) and the passport information of our female compatriots. (The first pages of workers' passports have been collected and their past foreign visa page are being scanned.) In this case, please kindly confirm your selection so that I can notify the workers to come to Shanghai on 2/27 (Monday), provide training and start booking their tickets. They will fly to Saipan on 2/28.

h. On or about February 25, 2017, using the WeChat MEP Visa Arrangement Trip page, Unindicted Co-conspirator No. 3 directed Individual 1 and Individual 2 to estimate the airfares for twenty workers and to remit the amount to a designated account in China. Individual 1 estimated the amount at 150,000 Chinese Renminbi; Unindicted Co-conspirator No. 3 then directed Individual 2 to remit that amount.

i. On or about February 25, 2017, using the WeChat MEP Visa Arrangement Trip page, Unindicted Co-conspirator No. 2 directed Individual 5 to transmit and share plane itineraries for twenty-three illegal workers and their paid companions.

j. On or about February 26, 2017, using the WeChat MEP Visa Arrangement Trip page, Unindicted Co-conspirator No. 3 transmitted to Individual 3 a chart identifying fifteen illegal foreign workers and their paid companions, instructed Individual 3 to review the groupings, and if appropriate, make them hotel reservations in the CNMI.

k. On or about February 26, 2017, using the WeChat MEP Visa Arrangement Trip page, Defendants and Unindicted Co-Conspirators No. 1, No. 2, No. 3, and No. 4 caused to be transmitted and shared plane itineraries for thirty-one illegal workers and their paid companions.

l. On or about February 27, 2017, LIWEN WU purchased an airplane ticket for two of the illegal foreign workers and two paid companions, using an American Express corporate credit card ending in 2008.

1 m. On or about February 27, 2017, using the WeChat MEP Visa Arrangement  
2 Trip page, Defendants and Unindicted Co-Conspirators No. 1, No. 2, No. 3, and No. 4  
3 caused to be transmitted and shared return-trip plane itineraries for eleven illegal workers  
4 and their paid companions.

5 n. On or about February 28, 2017, using the WeChat MEP Visa Arrangement  
6 Trip page, Unindicted Co-conspirator No. 2 transmitted to Unindicted Co-conspirator No.  
7 3 and Individual 1 a chart, noting a problem with certain return dates, which were  
8 highlighted.

9 o. On or about February 28, 2017, using the WeChat MEP Visa Arrangement  
10 Trip page, LIWEN WU asked YAN SHI and Individual 3 “is the lodging in Saipan  
11 okay?” to which, YAN SHI responded “I am about to report to you, we’re looking for  
12 hotels now” and “[n]eed two living quarters for the workers by afternoon.”

13 p. On or about February 28, 2017, using the WeChat MEP Visa Arrangement  
14 Trip page, Individual 3 noted they still needed ten room reservations, to which LIWEN  
15 WU replied: “Short ten, how [many] rooms are the females actually staying in?”  
16 Individual 3 responded: “Actually need six,” and then queried whether it would work to  
17 make a few reservations, and if asked, falsely claim that additional reservations had been  
18 made. LIWEN WU responded: “Yes.”

19 q. On or about March 6, 2017, using the WeChat MEP Visa Arrangement  
20 Trip page, Unindicted Co-conspirator No. 3 instructed Individual 1 to book a return ticket  
21 for one of the paid female companions.

22 r. On or about March 7, 2017, YAN SHI invited members and associates of  
23 the Enterprise to a group chat and warned “To all, please pay high attention. If the  
24



workers do not have status, please don't let them go to a doctor at the local hospital. The project department will think about a solution."

In violation of Title 18, United State Code, Section 1962(d).

## **COUNT TWO**

### **Conspiracy to Harbor Illegal Aliens**

41. Beginning on or about February 24, 2017, and continuing to on or about February 28, 2017, in the District of the Northern Mariana Islands, and elsewhere, Defendants LIWEN WU, JIANMIN XU, and YAN SHI did unlawfully, knowingly, and intentionally combine, confederate, conspire, and agree together and with others, known and unknown to grand jury, to knowingly and in reckless disregard for the fact that aliens had come to, entered, and remained in the United States in violation of law, concealed, harbored, and shielded from detection such aliens in any place, for the purpose of commercial advantage and private gain, in violation of Title 8, United States Code, Sections 1324(a)(1)(A)(iii) and (v)(I).

## **COUNTS THREE THROUGH THIRTY-FOUR**

### **Harboring Illegal Aliens**

42. Beginning on or about and continuing to on or about the below dates, in the District of the Northern Mariana Islands. and elsewhere, Defendants LIWEN WU, JIANMIN XU, and YAN SHI, and others known and unknown to the grand jury, aiding and abetting each other, did knowingly and in reckless disregard of the fact that an alien, as named below, came to, entered, and remained in the United States in violation of law, concealed, harbored, and shielded from detection, such alien in any place, and attempted to do so, for the purpose of commercial advantage and private financial gain:

| <u>Count</u> | <u>Illegal Alien</u> | <u>Dates of Harboring</u> |               |
|--------------|----------------------|---------------------------|---------------|
|              |                      | <u>From</u>               | <u>To</u>     |
| 3.           | D.C.                 | Feb. 26, 2017             | Mar. 31, 2017 |
| 4.           | X. W.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 5.           | H. W.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 6.           | L. C.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 7.           | M. J.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 8.           | Y. T.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 9.           | G. Y.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 10.          | H. J.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 11.          | C. C.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 12.          | W. H.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 13.          | H. M.                | Feb. 26, 2017             | Mar. 31, 2017 |
| 14.          | C. D.                | Feb. 27, 2017             | Mar. 31, 2017 |
| 15.          | J. Y.                | Feb. 27, 2017             | Mar. 31, 2017 |
| 16.          | X. L.                | Feb. 27, 2017             | Mar. 31, 2017 |
| 17.          | Q. C.                | Feb. 27, 2017             | Mar. 31, 2017 |
| 18.          | H. Y.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 19.          | S. X.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 20.          | Z. B.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 21.          | C. X.                | Mar. 1, 2017              | Mar. 4, 2017  |
| 22.          | J. J.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 23.          | Z. B.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 24.          | H. C.                | Mar. 1, 2017              | Mar. 31, 2017 |
| 25.          | H. G.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 26.          | L. Z.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 27.          | L. K.                | Mar. 1, 2017              | Mar. 31, 2017 |
| 28.          | W. Z.                | Mar. 1, 2017              | Mar. 31, 2017 |
| 29.          | J. F.                | Mar. 1, 2017              | Mar. 31, 2017 |
| 30.          | W. L.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 31.          | Y. M.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 32.          | S. G.                | Feb. 28, 2017             | Mar. 31, 2017 |
| 33.          | G. X.                | Mar. 1, 2017              | Mar. 31, 2017 |
| 34.          | C. G.                | Feb. 28, 2017             | Mar. 31, 2017 |

In violation of Title 8, United States Code, Sections 1324(a)(1)(A)(iii) and (v)(II).

**COUNTS THIRTY-FIVE THROUGH SIXTY-SIX**

**Unlawful Employment of Aliens**

43. Beginning on or about and continuing to on or about the below dates, in the District of the Northern Mariana Islands, and elsewhere, Defendants LIWEN WU, JIANMIN XU, and YAN SHI, and others known and unknown to the grand jury, aiding and abetting each other, as part of a pattern and practice, hired and continued to employ the below identified aliens who the Defendants knew were not authorized to be employed in the United States, as described in Title 8, United States Code, Sections 1324a(a)(1)(A), (2), and (h)(3):

| <u>Count</u> | <u>Unauthorized Alien</u> | <u>Dates of Employment</u><br><u>From</u> | <u>To</u>     |
|--------------|---------------------------|---|---------------|
| 35.          | D.C.                      | Feb. 26, 2017                             | Mar. 31, 2017 |
| 36.          | X. W.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 37.          | H. W.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 38.          | L. C.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 39.          | M. J.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 40.          | Y. T.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 41.          | G. Y.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 42.          | H. J.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 43.          | C. C.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 44.          | W. H.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 45.          | H. M.                     | Feb. 26, 2017                             | Mar. 31, 2017 |
| 46.          | C. D.                     | Feb. 27, 2017                             | Mar. 31, 2017 |
| 47.          | J. Y.                     | Feb. 27, 2017                             | Mar. 31, 2017 |
| 48.          | X. L.                     | Feb. 27, 2017                             | Mar. 31, 2017 |
| 49.          | Q. C.                     | Feb. 27, 2017                             | Mar. 31, 2017 |
| 50.          | H. Y.                     | Feb. 28, 2017                             | Mar. 31, 2017 |
| 51.          | S. X.                     | Feb. 28, 2017                             | Mar. 31, 2017 |
| 52.          | Z. B.                     | Feb. 28, 2017                             | Mar. 31, 2017 |
| 53.          | C. X.                     | Mar. 1, 2017                              | Mar. 4, 2017  |
| 54.          | J. J.                     | Feb. 28, 2017                             | Mar. 31, 2017 |
| 55.          | Z. B.                     | Feb. 28, 2017                             | Mar. 31, 2017 |
| 56.          | H. C.                     | Mar. 1, 2017                              | Mar. 31, 2017 |
| 57.          | H. G.                     | Feb. 28, 2017                             | Mar. 31, 2017 |
| 58.          | L. Z.                     | Feb. 28, 2017                             | Mar. 31, 2017 |

|     |       |               |               |
|-----|-------|---------------|---------------|
| 59. | L. K. | Mar. 1, 2017  | Mar. 31, 2017 |
| 60. | W. Z. | Mar. 1, 2017  | Mar. 31, 2017 |
| 61. | J. F. | Mar. 1, 2017  | Mar. 31, 2017 |
| 62. | W. L. | Feb. 28, 2017 | Mar. 31, 2017 |
| 63. | Y. M. | Feb. 28, 2017 | Mar. 31, 2017 |
| 64. | S. G. | Feb. 28, 2017 | Mar. 31, 2017 |
| 65. | G. X. | Mar. 1, 2017  | Mar. 31, 2017 |
| 66. | C. G. | Feb. 28, 2017 | Mar. 31, 2017 |

In violation of Title 8, United States Code, Sections 1324a(a)(1)(A), (2), and (f)(1); and Title 18, United States Code, Section 2.

### **COUNTS SIXTY-SEVEN TO SEVENTY-ONE**

#### **International Promotional Money Laundering**

44. On or about the dates below, in the District of the Northern Mariana Islands, and elsewhere, Defendants LIWEN WU, JIANMIN XU, and YAN SHI, and others known and unknown to the grand jury, aiding and abetting each other, knowingly transported, transmitted, and transferred, and willingly caused the transportation, transmission, and transfer of, and procured another person to transport, transmit, and transfer the funds listed below to a place in the United States from and through a place outside the United States with the intent to promote the carrying on of specified unlawful activity, specifically, acts committed for the purpose of financial gain (relating to the bringing in and harboring certain aliens) and indictable under Title 8, United States Code, Section 1324:

| <b><u>Count</u></b> | <b><u>Date</u></b> | <b><u>Description</u></b>   |
|---------------------|--------------------|---|
| 67.                 | October 17, 2016   | Transfer of \$6,068,475.98 from an IPI HK bank account in Hong Kong ending in 3269, to an MCC CNMI bank account in Saipan ending in 8684. |
| 68.                 | November 4, 2016   | Transfer of \$2,647,516.80 from an IPI HK bank account in Hong Kong ending in 3269, to an MCC CNMI bank account in Saipan ending in 8684. |

69. March 3, 2017 Transfer of \$1,999,978.00 from an IPI HK bank account in Hong Kong ending in 3269, to an MCC CNMI bank account in Saipan ending in 8684.
70. November 3, 2016 Transfer of \$9,999,988.00 from an IPI HK bank account in Hong Kong ending in 3269, to an IPI bank account in Saipan ending in 2023.
71. February 2, 2017 Transfer of \$3,569,978.00 from an IPI HK bank account in Hong Kong ending in 3269, to an IPI bank account in Saipan ending in 2023.

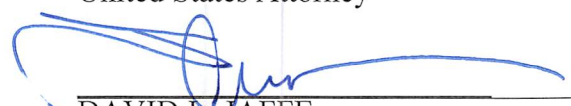
In violation of Title 18, United States Code, Sections 1956(a)(2)(A) and 2.

Respectfully submitted on August 1, 2019.

A TRUE BILL

Signature of foreperson has been  
**REDACTED** pursuant to the Privacy Policy of the  
Judicial Conference of the United States.

  
\_\_\_\_\_  
SHAWN N. ANDERSON  
United States Attorney

  
\_\_\_\_\_  
DAVID L. JAFFE  
Chief  
Organized Crime and Gang Section

For  
SUPERSEDING INDICTMENT - 17

# EXHIBIT I



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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)**

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018**

The board of directors (the “**Directors**”) (the “**Board**”) of Imperial Pacific International Holdings Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2018 together with comparative figures for the corresponding period of 2017 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2018*

|  |              | <b>Six months ended 30 June</b> |                        |
|--|--------------|---------------------------------|------------------------|
|  |              | <b>2018</b>                     | <b>2017</b>            |
|  | <i>Notes</i> | <b><i>HK\$'000</i></b>          | <b><i>HK\$'000</i></b> |
|  |              | <b>(Unaudited)</b>              | <b>(Unaudited)</b>     |
|  |              |                                 | <b>(Restated)</b>      |
| Revenue  | 3            | <b>2,214,795</b>                | 4,524,486              |
| Cost of sales  |              | <b>(261,716)</b>                | (436,738)              |
| Gross profit   |              | <b>1,953,079</b>                | 4,087,748              |
| Other income, gains and losses, net                                |              | <b>(34)</b>                     | 12,835                 |
| Selling and marketing expenses                                     |              | <b>(26,678)</b>                 | (31,428)               |
| Operating and administrative expenses                              |              | <b>(1,815,376)</b>              | (2,920,315)            |
| Share-based payments   |              | <b>(8,649)</b>                  | (9,173)                |
| Finance costs  | 4            | <b>(112,675)</b>                | (97,079)               |
| <b>(Loss)/profit before tax</b>                                    | 4            | <b>(10,333)</b>                 | 1,042,588              |
| Income tax credit/(expenses)                                       | 5            | <b>89,310</b>                   | (130,560)              |
| <b>Profit for the period attributable to owners of the Company</b> |              | <b>78,977</b>                   | 912,028                |

|  | <i>Note</i> | <b>Six months ended 30 June</b> |                    |
|--|-------------|---------------------------------|--------------------|
|  |             | <b>2018</b>                     | <b>2017</b>        |
|  |             | <b>HK\$'000</b>                 | <b>HK\$'000</b>    |
|  |             | <b>(Unaudited)</b>              | <b>(Unaudited)</b> |
|  |             |                                 | <b>(Restated)</b>  |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>   |             |                                 |                    |
| Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:                      |             |                                 |                    |
| Available-for-sale investments:  |             |                                 |                    |
| Changes in fair value  |             | —                               | (8,529)            |
| Reclassification adjustments for loss on disposal of available-for-sale investments included in the profit or loss |             | —                               | 266                |
|  |             | —                               | (8,263)            |
| Exchange differences on translation of foreign operations  |             | <b>35,396</b>                   | 34,012             |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods                          |             | <b>35,396</b>                   | 25,749             |
| Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:                           |             |                                 |                    |
| Equity investments designated at fair value through other comprehensive income:                                    |             |                                 |                    |
| Net movement in fair value reserve   |             | <b>(35,682)</b>                 | —                  |
| Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods                        |             | <b>(35,682)</b>                 | —                  |
| <b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>  |             | <b>(286)</b>                    | 25,749             |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>  |             | <b>78,691</b>                   | 937,777            |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>  | <b>7</b>    |                                 |                    |
| <b>Basic</b>   |             |                                 |                    |
| — For profit for the period  |             | <b>0.06 cent</b>                | 0.64 cent          |
| <b>Diluted</b>   |             |                                 |                    |
| — For profit for the period  |             | <b>0.03 cent</b>                | 0.34 cent          |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 30 June 2018*

|   |              | <b>30 June<br/>2018</b> | 31 December<br>2017 |
|---|--------------|-------------------------|---------------------|
|   | <i>Notes</i> | <b>HK\$'000</b>         | <b>HK\$'000</b>     |
|   |              | <b>(Unaudited)</b>      | <b>(Audited)</b>    |
| <b>NON-CURRENT ASSETS</b>   |              |                         |                     |
| Property, plant and equipment   | 8            | <b>5,892,355</b>        | 5,468,239           |
| Prepaid land lease payments   | 9            | <b>180,591</b>          | 181,967             |
| Prepayments, deposits and other receivables                                       |              | <b>280,110</b>          | 352,963             |
| Available-for-sale investments  | 2.3          | <b>–</b>                | 82,464              |
| Equity investments designated at fair value<br>through other comprehensive income | 2.3          | <b>46,782</b>           | –                   |
| Deferred tax assets   |              | <b>630,818</b>          | 504,784             |
| Total non-current assets  |              | <b>7,030,656</b>        | 6,590,417           |
| <b>CURRENT ASSETS</b>   |              |                         |                     |
| Prepaid land lease payments   | 9            | <b>3,895</b>            | 4,526               |
| Inventories   |              | <b>37,336</b>           | 25,768              |
| Trade receivables   | 10           | <b>7,951,469</b>        | 8,531,023           |
| Prepayments, deposits and other receivables                                       |              | <b>251,063</b>          | 204,030             |
| Derivative financial asset  |              | <b>212</b>              | 1,010               |
| Restricted bank deposits  |              | <b>68,656</b>           | –                   |
| Cash and cash equivalents   |              | <b>123,149</b>          | 284,520             |
| Total current assets  |              | <b>8,435,780</b>        | 9,050,877           |
| <b>CURRENT LIABILITIES</b>  |              |                         |                     |
| Trade payables  | 11           | <b>100,263</b>          | 78,623              |
| Accruals, other payables and deposits received                                    | 12           | <b>5,711,028</b>        | 6,931,685           |
| Derivative financial liabilities  |              | <b>42</b>               | 1,033               |
| Other borrowings  | 13           | <b>1,303,699</b>        | 1,189,492           |
| Loans from related parties  | 14           | <b>180,731</b>          | 197,593             |
| Convertible bonds   |              | <b>47,764</b>           | –                   |
| Unsecured notes   |              | <b>1,176,900</b>        | –                   |
| Tax payable   |              | <b>702,569</b>          | 664,775             |
| Total current liabilities   |              | <b>9,222,996</b>        | 9,063,201           |
| <b>NET CURRENT LIABILITIES</b>  |              | <b>(787,216)</b>        | (12,324)            |
| <b>TOTAL ASSETS LESS<br/>CURRENT LIABILITIES</b>                                  |              | <b>6,243,440</b>        | 6,578,093           |

|                                |              | <b>30 June<br/>2018</b> | 31 December<br>2017 |
|--------------------------------|--------------|-------------------------|---------------------|
|                                | <i>Notes</i> | <b>HK\$'000</b>         | <b>HK\$'000</b>     |
|                                |              | <b>(Unaudited)</b>      | <b>(Audited)</b>    |
| <b>NON-CURRENT LIABILITIES</b> |              |                         |                     |
| Other borrowings               | 13           | <b>1,595,755</b>        | 773,350             |
| Loan from a related party      | 14           | <b>78,080</b>           | 151,764             |
| Convertible bonds              |              | <b>–</b>                | 46,713              |
| Unsecured bonds and notes      |              | <b>629,300</b>          | 1,753,301           |
|                                |              | <hr/>                   | <hr/>               |
| Total non-current liabilities  |              | <b>2,303,135</b>        | 2,725,128           |
|                                |              | <hr/>                   | <hr/>               |
| <b>NET ASSETS</b>              |              | <b>3,940,305</b>        | 3,825,965           |
|                                |              | <hr/>                   | <hr/>               |
| <b>CAPITAL AND RESERVES</b>    |              |                         |                     |
| Share capital                  | 15           | <b>71,492</b>           | 71,492              |
| Reserves                       |              | <b>3,868,813</b>        | 3,781,473           |
|                                |              | <hr/>                   | <hr/>               |
| <b>TOTAL EQUITY</b>            |              | <b>3,940,305</b>        | 3,852,965           |
|                                |              | <hr/>                   | <hr/>               |

**NOTES TO INTERIM FINANCIAL INFORMATION***For the six months ended 30 June 2018***1. CORPORATE INFORMATION**

Imperial Pacific International Holdings Limited (the “Company”) was incorporated in Bermuda as an investment holding company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business is Suites 7001, 7002 and 7014–7016, 70/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the period, the Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan, Commonwealth of the Northern Mariana Islands (“CNMI”).

In the opinion of the directors of the Company (the “Directors”), Inventive Star Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company and Ms. Cui Li Jie is the ultimate controlling party.

**2.1 BASIS OF PRESENTATION**

Despite that the Group had net current liabilities of HK\$787,216,000 and capital commitments of approximately HK\$798,321,000 as at 30 June 2018 as detailed in note 18 to the interim financial information, the Directors consider that the Group will have adequate funds available to enable it to operate as a going concern, based on the Group’s profit forecast and cash flow projection which, inter alia, take into account the past actual operating performance of the Group and the following:

- (a) subsequent to the end of the reporting period, the Company has raised new unsecured loans for an aggregate amount of approximately HK\$462,850,000 from independent third parties, of which HK\$350,000,000 is repayable within one year and HK\$112,850,000 is repayable in the second year;
- (b) subsequent to the end of the reporting period, the Company has raised a new unsecured interest-free loan of HK\$40,000,000 from a related party;
- (c) subsequent to the end of the reporting period, Inventive Star has issued letters of undertaking to the Company, pursuant to which Inventive Star undertakes that a notice of redemption will not be issued to the Company before February and March 2021 for redemption and payment of the outstanding principal amounts of HK\$784,600,000 and HK\$392,300,000, which were originally due for redemption in February and March 2019, respectively, of the unsecured notes issued by the Company in 2017 together with accrued interest thereon;
- (d) Inventive Star and its related parties have agreed to provide continuous financial support to the Group by way of additional finances and not to demand for repayment of any amounts due to them until the Group is in a financial position to repay without impairing its liquidity position; and
- (e) the management is in discussion with other potential investors to secure long term financing for the remaining construction of the integrated gaming resort.

Imperial Pacific International (CNMI), LLC (“IPI”), a wholly-owned subsidiary of the Company, is principally engaged in the development and operation of an integrated gaming resort facility in Saipan. Pursuant to the Casino License Agreement Amendment No.5 entered between IPI and the Commonwealth Lottery Commission of the Commonwealth of the Northern Mariana Islands dated 31 July 2017, IPI is required to complete the construction of, inter alia, a minimum number of hotel rooms, gaming area, food and beverages outlets, retail and meeting space, villa hotel etc. (the “Initial Gaming Facility”) by no later than 31 August 2018.

As a result principally to the termination of construction services by certain companies and drastic reduction and non-availability of sufficient skilled and qualified construction labours locally in Saipan and mainland USA in 2017, the construction of the Initial Gaming Facility cannot be completed by 31 August 2018.



Given the importance of the Casino License Agreement to the operation of the Group's only principal activity, IPI has initiated the application for submission to the Office of the Governor to extend the completion deadline, in accordance with the process as provided under the Casino License Agreement. As at the date of approval of this interim announcement, the Directors confirm that the management is in continuous discussion with the relevant government authorities and they expect the discussion will continue on or beyond the stipulated deadline on 31 August 2018. Based on the best of the information, knowledge and belief, the Directors are of the opinion that the necessary approval is likely to be granted for the deadline extension application and the operation of the gaming and resort business will not be affected.

Accordingly, the interim financial information have been prepared on the going concern basis which assumes, among other things, the realisation of assets and satisfaction of liabilities in the normal course of business.

## 2.2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017.

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim condensed consolidated financial information is consistent with those adopted in the Group's annual consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs as disclosed in note 2.3 below.

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and derivative financial instruments, which have been measured at fair value. This unaudited interim condensed consolidated financial information is presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

## 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period's interim financial information.

|   |   |
|---|---|
| Amendments to HKFRS 2                         | <i>Classification and Measurement of Share-based Payment Transactions</i> |
| HKFRS 9                                       | <i>Financial Instruments</i>  |
| HKFRS 15                                      | <i>Revenue from Contracts with Customers</i>                              |
| Amendments to HKFRS 15                        | <i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>   |
| HK(IFRIC)-Int 22                              | <i>Foreign Currency Transactions and Advance Consideration</i>            |
| <i>Annual Improvements to 2014–2016 Cycle</i> | Amendments to HKFRS 1 and HKAS 28   |

The Group applies, for the first time, HKFRS 15 *Revenue from Contracts with Customers* and HKFRS 9 *Financial Instruments* that require restatement of previous financial statements. The nature and effect of these changes are disclosed below.

Several other amendments and interpretations are applied for the first time in 2018, but do not have significant impact on the unaudited interim condensed consolidated financial information of the Group.

**HKFRS 15 Revenue from Contracts with Customers**

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Under HKFRS 15, gaming revenue represents the net difference between gaming wins and losses. Commissions related directly to customers are recorded as a reduction to gaming revenue. Gaming contracts include a performance obligation to honor the patron's wager and typically include a performance obligation to provide a product or service to the patron on a complimentary basis to incentivize in exchange for points or complimentary commissions earned under the Group's loyalty programs.

For wagering contracts that include products and services provided to a patron in exchange for complimentary commissions or points earned under the Group's loyalty programs, the Group allocates the estimated stand-alone selling price of the points earned to the loyalty program liability. The loyalty program liability is a deferral of revenue until redemption occurs. Upon redemption of the complimentary commissions or loyalty program points for Group-owned products and services, the stand-alone selling price of each product or service is allocated to the respective revenue type. For redemptions of complimentary commissions or points with third parties, the redemption amount is deducted from the loyalty program liability and paid directly to the third party.

The Group adopted HKFRS 15 using the full retrospective method of adoption. The effect of adopting HKFRS 15 is, as follows:

Impact on the unaudited condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2017:

|  | Six months ended<br>30 June 2017<br>(As previously<br>reported)<br>HK\$'000 | Reclassification<br>HK\$'000 | Six months ended<br>30 June 2017<br>(restated)<br>HK\$'000 |
|--|---|------------------------------|--|
| Gross revenue  |   |                              |  |
| VIP gaming operations  | 7,091,474   | (2,775,735)                  | 4,315,739  |
| Mass gaming operations   | 147,369   | –                            | 147,369  |
| Slot machines and Electronic<br>Table Game ("ETG") gaming operations | 34,146  | –                            | 34,146   |
| Food and beverage  | 27,232  | –                            | 27,232   |
|  | <u>7,300,221</u>  | <u>(2,775,735)</u>           | <u>4,524,486</u>   |
| Commissions  | <u>(2,543,961)</u>  | <u>2,543,961</u>             | <u>–</u>   |
| Net revenue  | 4,756,260   | (231,774)                    | 4,524,486  |
| Cost of sales  | <u>(668,512)</u>  | <u>231,774</u>               | <u>(436,738)</u>   |
| Gross profit   | <u><u>4,087,748</u></u>   | <u><u>–</u></u>              | <u><u>4,087,748</u></u>                                    |

**HKFRS 9 Financial Instruments**

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. Therefore, comparative figures have not been restated.

*(a) Classification and measurement*

Under HKFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (“FVPL”), amortised cost, or fair value through other comprehensive income (“FVOCI”). The classification is based on two criteria: the Group’s business model for managing the assets; and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding (the “SPPI criterion”).

The new classification and measurement of the Group’s financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group’s trade and other receivables.

Other financial assets are classified and subsequently measured, as follows:

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its listed equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under HKFRS 9. Under HKAS 39, the Group’s listed equity instruments were classified as available-for-sale (AFS) investments.
- Financial assets at FVPL comprise derivative financial instruments. This category would also include unquoted equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI and debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The assessment of the Group’s business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Except for the reclassification of AFS investments under HKAS 39 to equity investments designated at fair value through OCI, the adoption of HKFRS 9 has had no significant impact on the classification and measurement of the financial assets of the Group.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39. Similar to the requirements of HKAS 39, HKFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in profit or loss.

Under HKFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by HKAS 39.

The main effects resulting from the application of HKFRS 9 are as follows:

|  | <b>AFS<br/>investments<br/>HK\$'000</b> | <b>Equity<br/>investments<br/>designated at<br/>fair value<br/>through other<br/>comprehensive<br/>income<br/>HK\$'000</b> |
|--|---|--|
| HKAS 39 carrying amount at 31 December 2017  | 82,464                                  | –  |
| Reclassification of listed equity investments from AFS to equity investments designated at FVOCI | <u>(82,464)</u>                         | <u>82,464</u>  |
| HKFRS 9 carrying amount at 1 January 2018  | <u>–</u>                                | <u>82,464</u>  |

The impact of the above changes on the Group's equity is as follows:

|  | <b>Investment<br/>reserve<br/>(non-recycling)<br/>HK\$'000</b> | <b>Accumulated<br/>losses<br/>HK\$'000</b> |
|--|--|--|
| At 31 December 2017  | –  | (69,815)                                   |
| Reclassify the impairment loss provided in prior years from retained earnings to investment reserve (non-recycling) in respect of equity investments designated at FVOCI | <u>(33,589)</u>  | <u>33,589</u>                              |
| At 1 January 2018  | <u>(33,589)</u>  | <u>(36,226)</u>                            |

*(b) Impairment*

HKFRS 9 requires an impairment on trade receivables, deposits and other receivables that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a 12-month basis or a lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses that were estimated based on the present value of all cash shortfalls over the remaining life of all of its trades receivables.

The Group performed a detailed analysis which considers all reasonable and supportable information, including the historical credit loss experience and forward-looking factors specific to the debtors and the economic environment, for estimation of expected credit losses on its trade receivables.

The loss allowance for trade receivables applying lifetime expected credit loss as compared to the incurred credit loss model under HKAS 39 did not result in a material difference and hence did not result in an adjustment of opening retained earnings as at 1 January 2018.

Loss allowances for other financial assets at amortised cost are measured on a 12-month expected credit loss basis and there had been no significant increase in credit risk since initial recognition.

The adoption of HKFRS 9 has had no significant impact on the impairment of the financial assets of the Group.

**2.4 ISSUED BUT NOT YET EFFECTIVE HKFRSs**

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective for the current reporting period.

**3. REVENUE**

Set out below is the disaggregation of the Group's revenue:

|   | <b>For the six months<br/>ended 30 June</b> |                  |
|---|---|------------------|
|   | <b>2018</b>                                 | 2017             |
|   | <b>HK\$'000</b>                             | HK\$'000         |
|   | <b>(Unaudited)</b>                          | (Unaudited)      |
|   |   | (Restated)       |
| VIP gaming operations                   | <b>2,033,042</b>                            | 4,315,739        |
| Mass gaming operations                  | <b>124,408</b>                              | 147,369          |
| Slot machines and ETG gaming operations | <b>32,698</b>                               | 34,146           |
| Food and beverages                      | <b>24,647</b>                               | 27,232           |
|   | <b><u>2,214,795</u></b>                     | <u>4,524,486</u> |

**4. (LOSS)/PROFIT BEFORE TAX**

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

|   | <b>For the six months<br/>ended 30 June</b> |                    |
|---|---|--------------------|
|   | <b>2018</b>                                 | <b>2017</b>        |
|   | <b>HK\$'000</b>                             | <b>HK\$'000</b>    |
|   | <b>(Unaudited)</b>                          | <b>(Unaudited)</b> |
| <b>(a) Finance costs</b>                                    |   |                    |
| Interest on other borrowings and loans from related parties | <b>133,035</b>                              | 51,450             |
| Interest on convertible bonds and notes                     | <b>2,043</b>                                | 15,969             |
| Interest on unsecured bonds and notes                       | <b>75,616</b>                               | 49,207             |
|   | <b>210,694</b>                              | 116,626            |
| Less: Interest capitalised*                                 | <b>(98,019)</b>                             | (19,547)           |
|   | <b>112,675</b>                              | 97,079             |

\* The borrowing costs have been capitalised at the weighted average rate of 9.34% for the six months ended 30 June 2018 (six months ended 30 June 2017: 8.03%).

|  |                |         |
|--|----------------|---------|
| <b>(b) Staff costs (Including directors' remuneration)</b> |                |         |
| Salaries, bonus and allowances*                            | <b>326,053</b> | 337,080 |
| Retirement benefits scheme contributions                   | <b>1,231</b>   | 1,376   |
|  | <b>327,284</b> | 338,456 |

\* Staff costs of HK\$78,217,000 (six months ended 30 June 2017: HK\$69,789,000) included in the above were capitalised under property, plant and equipment.

*Notes*

|   |    |                |           |
|---|----|----------------|-----------|
| <b>(c) Other items</b>  |    |                |           |
| Cost of inventories sold*   |    | <b>11,998</b>  | 20,879    |
| Business gross revenue tax ("BGRT")*                                    |    | <b>179,155</b> | 345,889   |
| Depreciation  |    | <b>76,802</b>  | 59,015    |
| Amortisation of prepaid land lease payments                             |    | <b>2,964</b>   | 4,240     |
| Casino licence fees*  |    | <b>58,791</b>  | 58,308    |
| Minimum lease payments under operating leases                           |    | <b>45,306</b>  | 88,668    |
| Foreign exchange differences, net                                       |    | <b>21,968</b>  | 2,389     |
| Loss on disposal of items of property, plant and equipment              |    | <b>1,333</b>   | –         |
| Impairment losses recognised for trade receivables, net                 | 10 | <b>983,802</b> | 2,079,957 |
| Fair value loss on AFS investments (transfer from equity on disposal)** |    | –              | 266       |
| Fair value gain on derivative financial instruments, net**              |    | <b>(193)</b>   | (224)     |
| Dividend income from AFS investments**                                  |    | –              | (14)      |
| Dividend income from equity investments designated at FVOCI**           |    | <b>(538)</b>   | –         |
| Bank interest income**  |    | –              | (1)       |
| Gain on disposal of subsidiaries**                                      | 16 | –              | (11,966)  |



- \* Included in “Cost of sales” on the face of the condensed consolidated statement of profit or loss and other comprehensive income.
- \*\* Included in “Other income, gains and losses, net” on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

## **5. INCOME TAX CREDIT/(EXPENSES)**

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2018 and 2017. Income tax credit/(expenses) for the six months ended 30 June 2018 and 2017 represents income tax on casino operations for the subsidiaries operating in the CNMI, which is calculated at the applicable tax rates on the taxable profits for the six months ended 30 June 2018 and 2017.

The Covenant of the CNMI provides for the imposition of the Internal Revenue Code of the United States (“Inland Revenue Code”) as the local income tax. CNMI legislation provides for income tax rebates with descending graduated percentages ranging from 90% to 50% on local income tax on CNMI source income. The CNMI also imposes graduated (1.5% to 5%) BGRT. For casino gaming revenue, the rebate offset amount shall be 100% of the income tax imposed on net gaming revenue taxable income up to US\$15 million. For casino net gaming taxable income in excess of US\$15 million, the rebate offset amount ranges from 90% to 50% of the income tax imposed.

The legislation requires the payment of corporate income tax on CNMI source income only to the extent the pre-rebate income tax exceeds BGRT. The Group records its income tax expenses net of the aforementioned BGRT credit, gaming rebate and income tax rebate.

## **6. INTERIM DIVIDEND**

No dividend was paid or proposed by the Company during the six months ended 30 June 2018 and 2017.

## **7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY**

The calculation of the basic earnings per share amounts for the period is based on the profit for the period attributable to owners of the Company, and the weighted average number of ordinary shares of approximately 142,984,808,000 (six months ended 30 June 2017: approximately 142,970,075,000) in issue during the period.

The calculation of the diluted earnings per share amounts for the six months ended 30 June 2018 and 2017 are based on the profit for the period attributable to owners of the Company, adjusted to reflect the effect of the deemed exercise of or conversion of all dilutive potential ordinary shares into ordinary shares. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted earnings per share are based on:

|  | For the six months<br>ended 30 June |                    |
|--|-------------------------------------|--------------------|
|  | 2018                                | 2017               |
|  | HK\$'000                            | HK\$'000           |
|  | (Unaudited)                         | (Unaudited)        |
| <b>Earnings</b>  |                                     |                    |
| Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculations              | <u>78,977</u>                       | <u>912,028</u>     |
|  |                                     |                    |
|  | For the six months<br>ended 30 June |                    |
|  | 2018                                | 2017               |
|  | '000                                | '000               |
|  | (Unaudited)                         | (Unaudited)        |
| <b>Number of shares</b>  |                                     |                    |
| Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation   | 142,984,808                         | 142,970,075        |
| Effect of dilution — weighted average number of ordinary shares:   |                                     |                    |
| Share options  | 3,856                               | 257,252            |
| Convertible notes ( <i>Note</i> )  | <u>128,000,000</u>                  | <u>128,000,000</u> |
| Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation | <u>270,988,664</u>                  | <u>271,227,327</u> |

*Note:* The impact of the convertible notes issued on 19 March 2014 had a dilutive effect on the basic earnings per share amount presented for the six months ended 30 June 2018 and 2017. Convertible notes issued on 21 August 2015 (“CN 2015”) and convertible bonds issued on 27 June 2017 (“CB 2017”) had no dilutive effect on the basic earnings per share amount presented as the exercise prices of CN 2015 and CB 2017 were higher than the average market price of the ordinary shares of the Company during the period ended 30 June 2018 and 2017.

**8. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2018, the Group acquired property, plant and equipment of HK\$311,858,000 (six months ended 30 June 2017: HK\$1,335,238,000).

**9. PREPAID LAND LEASE PAYMENTS**

During the six months ended 30 June 2018, there was no addition of prepaid land lease payments (six months ended 30 June 2017: HK\$69,996,000).

**10. TRADE RECEIVABLES**

The Group's trading terms with customers are mainly on credit. The credit terms are generally 30 days for gaming operations. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

An ageing analysis of trade receivables as at the end of the reporting period, based on the program end dates, is as follows:

|  | <b>30 June<br/>2018<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2017<br>HK\$'000<br>(Audited) |
|--|--|--|
| Within 1 month                         | <b>282,238</b>                                       | 1,528,190                                    |
| More than 1 month but within 3 months  | <b>788,269</b>                                       | 1,785,687                                    |
| More than 3 months but within 6 months | <b>2,084,078</b>                                     | 2,343,635                                    |
| More than 6 months but within 1 year   | <b>4,210,395</b>                                     | 5,213,536                                    |
| More than 1 year                       | <b>6,337,672</b>                                     | 2,407,012                                    |
|  | <b>13,702,652</b>                                    | 13,278,060                                   |
| Impairment                             | <b>(5,751,183)</b>                                   | (4,747,037)                                  |
|  | <b>7,951,469</b>                                     | 8,531,023                                    |

As at 30 June 2018, the Group had received guarantee deposits of HK\$1,860,095,000 (31 December 2017: HK\$1,881,315,000) (note 12) from certain players/guarantors which can be used to offset against certain of the above trade receivables in an aggregate amount of approximately HK\$1,743,644,000 (31 December 2017: HK\$1,649,411,000) due from certain casino players in the event that the Group cannot recover the trade receivable amounts from these players in the normal course of its business.

The movements in provision for impairment of trade receivables are as follows:

|                              | <b>30 June<br/>2018<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2017<br/>HK\$'000<br/>(Audited)</b> |
|------------------------------|--|--|
| At beginning of period/year  | <b>4,747,037</b>                                     | 547,184  |
| Impairment losses recognised | <b>1,793,977</b>                                     | 4,460,738  |
| Impairment losses reversed   | <b>(810,175)</b>                                     | (275,307)  |
| Exchange differences         | <b>20,344</b>  | 14,422   |
| At end of period/year        | <b>5,751,183</b>                                     | 4,747,037  |

## 11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

|  | <b>30 June<br/>2018<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2017<br/>HK\$'000<br/>(Audited)</b> |
|--|--|--|
| Within 1 month                         | <b>14,758</b>  | 13,993   |
| More than 1 month but within 3 months  | <b>34,263</b>  | 22,866   |
| More than 3 months but within 6 months | <b>12,342</b>  | 24,424   |
| More than 6 months but within 1 year   | <b>34,593</b>  | 14,355   |
| More than 1 year                       | <b>4,307</b>   | 2,985  |
|  | <b>100,263</b>                                       | 78,623   |

The trade payables are non-interest bearing and have no fixed terms of repayment.

## 12. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

|   | <b>30 June<br/>2018<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2017<br/>HK\$'000<br/>(Audited)</b> |
|---|--|--|
| Deposits received ( <i>note (a)</i> )           | <b>3,403,954</b>                                     | 4,136,214  |
| Outstanding chips liabilities                   | <b>5,248</b>   | 259,276  |
| Accrued commission                              | <b>1,463</b>   | 244,901  |
| BGRT payable                                    | <b>39,795</b>  | 201,557  |
| Construction related payables                   | <b>1,163,239</b>                                     | 1,075,010  |
| CN 2015 payable                                 | <b>23,400</b>  | 123,400  |
| Other payables and accruals ( <i>note (b)</i> ) | <b>1,073,929</b>                                     | 891,327  |
|   | <b>5,711,028</b>                                     | 6,931,685  |

*Notes:*

- (a) As at 30 June 2018, included in the Group's deposits received were deposits of HK\$1,860,095,000 (31 December 2017: HK\$1,881,315,000) from certain players/guarantors who have guaranteed the repayment of the trade receivables due from certain of the Group's casino players (the "Guarantee"). In the opinion of the directors, the Group has the enforceable right to set off these deposits against any irrecoverable trade receivables due from these casino players under the Guarantee.
- (b) As at 30 June 2018, included in the amount was interest payable of HK\$162,006,000 (31 December 2017: HK\$105,973,000) on loans (including unsecured notes) from related parties.

**13. OTHER BORROWINGS**

At the end of the reporting period, the Group's other borrowings were repayable as follows:

|                                  | <b>30 June<br/>2018<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2017<br>HK\$'000<br>(Audited) |
|----------------------------------|--|--|
| Within 1 year or on demand       | <b>1,303,699</b>                                     | 1,189,492                                    |
| After 1 year but within 2 years  | <b>1,519,371</b>                                     | 773,350                                      |
| After 2 years but within 3 years | <b>76,384</b>  | –  |
|                                  | <b>2,899,454</b>                                     | 1,962,842                                    |
| Less: current portion            | <b>(1,303,699)</b>                                   | (1,189,492)                                  |
| Non-current portion              | <b>1,595,755</b>                                     | 773,350                                      |

The other borrowings are unsecured, interest-bearing at 6%–15% (31 December 2017: 8%–13%) per annum.

Included in the amount was a borrowing of HK\$130,000,000 (31 December 2017: HK\$130,000,000) due to Youth Force Asia Limited, a company in which Ms. Wu Pei Tzu, who is a related party of the Company's controlling shareholder, has a 28% equity interest.

**14. LOANS FROM RELATED PARTIES**

At the end of the reporting period, the maturity profile of loans from related parties based on the scheduled repayment dates set out in the loan agreements is as follows:

|                                 | <b>30 June<br/>2018<br/>HK\$'000<br/>(Unaudited)</b> | 31 December<br>2017<br>HK\$'000<br>(Audited) |
|---------------------------------|--|--|
| Within 1 year or on demand      | <b>180,731</b>                                       | 197,593                                      |
| After 1 year but within 2 years | <b>78,080</b>  | 151,764                                      |
|                                 | <b>258,811</b>                                       | 349,357                                      |

Except for certain loan amount of HK\$78,080,000 (31 December 2017: HK\$169,006,000) that is interest-free, all loans from related parties are unsecured, interest-bearing at 7.5%–8% (31 December 2017: 7.5%–8%) per annum.

**15. SHARE CAPITAL**

|  | <b>30 June<br/>2018<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2017<br>(Audited)<br>HK\$'000 |
|--|--|--|
| Authorised:  |  |  |
| 300,000,000,000 ordinary shares of HK\$0.0005 each | <u><b>150,000</b></u>                                | <u>150,000</u>                               |
| Issued and fully paid:                             |  |  |
| 142,984,807,678 ordinary shares of HK\$0.0005 each | <u><b>71,492</b></u>                                 | <u>71,492</u>                                |

**16. DISPOSAL OF SUBSIDIARIES**

On 20 June 2017, the Group entered into a series of sale and purchase agreements with an independent third party to dispose of its entire equity interests in certain subsidiaries for an aggregate consideration of HK\$110,610,000. The transaction was completed on 20 June 2017.

Details of the net assets of the subsidiaries disposed of and the financial impact are summarised as follows:

|   | <i>Note</i> | <b>2017<br/>HK\$'000</b> |
|---|-------------|--------------------------|
| Net assets disposed of:                     |             |                          |
| Prepaid land lease payments                 |             | <b>98,640</b>            |
| Prepayments, deposits and other receivables |             | <b>12</b>                |
| Accruals and other payables                 |             | <u><b>(8)</b></u>        |
|   |             | <b>98,644</b>            |
| Gain on disposal of subsidiaries            | 4(c)        | <u><b>11,966</b></u>     |
|   |             | <u><b>110,610</b></u>    |
| Satisfied by:                               |             |                          |
| Cash  |             | <u><b>110,610</b></u>    |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

|  | <b>2017<br/>HK\$'000</b> |
|--|--------------------------|
| Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries | <u><b>110,610</b></u>    |



**17. OPERATING LEASE COMMITMENTS**

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

|   | <b>30 June<br/>2018<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2017<br/>HK\$'000<br/>(Audited)</b> |
|---|--|--|
| Within one year                         | <b>76,248</b>  | 78,521   |
| In the second to fifth years, inclusive | <b>61,492</b>  | 81,724   |
| After five years                        | <b>29,743</b>  | 34,575   |
|   | <b><u>167,483</u></b>                                | <b><u>194,820</u></b>                                  |

Except for operating leases of leasehold land on the Island of Saipan which have periods of 25 and 55 years, the leases typically run for an initial period of one to five years. None of the leases includes contingent rentals.

**18. COMMITMENTS**

In addition to the operating lease commitments detailed in note 17 above, the Group had the following commitments at the end of the reporting period:

|   | <b>30 June<br/>2018<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2017<br/>HK\$'000<br/>(Audited)</b> |
|---|--|--|
| <b>Capital commitments</b>              |  |  |
| Contracted, but not provided for:       |  |  |
| Property, plant and equipment           | <b>719,779</b>                                       | 474,368  |
| Prepaid land lease payments             | <b>78,542</b>  | 79,167   |
|   | <b><u>798,321</u></b>                                | <b><u>553,535</u></b>                                  |
| <b>Other commitments</b>                |  |  |
| Casino license fee:                     |  |  |
| In the second to fifth years, inclusive | <b>470,760</b>                                       | 468,840  |
| After five years                        | <b>1,883,040</b>                                     | 1,875,360  |
|   | <b><u>2,353,800</u></b>                              | <b><u>2,344,200</u></b>                                |
| Community development fund fees:        |  |  |
| Within one year                         | <b>78,460</b>  | 156,280  |
| After one year but within two years     | <b>156,920</b>                                       | –  |
|   | <b><u>235,380</u></b>                                | <b><u>156,280</u></b>                                  |
|   | <b><u>2,589,180</u></b>                              | <b><u>2,500,480</u></b>                                |

## 19. CONTINGENT LIABILITIES

### Unasserted claims and assessments

The Group may be exposed to payment of damages assessed by the United States Equal Employment Opportunity Commission (EEOC). As at 30 June 2018, several former employees of a subsidiary had filed discrimination claims against that subsidiary for alleged violation of EEOC regulations. Violations of EEOC regulations may expose the subsidiary to payment of damages, court costs and other fees in excess of US\$1,500,000 (HK\$11,769,000).

In the opinion of the Directors, after taking into account of the respective legal advice, as the aforementioned matters are possible un-asserted claims and assessments and the likelihood of the Group making any significant amount of payments in respect of claims for damages is remote, the Group has not made any provision for loss in the interim financial information.

### Regulatory oversight

The Group is subject to the jurisdiction of various state, local and federal regulatory agencies (the “Regulatory Authorities”) in the conduct of its casino operations. Specifically, the Group is required to comply with the rules and regulations of the Commonwealth Casino Commission in the conduct of its gaming operations. The Group is also under the jurisdiction of the Financial Crimes Enforcement Network in terms of its compliance with the anti-money laundering provisions of the Bank Secrecy Act. Should the Group violate the requirements of the Regulatory Authorities, it could be subject to various sanctions and disciplinary actions including monetary fines and penalties, restrictions and conditions on the scope of its operations, and the potential revocation of its gaming licence.

### Other matters

In March 2017, an accident occurred at the Group’s hotel construction site that resulted in the death of a worker employed by a contractor. The accident resulted in investigations performed by various government agencies, and it was determined that the contractors and sub-contractors employed workers who did not possess appropriate work visas. Management of the Group denies any knowledge of illegal hiring practices of the contractors and sub-contractors. Furthermore, management asserts that there will not be any material adverse impact to the Group’s results and financial position as a result of this matter.

### Other litigation matters

As at the end of the reporting period and up to the date of approval of this interim results announcement, apart from where expressly above stated, the Group is a party to a number of civil litigation cases, as a plaintiff or defendant. In the opinion of the Directors, after taking into account of the respective legal advices, these cases are either premature and/or the Group has a very high likelihood of success in its action and, therefore will not have any adverse impact to the Group’s results or financial position. In the opinion of the Directors, adequate provision has been made in this financial information.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Company is an investment holding company, and the Group is principally engaged in the gaming and resort business, including the development and operation of integrated resort on the Island of Saipan.

#### *Gaming and Resort Business*

In August 2014, Imperial Pacific International (CNMI), LLC (the “**Licensee**”), an indirect wholly-owned subsidiary of the Company, and the Commonwealth of the Northern Mariana Islands (“**CNMI**”) entered into a casino license agreement in respect of the exclusive casino resort developer license for the Island of Saipan (as amended, the “**Casino License Agreement**”) pursuant to which the Casino Resort Developer License was granted to the Licensee subject to the terms and conditions as stipulated therein.

#### *Imperial Pacific Resort Hotel • Saipan*

On 27 November 2015, the Licensee launched the grand opening of the Temporary Casino within on the first floor of the T Galleria by DFS Saipan in Garapan, Island of Saipan (“**Best Sunshine Live**”). The grand opening of Best Sunshine Live supports the Group’s continuous evolution of Saipan into a diversified and world-leading entertainment and tourism destination.

On 6 July 2017, the Licensee successfully transferred operations of Best Sunshine Live to the casino portion of Imperial Pacific Resort Hotel • Saipan and commenced operation on the same day. The operations of Best Sunshine Live was closed simultaneously. After the transfer, the Company’s gaming capacity was increased from 48 tables and 141 slot machines at the Best Sunshine Live to 78 tables and 246 slot machines at present with maximum capacity of up to 193 tables and 365 slot machines upon completion of Imperial Pacific Resort Hotel • Saipan.

On 31 July 2017, the parties to the Casino License Agreement entered into a written amendment to the Casino License Agreement (the “**Amendment Agreement**”) pursuant to which, among other things, the implementation schedules under the Casino License Agreement have been amended and the proposal requirements thereunder have been set out in more details. Details of the Amendment Agreement have been disclosed in the announcement of the Company dated 31 July 2017.

During the six months ended 30 June 2018, unaudited VIP table games rolling of United States Dollars (“**US\$**”) 12,793 million (equivalent to approximately HK\$100,284 million) and gross revenue of approximately HK\$3,602 million (six months ended 30 June 2017: HK\$7,300 million) was generated from the operations of Imperial Pacific Resort Hotel • Saipan, both the VIP table games, rolling and gross revenue showing a decline compared to the first half of last year due to the impact of the FIFA World Cup and due to tightening marker credits.

As amended in the Amendment Agreement, the required date of completion and initiation of operations of the Imperial Pacific Resort Hotel • Saipan has been amended to by no later than 31 August 2018, with a minimum of a 329-room four or five star luxury hotel, 14,140 square meters of gaming area and other elements and associated support components.

As a result principally to the termination of construction services by certain companies and drastic reduction and non-availability of sufficient skilled and qualified construction labours locally in Saipan and mainland USA in 2017, the construction of the Initial Gaming Facility cannot be completed by 31 August 2018.

Given the importance of the Casino License Agreement to the operation of the Group's only principal activity, IPI has initiated the application for submission to the Office of the Governor to extend the completion deadline, in accordance with the process as provided under the Casino License Agreement. As at the date of approval of this interim announcement, the Directors confirm that the management is in continuous discussion with the relevant government authorities and they expect the discussion will continue on or beyond the stipulated deadline on 31 August 2018. Based on the best of the information, knowledge and belief, the Directors are of the opinion that the necessary approval is likely to be granted for the deadline extension application and the operation of the gaming and resort business will not be affected. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Major global construction companies, consulting firms, design and engineering firms as well as local sub-contractors are engaged. As of the date of this announcement, approximately US\$708 million (equivalent to approximately HK\$5,558 million) has been invested in design, consulting, engineering, construction material and labour. The lack of the labour situation has been ameliorated tremendously during the period, we have secured adequate labour supply from Guam, the Philippines and Taiwan to ensure the need of the construction.

## **BUSINESS OUTLOOK**

### **Integrated Resort Development**

The Imperial Pacific Resort Hotel • Saipan, perched on the water front of downtown Garapan, will boast with Michelin Stars, in addition to the 193 gaming tables and 365 slot machines, and 329 hotel rooms and 15 villas upon completion of construction. An additional US\$58 million has been invested in design and construction of this super luxurious casino resort which has brought the total investment to US\$708 million by the end of the first half of 2018. With the engagement of a new main contractor and the labour supply issue being resolved, the Board believes that the construction work has been back on track.

With the transfer to the new casino completed on 6 July 2017, and the upcoming opening of the villa part of the Imperial Pacific Resort Hotel • Saipan, we believe that new customers will continue to be attracted to Saipan and broaden our client base. We have also been working closely with gaming promoters and regulators for the grant of junket operator licenses. Having the advantage of CNMI's relatively low tax regime, we believe we will be able to offer very competitive commission rates to potential gaming promoters.

Hotel occupancy and room rates remained high. According to the Hotel Association of the Northern Mariana Islands (the “**HANMI**”), for first half of the calendar year of 2018, average hotel rates reached a new high of US\$153.11 per night with average hotel occupancy rates of 86.91%, representing growth of US\$7.64 (or 5.25%) and drop of 5.29% respectively compared to the same period of 2017. We currently have 3 villas and 4 yachts in place as well as hotel rooms secured from local high quality hotels to provide better accommodations to our VIP customers. We also expect the successional opening of villas rooms and hotels rooms of the Resort next year will to a great extent enhance our capacity to better accommodate patrons.

According to the Mariana’s Visitors Authority (the “**MVA**”), for the first half of the calendar year of 2018, total visitor arrival to CNMI declined by 8.8% to 304,640 due to temporary schedule adjustment of flights from Japan and Korea. Korean visitation has continued to be the dominating force with market share of 48.4%. Visitor arrivals from Mainland China remained strong and steady with market share of 38.0% and growth of 5.2%. Benefiting from Saipan’s favorable weather, stunning attractions, proximity location and flexible visa policies, with more hotels room to be built and opened and more flights to be introduced, we believe visitation to the Island still have great potential.

### **Debt/Equity Fund Raising and Refinancing**

The Board does not rule out the possibility that the Company may carry out debt and/or equity fund raising plan(s) to further strengthen the financial position of the Group in the event that suitable fund raising opportunities arise in support of the development of the Group, including the casino and the integrated resort on the Island of Saipan. As at the date of this announcement, the Company has not yet identified any concrete fund raising opportunities.

### **FINANCIAL REVIEW**

For the six months ended 30 June 2018, the Group achieved gross revenue of HK\$3,602 million which is principally contributed by the casino gaming operations. Profit attributable to owners of the Company for the six months ended 30 June 2018 of HK\$79 million, as compared with the profit attributable to owners of HK\$912 million in the corresponding period of last year. Basic and diluted earnings per share were HK0.06 cent and HK0.03 cent respectively, as compared with basic and diluted earnings per share were HK0.64 cent and HK0.34 cent respectively in the corresponding period of last year.

**Casino Gaming Operations**

The following table set forth the results of the casino gaming operations for the six months ended 30 June 2018 and 2017:

|   | <b>For the six months<br/>ended 30 June</b> |                         |
|---|---|-------------------------|
|   | <b>2018</b>                                 | <b>2017</b>             |
|   | <b>HK\$'000</b>                             | <b>HK\$'000</b>         |
|   | <b>(unaudited)</b>                          | <b>(unaudited)</b>      |
| (in thousands, except for number of gaming tables and slot machines and ETG and percentage) |   |                         |
| Average number of VIP gaming tables   | <b>30</b>                                   | 16                      |
| VIP table games rolling   | <b>100,283,756</b>                          | 196,279,291             |
| VIP gross table games win   | <b>3,420,358</b>                            | 7,091,474               |
| VIP table games win percentage  | <b>3.41%</b>                                | 3.61%                   |
| Average number of Mass Gaming tables  | <b>48</b>                                   | 32                      |
| Mass games drop   | <b>387,624</b>                              | 463,325                 |
| Mass games gross table games win  | <b>124,408</b>                              | 147,369                 |
| Mass games win percentage   | <b>32.10%</b>                               | 31.79%                  |
| Average number of slot machines and ETG   | <b>246</b>                                  | 141                     |
| Slot machines and ETG handle  | <b>520,230</b>                              | 402,175                 |
| Slot machines and ETG gross win   | <b>32,698</b>                               | 34,146                  |
| Slot machines and ETG hold percentage   | <b>6.29%</b>                                | 8.51%                   |
| Commissions   | <b><u>1,292,956</u></b>                     | <b><u>2,543,961</u></b> |



## Operating Revenue

The following table sets forth the operating revenue for the six months ended 30 June 2018 and 2017.

|   | <b>For the six months<br/>ended 30 June</b> |                    |
|---|---|--------------------|
|   | <b>2018</b>                                 | <b>2017</b>        |
|   | <b>HK\$'000</b>                             | <b>HK\$'000</b>    |
|   | <b>(unaudited)</b>                          | <b>(unaudited)</b> |
| VIP gaming operations                     | <b>3,420,358</b>                            | 7,091,474          |
| Mass gaming operations                    | <b>124,408</b>                              | 147,369            |
| Slot machines and ETG gaming operations   | <b>32,698</b>                               | 34,146             |
| Food and beverages                        | <b>24,647</b>                               | 27,232             |
|   | <hr/>                                       | <hr/>              |
| Gross casino revenue                      | <b>3,602,111</b>                            | 7,300,221          |
| Less: commissions and complimentary costs | <b>(1,387,316)</b>                          | (2,775,735)        |
|   | <hr/>                                       | <hr/>              |
|   | <b>2,214,795</b>                            | 4,524,486          |
|   | <hr/>                                       | <hr/>              |

## VIP Gaming Operations (Gross)

A significant portion of our VIP casino customers is sourced through the Group's own marketing avenues. Such high-spending VIP players generally receive commission and allowances based on a percentage of the rolling chip turnover. The allowances can be utilized for expenses incurred on hotel rooms, food and beverages and other discretionary customers-related expenses. The Group's VIP players are also brought to us via intensive marketing campaigns.

VIP gaming operations also include premium mass gaming operations that do not receive commissions from the Group.

In addition, a minor operation of the Group's VIP customers has been sourced via a new licensed junket operator since August 2016. The establishment of a new licensed junket incentive allowed the Group to bring in new players which mitigated the Group's credit concerns.

VIP rolling chip volume reached approximately HK\$100,284 million (for the first six months of 2017: HK\$196,279 million) for the first six months of 2018. VIP gross revenue was HK\$3,420 million (for the first six months of 2017: HK\$7,091 million) with a win percentage of 3.41% (2017: 3.61%). Our VIP customers primarily consist of credit players. Geographically, most of our direct VIP patrons are come from China, Hong Kong, Macau and Korea.

## Impairment

The gross trade receivables increased to HK\$13,703 million (2017: HK\$13,278 million) for the period ended 30 June 2018. While the scale of VIP gaming operations had a significant impact to the Group, the Group regularly reviews the recoverability of trade receivables to ensure that adequate impairments are made for irrecoverable amounts.

Impairment of the Group's trade receivables was estimated based on expected credit losses which has taken into consideration the collectability of individual customers, debts' ageing profile, security provided in the form of front money and guarantee deposits as well as experience with collection trends in the casino industry and forward looking factors to the economic and business conditions and provided provision for impairment on certain customers' trade receivables as follows:

- (i) as at 30 June 2018, there was no provision for impairment of trade receivables due from the Group's largest debtor (2017: HK\$1,093 million). The provision for impairment of trade receivables due from the Group's ten largest debtors amounted to HK\$2,456 million (2017: HK\$1,867 million). The aforementioned provisions were made based on the expected credit losses, which includes a review of individual customer's facts and circumstances (such as financial position and ongoing dialogue on settlement arrangements, etc), aging of the outstanding amounts, securities provided and any subsequent repayments;
- (ii) as at 30 June 2018, the provision for impairment of trade receivables due from the remaining customers of the Group amounted to HK\$3,295 million (2017: HK\$2,880 million) arising from regular review of the overdue balances by the management.

The Board has also prudently benchmarked against its industry peers on provision of bad debt on trade receivables and considered that the impairment of trade receivables as estimated by the Company in the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2018 to be comparable and in line with global industry standard.

The Board also wishes to elaborate below measures taken by the Group to recover the trade receivables:

- (i) credit terms extended by the Group are generally 30 days for gaming operations. The Group's credit and collection department, along with representatives of the VIP marketing department, regularly meet on a monthly basis to identify customers whose debts are due and the VIP marketing department will make contact with customers for recovery of the outstanding debts; and

- (ii) once the receivables are overdue for repayment and if the customers still have not repaid the outstanding debts within six months of the programme end date, the Group's credit and collection department will then issue demand letters to the customers, along with its guarantors (if applicable), for demand of immediate payments. If no responses were received thereafter, the Group's management may consider bringing legal actions against the customers in order to collect the outstanding debts.

### **Mass Gaming Operations (Gross)**

For the six months ended 30 June 2018, revenue from mass gaming operations amounted to HK\$124 million (for the first six months of 2017: HK\$147 million) and mass gaming drop reached HK\$388 million (for the first six months of 2017: HK\$463 million). Customers from the mass gaming operations do not receive commissions from the Group.

Going forward, we will continue to review our mass gaming areas to maximize table utilization, to expand or refurbish our gaming areas, to innovate our gaming products and to invest in technologies and analytical capability to enhance table productivity and customer retention.

### **Slot Machines and ETG Gaming Operations (Gross)**

Revenue from the slot machines and ETG amounted to HK\$33 million (for the first six months of 2017: HK\$34 million) and hold percentage reached 6.29% (2017: 8.51%) for the six months ended 30 June 2018.

Going forward, we will continue to re-examine the mix of our slot machines and ETG games in operation to maximize our casino profitability. We will also aim to develop technologies to enhance our analytical capability to help us deliver much more personal and precision marketing efforts.

### **Cost of Sales**

Cost of sales to the six months ended 30 June 2018 was HK\$262 million (for the first six months of 2017: HK\$437 million) which comprise principally the direct casino costs such as half year casino license fee of US\$7.5 million (equivalent to HK\$59 million) (for the first six months of 2017: HK\$58 million) and Saipan's business gross revenue tax of US\$23 million (equivalent to HK\$179 million) (for the first six months of 2017: HK\$346 million).

### **Other income, gains and losses**

Other gains and losses for the six months ended 30 June 2018 mainly represents the net fair value gain amounted to approximately HK\$0.2 million (for the first six months of 2017: HK\$0.2 million) on derivative financial instruments and dividend income from equity investments designated at FVOCI of approximately HK\$0.5 million (for the first six months of 2017: Nil).

## Operating expenses

Operating expenses decreased to HK\$1,851 million. The decrease is mainly attributable to the decrease in impairment of trade receivables in accordance with the Group's normal provision of bad debt policy and management's consideration of individually impaired trade receivables which are unlikely to be recovered. Operating expenses for the six months ended 30 June 2018 include net impairment losses of trade receivables of HK\$984 million, staff cost of HK\$327 million, and depreciation and amortizations expenses of HK\$80 million.

## Adjusted EBITDA

The following table reconciles Adjusted EBITDA to its most directly comparable HKFRS measurement, profit attributable to owners of the Company, for the six months ended 30 June 2018 and 2017.

|  | <b>For the six months<br/>ended 30 June</b> |                    |
|--|---|--------------------|
|  | <b>2018</b>                                 | <b>2017</b>        |
|  | <b>HK\$'000</b>                             | <b>HK\$'000</b>    |
|  | <b>(unaudited)</b>                          | <b>(unaudited)</b> |
| <b>Profit for the period attributable to the owners<br/>of the Company</b> | <b>78,977</b>                               | 912,028            |
| Add/(less):  |   |                    |
| Depreciation and amortization  | <b>79,766</b>                               | 63,255             |
| Casino license fees  | <b>58,791</b>                               | 58,308             |
| Interest income  | –   | (1)                |
| Fair value loss on available-for-sale investments                          | –   | 266                |
| Fair value gain on derivative financial instruments, net                   | <b>(193)</b>                                | (224)              |
| Finance costs  | <b>112,675</b>                              | 97,079             |
| Taxes  | <b>89,845</b>                               | 476,449            |
| Share-based payments   | <b>8,649</b>                                | 9,173              |
| Net foreign currency differences   | <b>21,968</b>                               | 2,389              |
| <b>Adjusted EBITDA (Note) (unaudited)</b>                                  | <b>450,478</b>                              | 1,618,722          |

*Note:* Adjusted EBITDA is used by management as the primary measure of the Group's operating performance with that of our competitors. Adjusted EBITDA should not be considered in isolation, construed as an alternative to profit or operating profit as reported under HKFRS or other combines operations or cash flow data, or interpreted as an alternative to cash flow as a measure of liquidity. Adjusted EBITDA presented in this announcement may not be comparable to other similarly titled measures of other companies operating in the gaming or other business industry sectors.

## Significant Investment and Acquisition

Apart from the development of integrated resort on the Island of Saipan, the Company did not have any significant investment, acquisition or disposal during the six months period ended 30 June 2018 that should be notified to the shareholders of the Company.

## Capital expenditure

The Group incurred capital expenditure of approximately HK\$312 million (year ended 31 December 2017: approximately HK\$2,636 million) during the six months ended 30 June 2018, mainly for construction of the Imperial Pacific Resort • Saipan and acquisition of gaming related equipment.

## Liquidity and Financial Resources

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes convertible bonds, unsecured bonds and notes, loans from related parties, other borrowings, trade and other payables and accruals, less cash and cash equivalents and restricted bank deposits. Capital includes convertible bonds and equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

|                      | <b>30 June<br/>2018<br/>HK\$'000</b> | <b>31 December<br/>2017<br/>HK\$'000</b> |
|----------------------|--------------------------------------|--|
| Net debt             | <b>7,227,761</b>                     | 6,701,787                                |
| Convertible bonds    | <b>47,764</b>                        | 46,713                                   |
| Total equity         | <b>3,940,305</b>                     | 3,852,965                                |
| Adjusted capital     | <b>3,988,069</b>                     | 3,899,678                                |
| Capital and net debt | <b>11,215,830</b>                    | 10,601,465                               |
| Gearing ratio        | <b>64.44%</b>                        | 63.22%                                   |

## Capital structure

During the six months ended 30 June 2018, there was no change to the authorised and issued share capital of the Company.

As at 30 June 2018, the total number of the issued ordinary shares with the par value of HK\$0.0005 each was 142,984,807,678 (31 December 2017: 142,984,807,678).

### **Risk of Foreign Exchange Fluctuation**

The business transactions of the Group are mainly carried in HK\$ and US\$ meaning that it will be subject to reasonable exchange rate exposure. However, the Group will closely monitor this risk exposure and would take prudent measures as and when appropriate.

### **Capital Commitments**

As at 30 June 2018, the Group had capital commitments of approximately HK\$798 million (31 December 2017: approximately HK\$554 million).

### **Contingent Liabilities**

Save as disclosed in note 19 of the interim result announcement, the Group did not have any other significant contingent liabilities as at 30 June 2018.

### **Pledge of Assets**

As at 30 June 2018, the Group did not have any pledge of assets (31 December 2017: Nil).

### **PURCHASE, REDEMPTION OR SALE OF LISTED SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. The Company had made specific enquiries of all Directors regarding any non-compliance with the Model Code during the period under review, and received confirmations from all Directors that they had fully complied with the standards as set out in the Model Code.

### **CORPORATE GOVERNANCE**

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

During the six months ended 30 June 2018, the Company was in full compliance with the Code Provisions set out in Appendix 14 of the Listing Rules (the “**CG Code**”), except for the following deviation:



### **Code Provision A.2.1**

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company currently does not have any officer with the title chief executive. At present, Ms. Xia Yuki Yu, being the Chairperson and an Executive Director of the Company and who has considerable industry experience, is responsible for the strategic planning, formulation of overall corporate development policies and managing the businesses of the Group. Notwithstanding the aforementioned, the Board will review the current structure from time to time and as and when appropriate if candidate with suitable leadership, knowledge, skills and experience is identified, the Company may make the necessary modification to the management structure.

### **Code Provision A.6.7**

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend the general meetings and develop a balanced understanding of the views of shareholders. Due to other engagements, two independent non-executive Directors of the Company, Mr. Lee Kwok Leung and Mr. Robert James Woolsey, were unable to attend the annual general meeting of the Company held on 25 June 2018. However, the Board believes that the presence of the other independent non-executive Directors at such general meeting allowed the Board to develop a balanced understanding of the views of shareholders.

### **DIVIDEND**

No dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil) is recommended by the Board.

### **AUDIT COMMITTEE REVIEW**

An audit committee of the Company has been established for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The audit committee comprises three independent non-executive Directors. The Group's condensed consolidated financial statements for the six months ended 30 June 2018 have been reviewed and approved by the audit committee.

By order of the Board  
**Imperial Pacific International Holdings Limited**  
**Xia Yuki Yu**  
*Executive Director*

Hong Kong, 30 August 2018

*As at the date of this announcement, the Board comprises Ms. Xia Yuki Yu, Mr. Teng Sio I and Ms. Cui Li Jie as executive Directors and Mr. Robert James Woolsey, Mr. Ng Hoi Yue, Mr. Tso Hon Sai Bosco and Mr. Lee Kwok Leung as independent non-executive Directors.*

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

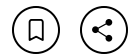
*In this announcement, save as otherwise stated, figures in US\$ are translated to HK\$ at the exchange rate of US\$1.00 = HK\$7.85 for illustration purpose only. No representation is made that any amount in US\$ or HK\$ would have been or can be converted at the above rate.*

# EXHIBIT I-2

ADVERTISEMENT

## Pace Wu's Billionaire Boyfriend Sued By A Friend Over His S\$17.5mil Debt

BY TAMMI TAN



Published October 21, 2020

Updated October 26, 2020



Ji Xiaobo's financial woes only seem to be going from bad to worse.



Former Taiwanese actress [Pace Wu](#) and her billionaire boyfriend [Ji Xiaobo](#) have been making quite a few headlines lately, although mostly for not-so-flattering reasons. After a period of wowing the internet with their extravagant lifestyles and purchases (remember the [S\\$175mil crystal dragons?](#)), more recent reports claim that the couple is [actually broke](#), with Xiaobo [owing people massive sums of money](#).

In the latest update on the Hongkong businessman's overwhelming IOU, Hongkong media broke the news that a man named Pang Yufeng had filed a debt collection lawsuit on Monday (Oct 19), saying that he had lent Xiaobo HK\$100mil (S\$17.5mil) in January 2019. They even signed an agreement stating that Xiaobo must pay it all back by December 30 that same year, after which he would incur a daily interest rate of 0.13 per cent.

However, Xiaobo failed to make repayment even after multiple reminders from his friend, so Yufeng decided to turn up the heat and take the issue to court.



1 of 3 Pace with Xiaobo and their three (now four) kids

Yufeng certainly isn't the only one going after Xiaobo for money. In May this year, it was reported that Xiaobo had [failed to settle the rent](#) for his three luxury houses in the upscale Shouson Hill area, prompting the landlord to sue him for the unpaid amount of HK\$5.41mil (S\$946,000) and ask him and his family to move out.

Pace had an unusually calm response to this piece of news. The 42-year-old explained that due to the pandemic, employees have not been going into the office and forgot to deposit the cheque, but as soon as Xiaobo was aware of the issue, he immediately made payment. She even apologised for taking up public resources for this, um, "trivial matter".

Pace announced her departure from the entertainment industry in November 2014 and started living a laidback and [luxurious life as a taitai](#)... although with the latest developments, it's unclear if those [decadent days are numbered](#). She and Xiaobo had [four children together from 2014 to 2020](#), but never officially tied the knot.





3 of 3 Um, good luck?

*Photos: Pace Wu/Weibo and Instagram, PBE Media*

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# EXHIBIT J



**REGISTRAR OF CORPORATIONS**  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
P.O. Box 5795 CHRB, 12054 Pohnpei Way Capitol Hill  
Saipan, MP 96950  
Tel: (670) 664-8024  
Web: [www.commerce.gov.mp](http://www.commerce.gov.mp)  
email: [registrar.reyes@commerce.gov.mp](mailto:registrar.reyes@commerce.gov.mp)



February 4, 2025

**Please Read**

TEAM KING INVESTMENT (CNMI), LLC  
PMB 575 Box 10000  
Saipan MP 96950

Dear Sir/Madam:


Enclosed, please find the completed documents for your Articles of Organization.

Please be advised that the enclosed initial report form must be delivered to the Registrar of Corporations for filing within sixty (60) days after a domestic or foreign corporation is authorized to transact business, as per P.L. 10-7, now codified at 4 CMC § 4692(c). Failure to file the initial report within sixty (60) days may result in dissolution or revocation by order of the Registrar of Corporations. Additionally, subsequent annual reports must be delivered to the Registrar of Corporations between January 1 and March 1 of each following year.

As of May 1, 2021, Public Law 21-37 imposes a revised fee structure for the Registrar of Corporations, including a late filing penalty fee and a penalty per day fee that follows thereafter. For more information on the revised fee structure, please visit:  
[https://commerce.gov.mp/sites/default/files/new\\_fee\\_structure\\_for\\_late\\_filing\\_and\\_penalty\\_per-day.pdf](https://commerce.gov.mp/sites/default/files/new_fee_structure_for_late_filing_and_penalty_per-day.pdf)

Furthermore, effective January 1, 2024, all new registered corporations are required to file with the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). This is a no-cost, one-time filing requirement. For more information about this requirement, please visit: <https://www.fincen.gov/boi>

Sincerely,

  
JOHN DAVID A. REYES  
Registrar of Corporations

Enclosures: (1) Certificate of Organization  
(2) Initial Report Form





Office of the Registrar of Corporations

**CERTIFICATE OF ORGANIZATION**

This is to Certify that the Articles of Organization of

**TEAM KING INVESTMENT (CNMI), LLC**

Have been duly filed and entered in accordance with the laws of the Commonwealth of the Northern Mariana Islands with the Office of the Registrar of Corporations, Commonwealth of the Northern Mariana Islands. *This Limited Liability Company is **MANAGER-MANAGED** and the duration is "INDEFINITE".*

Effective **4:00pm** Northern Mariana Islands time on the **04<sup>th</sup>** Day of **February, 2025**. The persons signing said Articles of Organization and their members and successors shall constitute a body organized under the name of


**TEAM KING INVESTMENT (CNMI), LLC**

For the term specified in the Articles of Organization unless sooner legally dissolved.



IN WITNESS

WHEREOF, I have hereunto subscribed my name officially and have herein impressed my Seal of Office, Saipan, Commonwealth of the Northern Mariana Islands on this 04<sup>th</sup> day of February, 2025

  
\_\_\_\_\_  
**JOHN DAVID A. REYES**  
**REGISTRAR OF CORPORATION**



**FILED****DEPARTMENT OF COMMERCE**

02/04/2025

4:00pm

DATE / TIME

Registrar of Corporations

Commonwealth of the Northern Mariana Islands

**REGISTRAR OF CORPORATIONS**

Department of Commerce

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

P.O. Box 5795 CHRB, 12054 Pohnpei Way Capitol Hill Saipan, MP 96950

Tel: (670) 664-8024 • Fax: (670) 664-3067

Web: [www.commerce.gov.mp](http://www.commerce.gov.mp)email: [registrar.reyes@commerce.gov.mp](mailto:registrar.reyes@commerce.gov.mp)**ANNUAL LIMITED LIABILITY COMPANY ("LLC") REPORT**

Filing Fee: \$75.00

Make Check Payable to: CNMI TREASURY

File Original and Two Copies

FILING: THE INITIAL REPORT MUST BE FILED WITHIN 60 DAYS OF INCORPORATION.  
ANNUAL REPORT MUST BE FILED ON OR BEFORE MARCH 1<sup>ST</sup> OF EACH YEAR.INITIAL REPORT ☒REPORT FOR THE YEAR 2025

CHECK ONE:



Domestic LLC



Foreign LLC

**Name, Mailing and Physical Address of Designated Office of LLC**

Name: Team King Investment (CNMI) LLC Telephone No.: 670-785-7777 Email Address: songxiaoxing521@gmail.com

Mailing Address: PMB 575 Box 10000 SAIPAN MP 96950

Physical Address: BEACH ROAD, SAN JOSE, SAIPAN MP 96950

State or Country of Organization of LLC: CNMI

Address of Principal Office (if different from Designated Office):  
BEACH ROAD SAN JOSE SAIPAN MP 96950**Name, Mailing and Physical Address of Agent for Service of Process**

Name: Ning Ning Song Telephone No.: 670-785-7777 Email Address: songxiaoxing521@gmail.com

Mailing Address: PMB 575 Box 10000 SAIPAN MP 96950

Physical Address: BEACH ROAD, SAN JOSE, SAIPAN MP 96950

**MANAGERS (IF MANAGER-MANAGED):**

| NAME           | NATIONALITY | ADDRESS |
|----------------|-------------|---------|
| Hiroshi Kaneko |             |         |
|                |             |         |
|                |             |         |
|                |             |         |
|                |             |         |

**MEMBERS (IF MEMBER-MANAGED):**

| NAME                         | NATIONALITY | ADDRESS |
|------------------------------|-------------|---------|
| TEAM KING INVESTMENT LIMITED | BVI         |         |
|                              |             |         |
|                              |             |         |
|                              |             |         |
|                              |             |         |

DATE:

1/15/2025

Signature:



NING NING SONG - ORGANIZAER

PRINT NAME &amp; TITLE OF PERSON SIGNING

(Must be Member of Member-Managed LLC or Manager of Manager-Managed LLC)



[ABOVE SPACE FOR USE BY THE COMMONWEALTH REGISTRAR OF CORPORATIONS]

**ARTICLES OF ORGANIZATION  
OF  
TEAM KING INVESTMENT (CNMI), LLC**

The undersigned does this day form a limited liability company under and pursuant to the laws of the Commonwealth of the Northern Mariana Islands, and hereby adopts the following Articles of Organization for such limited liability company.

**Article I  
Company Name**

The name of the limited liability company is TEAM KING INVESTMENT (CNMI), LLC (the "Company").

**Article II  
Principal Office/  
Registered Agent**

The place of the principal office of the Company shall be: Beach Road, San Jose, PMB 575 Box 10000, Saipan MP 96950, Commonwealth of the Northern Mariana Islands. There may be such subordinate offices in such place or places within or without the Commonwealth of the Northern Mariana Islands as is deemed necessary by the members to transact business of the Company, such branch or subordinate offices to be in charge of such person or persons as may be appointed by the members. The mailing address of the Company shall be PMB 575 Box 10000, Saipan MP 96950



The Registered Agent for service of process upon the Company shall be Ningning Song, whose address is Beach Road, San Jose, PMB 575 Box 10000, Saipan MP 96950, Commonwealth of the Northern Mariana Islands.

### **Article III**

#### **Period of Duration**

The period of the Company's duration is INDEFINITE.

### **Article IV**

#### **Purpose and Powers**

The purpose for which the Company is organized is to have and to exercise all the powers now or hereafter conferred by the laws of the Commonwealth of the Northern Mariana Islands upon companies organized pursuant to the laws under which the Company is organized and any and all amendments thereof and supplements thereto.

### **Article V**

#### **Organizer and Initial Member**

The name and address of the Company's initial member, director and its organizer are as follows:

#### **INITIAL MEMBER**

TEAM KING INVESTMENT  
LIMITED

PMB 575 Box 10001  
Saipan, MP 96950

**ORGANIZER**  
NING NING SONG

PMB 575 Box 10001  
Saipan, MP 96950

**MANAGER/DIRECTOR**  
HIROSHI KANEKO

PMB 575 Box 10001  
Saipan, MP 96950

Members of the Company shall have all of the rights, privileges, powers, duties, liabilities, and obligations provided by the Company's Operating Agreement and by Commonwealth law. The company may have additional members, from time to time, consistent with and pursuant to the provisions of the Company's Operating Agreement, or, in the absence of governing provisions in an Operating Agreement, by the provisions of the Uniform Limited Liability Company Act of 1996 as codified 4 CMC §4801 et seq. (Title 4 of the Commonwealth Code) (the "Act").

## **Article VI Management**

The Company shall be MANAGER MANAGED consistent with and pursuant to the provisions of the Company's Operating Agreement, or, in the absence of governing provisions in an Operating Agreement, by the provisions of the Act.

## **Article VII Limited Liability**

Each member of the Company shall have limited liability to the full extent provided by §303(a) the Act and Commonwealth law. None of the members of the Company shall be liable for the Company's debts and obligations.

## **Article VIII Disassociation/ Transfer of Interests**

Disassociation of members shall be governed by the provisions of the Company's Operating Agreement, or, in the absence of governing provisions in an Operating Agreement, by the provisions of the Act. A member may assign, pledge or otherwise transfer all or part of his or her distributional interest in the Company consistent with and pursuant to the provisions of the Company's Operating Agreement, or, in the absence of governing provisions in an Operating Agreement, by the provisions of the Act. A member may not, however, transfer any other right of membership, including voting rights, without the unanimous consent of all of the members of the Company. A transferee of a member's distributional interest, or any part thereof, shall not become a member of the Company without the unanimous consent of all of the members of the Company.

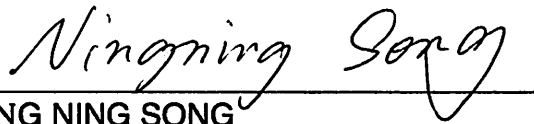
## **Article IX Dissolution**

Any voluntary or involuntary dissolution or liquidation of this Company shall be governed by the Company's Operating Agreement, or, in the absence of governing provisions in an Operating Agreement, by the provisions of the Act, and by the applicable laws, rules and regulations of the Commonwealth of the Northern Mariana Islands.

## **Article X Amendments to Articles**

The Company reserves the right to amend, alter, change, add or repeal any provision contained in these Articles of Organization in a manner now or hereafter prescribed by the laws of the Commonwealth of the Northern Mariana Islands, and to revise and update these Articles of Organization where necessary to comply with any amendments or additions to applicable regulations. All rights and powers conferred by these Articles of Organization upon the Company's members are granted subject to this reservation.

IN WITNESS WHEREOF, I hereby affixed my signature to these Articles of Organization on this 17 day of JANUARY, 2025.

  
\_\_\_\_\_  
NING NING SONG  
Organizer of TEAM KING INVESTMENT (CNMI),  
LLC

COMMONWEALTH OF THE NORTHERN  
MARIANA ISLANDS

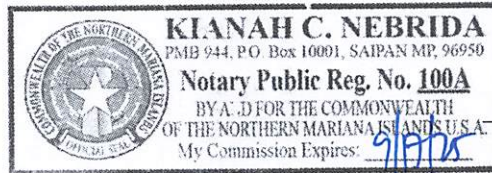
)  
SS: ACKNOWLEDGMENT

SAIPAN, MARIANA ISLANDS

)  
)

On this 17<sup>th</sup> day of January, 20 25, before me, a Notary Public in and for the  
Commonwealth of the Northern Mariana Islands, came NING NING SONG to  
me personally known to be the identical person whose name is subscribed to this as his/her/their free and  
voluntary act for the purpose therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal, the date and  
year above-written.



*Nelidali*

NOTARY PUBLIC

**Operating Agreement Of**  
**TEAM KING INVESTMENT (CNMI), LLC**

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#### CERTIFICATION and EXECUTION



**Operating Agreement  
Of  
TEAM KING INVESTMENT (CNMI), LLC  
January 16, 2025**

**ARTICLE I**

**OFFICES**

1.1 Principal Office. The principal office of TEAM KING INVESTMENT (CNMI), LLC (the "Company") in the Commonwealth of the Northern Mariana Islands (the "CNMI") will be located at the Beach Road, San Jose, PMB 575 Box 10000, Saipan MP 96950. The Company may have other offices, either within or without the CNMI as the Members may designate or as the business of the Company may from time to time require.

1.2 Registered Agent Office. The office of the registered agent of the Company, required by the CNMI Limited Liability Company Act to be maintained in the CNMI, may, but need not, be identical with the Principal Office in the CNMI. The address of the office of the initial registered agent of the Beach Road, San Jose, PMB 575 Box 10000, Saipan MP 96950, and the initial registered agent at that address is Ningning Song. The registered office and the registered agent may be changed from time to time by action of the Members and by filing the prescribed form with the CNMI Registrar of Corporations.

**ARTICLE II**

**MEETINGS**

2.1 Annual Meeting. The annual meeting of the Members will be held the first Tuesday in the month of January in each year, beginning with the year 2024 at the hour of 10:00 o'clock a.m., for the purpose of electing an Operating Manager and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday, the meeting will be held on the next succeeding business day. If the election is not held on the day designated in this Agreement for the annual meeting of the Members, or at any adjournment of the meeting, the Members will cause the election to be held at a special meeting of the Members as soon afterward as it may conveniently be held.

2.2 Regular Meetings. The Members may prescribe the time and place for the holding of regular meetings and may provide that the adoption of the resolution will constitute notice of the regular meetings. If the Members do not prescribe the time and place for the holding of regular meetings, regular meetings will be held at the time and place specified by the Operating Manager in the notice of each regular meeting.

2.3 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Operating Manager or by any two Members.

2.4 Notice of Meeting. Written or telephonic notice stating the place, day and hour of the meeting and, in case of a special meeting, the purposes for which the meeting is called, must be delivered not less than three (3) days before the date of the meeting, either personally or by mail, by or at the direction of the Operating Manager, to each Member of record entitled to vote at the meeting. If mailed, the notice will be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the books of the Company, with postage prepaid. When all the Members of the Company are present at any meeting, or if those not present sign in writing a waiver of notice of the meeting, or subsequently ratify all the proceedings of the meeting, the transactions of the meeting are as valid as if a meeting were formally called and notice had been given.

2.5 Quorum. At any meeting of the Members, a majority of the equity interests, as determined from the capital contribution of each Member as reflected by the books of the Company, represented in person or by proxy, will constitute a quorum at a meeting of Members. If less than a majority of the equity interests are represented at a meeting, a majority of the interests so represented may adjourn the meeting from time to time without further notice. At an adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

2.6 Proxies. At all meetings of Members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. The proxy must be filed with the Operating Manager of the Company before or at the time of the meeting. No proxy may be valid after three months from date of execution, unless otherwise provided in the proxy.

2.7 Voting by Certain Members. Member Certificates standing in the name of a corporation, partnership or company may be voted by the officer, partner, agent or proxy as the Bylaws of the entity may prescribe or, in the absence of such provision, as the Board of Directors of the entity may determine. Certificates held by a trustee, personal representative, administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of the certificates into his name.

2.8 Manner of Acting.

2.8.1 Formal Action by Members. Ordinarily, the act of a majority of the Members present at a meeting at which a quorum is present will be the act of the Members. On demand of any Member, voting on a particular issue may be in accordance with percentage of equity ownership in the company.

2.8.2 Procedure. The Operating Manager of the Company will preside at meetings of the Members, may move or second any item of business but may not vote on any matter when there is an even number of Members present and the Members are evenly divided as to an issue. A record must be maintained of the meetings of the Members. The Members may adopt their own rules of procedure which may not be inconsistent with this Operating Agreement.

2.8.3 Presumption of Assent. A Member of the Company who is present at a meeting of the Members at which action on any matter is taken will be presumed to have assented to the action taken, unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to the action with the person acting as the secretary of the meeting before the adjournment of the meeting or forwards his/her dissent by certified mail to the secretary of the meeting immediately after the adjournment of the meeting. The right to dissent will not apply to a Member who voted in favor of the action.

2.8.4 Informal Action of Members. Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Members entitled to vote with respect to the subject letter thereof.

2.9 Order of Business. The order of business at all meetings of the Members shall be as follows:

1. Roll Call.
2. Proof of notice of meeting or waiver of notice.

3. Reading of minutes of preceding meeting.
4. Report of the Operating Manager.
5. Reports of Committees.
6. Unfinished Business.
7. New Business.

2.10 Telephonic Meeting. Members of the Company may participate in any meeting of the Members by means of conference telephone or similar communication if all persons participating in the meeting can hear one another for the entire discussion of the matter(s) to be voted on. Participating in a meeting pursuant to this Section will constitute presence in person at the meeting.

### ARTICLE III

#### FISCAL MATTERS

3.1 Deposits. All funds of the Company will be deposited from time to time to the credit of the Company in the banks, trust companies or other depositories as the Members may select.

3.2 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Company will be signed by the Operating Manager, or such other person as appointed by the Members.

3.3 Loans. No loans may be contracted on behalf of the Company or no evidences of indebtedness may be issued in its name unless authorized by a resolution of the Members. The authority may be general or confined to specific instances.

3.4 Contracts. The Members may authorize any Member or agent of the Company, in addition to the Operating Manager, to enter into any contract or execute any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

3.5 Accountant. An Accountant may be selected from time to time by the Members to perform such tax and accounting services as may be required from time to time. The accountant may be removed by the Members without assigning any cause.

3.6 Legal Counsel. One or more Attorney(s) at Law may be selected from time to time by the Members to review the legal affairs of the Company and to perform other services as may be

required and to report to the Members with respect to those services. The Legal Counsel may be removed by the Members without assigning any cause.

## ARTICLE IV

### MEMBER CERTIFICATES AND THEIR TRANSFER

4.1 Certificates. Member Certificates representing equity interest in the Company may (but are not required to be) issued in the form determined by the Members. Any Member Certificates must be signed by the Operating Manager and by all the Members. In case of a lost, destroyed or mutilated Member Certificate, a new one may be issued on the terms and indemnity to the Company as the Members may prescribe.

4.2 Certificate Register. Any and all changes in Members or their amount of capital contribution must be formalized by filing notice of the same with the CNMI Registrar of Corporations by amendment to the Annual Report as filed with the CNMI Registrar of Corporations. The most recent filing of the Annual Report will be deemed the Register of Certificates.

4.3 Transfers of Shares. Any Member proposing a transfer or assignment of his Certificate must first notify the Company, in writing, of all the details and consideration for the proposed transfer or assignment. The company, for the benefit of the remaining Members, will have the first right to acquire the equity by cancellation of the Certificate under the same terms and conditions first proposed by the withdrawing Member.

If the Company declines to elect this option, the remaining Members who desire to participate may proportionately (or in the proportions as the remaining Members may agree) purchase the interest under the same terms and conditions first proposed by the withdrawing Member.

If the transfer or assignment is made as originally proposed and the other Members fail to approve the transfer or assignment by unanimous written consent, the transferee or assignee will have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee or assignee will only be entitled to receive the share of the profit or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled.



## ARTICLE V

### BOOKS AND RECORDS

5.1 Books and Records. The books and records of the Company must be kept at the principal office of the Company or at other places, within or without the CNMI, as the Members from time to time determine.

5.2 Right of Inspection. Any Member of record will have the right to examine and make copies, at any reasonable time or times for all purpose, the books and records of account, minutes and records of Members. The inspection may be made by any agent or attorney of the Member.

5.3 Financial Records. All financial records will be maintained and reported based on generally acceptable accounting practices.

## ARTICLE VI

### DISTRIBUTION OF PROFITS

The Members may from time to time unanimously declare, and the company may distribute, accumulated profits agreed not necessary for the cash needs of the company's business. Unless otherwise provided, retained profits shall be deemed an increase in capital contribution of the Company.

## ARTICLE VII

### OFFICERS

7.1 Operating Manager. The Members may appoint an Operating Manager. The Operating Manager will be the chief executive officer of the Company responsible for the general overall supervision of the business and affairs of the Company. When present, he will preside at all meetings of the Members. The Operating Manager may sign, on behalf of the Company, deeds, mortgages, bonds, contracts or other instruments which have been appropriately authorized to be executed by the Members except in cases where the signing or execution is expressly delegated by the Members or by this Operating Agreement or by Statute to some other Officer or Agent of the Company; and, in general, he will perform all duties as may be prescribed by the Board from time to time.

The specific authority and responsibility of the Operating Manager will also include the following:

- (1) The Operating Manager will effectuate this Operating Agreement and the Regulations and decisions of the Members.
- (2) The Operating Manager will direct and supervise the operations of the Company.
- (3) The Operating Manager, within the budget established by the Members, will set and adjust wages and rates of pay for all personnel of the Company and will appoint, hire and dismiss all personnel and regulate their hours of work.
- (4) The Operating Manager will keep the Members advised in all matters pertaining to the operation of the Company, services rendered, operating income and expense, financial position, and, to this end, will prepare and submit a report to the Members at each regular meeting and at other times as may be directed by the Members.

**7.2 Other Officers.** The Company, at the discretion of the Members, may have additional Officers including, without limitation, one or more Vice-Operating Managers, one or more Secretaries and one or more Treasurers. Officers need not be selected from among the Members. One person may hold two or more offices. When the incumbent of an office, as determined by the incumbent himself or by the Members, is unable to perform the duties of his office, or when there is no incumbent of an office (both such situations referred to hereafter as the "absence" of the Officer), the duties of the office shall be performed by the person specified by the Members.

**7.3 Election and Tenure.** The Officer(s) of the Company will be elected annually by the Members at the annual meeting. Each Officer will hold office from the date of his election until the next annual meeting and until his successor has been elected; unless he sooner resigns or is removed.

**7.4 Resignations and Removal.** Any Officer may resign at any time by giving written notice to the Operating Manager or to all of the Members and, unless otherwise specified therein, the acceptance of the resignation will not be necessary to make it effective. Any Officer may be removed at any time by the Members with or without cause.

7.5 Vacancies. A vacancy in any office may be filled for the unexpired portion of the term by the Members.

7.6 Salaries. The salaries of the Officers will be fixed from time to time by the Members and no Officer may be prevented from receiving such salary by reason of the fact that he is also a Member of the Company.

## ARTICLE VIII

### MISCELLANEOUS

8.1 Notice. Any notice required or permitted to be given pursuant to the provisions of the Statute, the Articles of Organization of the Company or this Operating Agreement will be effective as of the date personally delivered, or if sent by mail, on the date deposited with United States Postal Service, prepaid and addressed to the intended receiver at his last known address as shown in the records of the Limited Liability Company.

8.2 Waiver of Notice. Whenever any notice is required to be given pursuant to the provisions of the Statute, the Articles of Organization of the Company or this Operating Agreement, a waiver of the notice, in writing, signed by the persons entitled to the notice, whether before or after the time stated therein, will be deemed equivalent to the giving of the notice.

8.3 Indemnification By Company. The Company may indemnify any person who was or is a party defendant or is threatened to be made a party defendant to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Officer, employee or agent of the Company, or is or was serving at the request of the Company, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action or proceeding, has no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, will not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably

believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

8.4 Indemnification Funding. The Company will fund the indemnification obligations provided by Section 8.3 in the manner and to the extent the Members may from time to time deem proper.

8.5 Duality of Interest Transactions. Members of this Company have a duty of undivided loyalty to this Company in all matters affecting this Company's interests.

8.6 Anticipated Transactions. Notwithstanding the provision of Section 8.5, it is anticipated that the Members and Officers will have other legal and financial relationships. Representatives of this Company, along with representatives of other entities, from time to time may participate in the joint development of contracts and transactions designed to be fair and reasonable to each participant and to afford an aggregate benefit to all participants. Therefore, it is anticipated that this Company will desire to participate in these contracts and transactions and, after ordinary review for reasonableness, that the participation of the Company in these contracts and transactions may be authorized by the Members.

8.7 Gender and Number. Whenever the context requires, the gender of all words used this Agreement will include the masculine, feminine and neuter, and the number of all words will include the singular and plural.

8.8 Articles and other Headings. The Articles and other headings contained in this Operating Agreement are for reference purposes only and will not affect the meaning or interpretation.

8.9 Reimbursement of Officers and Members. Officers and Members will receive reimbursement for expenses reasonably incurred in the performance of their duties.

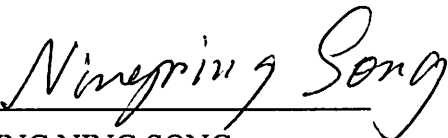
## ARTICLE IX

### AMENDMENTS

9.1 Amendments. This Operating Agreement may be altered, amended, restated, or repealed and a new Operating Agreement may be adopted by three-fourths action of all of the Members, after notice and opportunity for discussion of the proposed alteration, amendment, restatement, or repeal.

**CERTIFICATION**

THE UNDERSIGNED, being the Organizer of TEAM KING INVESTMENT (CNMI), LLC, a Commonwealth of the Northern Mariana Islands Limited Liability Company, hereby executes this Operating Agreement of the Company on the 17 day of JANUARY, 2025.

  
NING NING SONG

COMMONWEALTH OF THE NORTHERN  
MARIANA ISLANDS

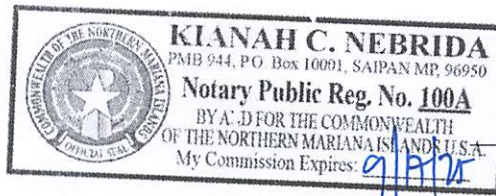
)  
SS: ACKNOWLEDGMENT

SAIPAN, MARIANA ISLANDS

)  
)

On this 17<sup>th</sup> day of January, 20 25, before me, a Notary Public in and for the  
Commonwealth of the Northern Mariana Islands, came NING NING SONG to  
me personally known to be the identical person whose name is subscribed to this as his/her/their free and  
voluntary act for the purpose therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal, the date and  
year above-written.



*Kiana C. Nebraska*  
NOTARY PUBLIC





\$50.00

CONSENT AND AUTHORIZATION TO APPOINTMENT AS REGISTERED AGENT

FOR

**TEAM KING INVESTMENT, (CNMI), LLC**

-----

I, **Ningning Song**, do hereby acknowledge and consent to be the Registered Agent for service of process only.

This consent and acceptance does not in any way include liabilities and obligations of the above-named limited liability company.

Dated this 17 day of January, 2025.

Ningning Song

Registered Agent's Mailing Address & Telephone #:

Beach Road, San Jose

PMB 575 Box 10000

Saipan, MP 96950

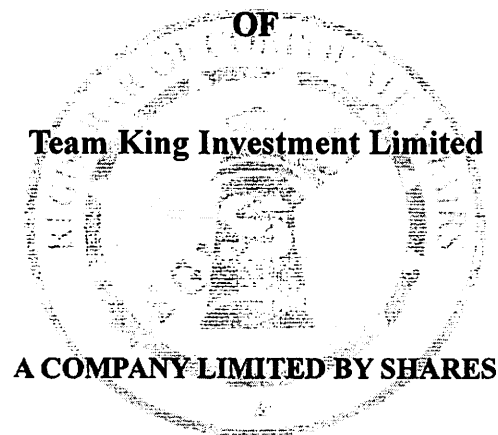
(670) 785-7777

**BVI COMPANY NUMBER: 2132887**

**TERRITORY OF THE BRITISH VIRGIN ISLANDS  
THE BVI BUSINESS COMPANIES ACT, 2004**

**MEMORANDUM AND ARTICLES**

**OF ASSOCIATION**



**Incorporated on the 25th day of September, 2023**

**INCORPORATED IN THE BRITISH VIRGIN ISLANDS**

TERRITORY OF THE BRITISH VIRGIN ISLANDS  
THE BVI BUSINESS COMPANIES ACT, 2004

MEMORANDUM OF ASSOCIATION

OF

Team King Investment Limited

A COMPANY LIMITED BY SHARES

**1. DEFINITIONS AND INTERPRETATION**

- 1.1. In this Memorandum of Association and the Articles of Association of the Company, if not inconsistent with the subject or context:

**"Act"** means the BVI Business Companies Act, 2004 (No. 16 of 2004) and includes the regulations made under the Act;

**"Articles"** means the Articles of Association of the Company;

**"Chairman of the Board"** has the meaning specified in Regulation 12;

**"Distribution"** in relation to a distribution by the Company to a Shareholder means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder, or the incurring of a debt to or for the benefit of a Shareholder, in relation to Shares held by a Shareholder, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of Shares, a transfer of indebtedness or otherwise, and includes a dividend;

**"Memorandum"** means this Memorandum of Association of the Company;

**"Person"** includes individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

**"Registrar"** means the Registrar of Corporate Affairs appointed under section 229 of the Act;

**"Resolution of Directors"** means either:

- (a) a resolution approved at a duly convened and constituted meeting of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
- (b) a resolution consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the directors of the Company. A written resolution consented to in such manner may consist of several documents including written electronic communication, in like form each signed or assented to by one or more directors.

**“Resolution of Shareholders”** means either:

- (a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of in excess of 50 percent of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or
- (b) a resolution consented to in writing by a majority of in excess of 50 percent of the votes of Shares entitled to vote thereon;

**“Seal”** means any seal which has been duly adopted as the common seal of the Company;

**“Securities”** means Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire Shares or debt obligations;

**“Share”** means a share issued or to be issued by the Company;

**“Shareholder”** means a Person whose name is entered in the register of members as the holder of one or more Shares or fractional Shares;

**“Treasury Share”** means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

**“Written”** or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and **“in writing”** shall be construed accordingly.

1.2. In the Memorandum and the Articles, unless the context otherwise requires a reference to:

- (a) a **“Regulation”** is a reference to a regulation of the Articles;
- (b) a **“Clause”** is a reference to a clause of the Memorandum;
- (c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;
- (d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended or, in the case of the Act, any re-enactment thereof and any subsidiary legislation made thereunder; and
- (e) the singular includes the plural and vice versa.

1.3. Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and the Articles unless otherwise defined herein.

1.4. Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and the Articles.

## 2. NAME

The name of the Company is Team King Investment Limited.

## 3. STATUS

The Company is a company limited by Shares.

**4. REGISTERED OFFICE AND REGISTERED AGENT**

- 4.1. The first registered office of the Company is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands, the office of the first registered agent.
- 4.2. The first registered agent of the Company is Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- 4.3. The Company may by Resolution of Shareholders or by Resolution of Directors change the location of its registered office or change its registered agent.
- 4.4. Any change of registered office or registered agent will take effect on the registration by the Registrar of a notice of the change filed by the existing registered agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.
- 4.5. The registered agent shall:
  - (a) act on the instructions of the directors of the Company if those instructions are contained in a Resolution of Directors and a copy of the Resolution of Directors is made available to the registered agent; and
  - (b) recognise and accept the appointment or removal of a director or directors by Shareholders.

**5. CAPACITY AND POWERS**

- 5.1. Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:
  - (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
  - (b) for the purposes of paragraph (a), full rights, powers and privileges.
- 5.2. For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

**6. NUMBER AND CLASSES OF SHARES**

- 6.1. Shares in the company shall be issued in the currency of the United States of America.
- 6.2. The Company is authorised to issue a maximum of 50,000 Shares of a single class each with a par value of US\$1.00.
- 6.3. The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole Share of the same class or series of Shares.
- 6.4. Shares may be issued in one or more series of Shares as the directors may by Resolution of Directors determine from time to time.

**7. RIGHTS OF SHARES**

- 7.1. Each Share confers upon the Shareholder:
  - (a) the right to one vote at a meeting of the Shareholders or on any Resolution of Shareholders;
  - (b) the right to an equal share in any dividend paid by the Company; and
  - (c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

- 7.2. The Company may by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares subject to Regulation 3 of the Articles.

**8. VARIATION OF RIGHTS**

If at any time the Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued Shares in that class.

**9. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU**

The rights conferred upon the holders of the Shares of any class shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

**10. REGISTERED SHARES**

- 10.1. The Company shall issue registered Shares only.
- 10.2. The Company is not authorized to issue bearer Shares, convert registered Shares to bearer Shares or exchange registered Shares for bearer Shares.

**11. TRANSFER OF SHARES**

- 11.1. The Company shall, on receipt of an instrument of transfer complying with Sub-Regulation 6.1 of the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.
- 11.2. The directors may not resolve to refuse or delay the transfer of a Share unless the Shareholder has failed to pay an amount due in respect of the Share.

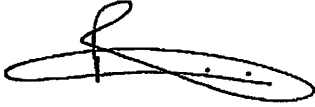
**12. AMENDMENT OF THE MEMORANDUM AND THE ARTICLES**

- 12.1. Subject to Clause 8, the Company may amend the Memorandum or the Articles by Resolution of Shareholders or by Resolution of Directors, save that no amendment may be made by Resolution of Directors:
- (a) to restrict the rights or powers of the Shareholders to amend the Memorandum or the Articles;
  - (b) to change the percentage of Shareholders required to pass a Resolution of Shareholders to amend the Memorandum or the Articles;
  - (c) in circumstances where the Memorandum or the Articles cannot be amended by the Shareholders; or
  - (d) to Clauses 7, 8, 9 or this Clause 12.
- 12.2. Any amendment of the Memorandum or the Articles will take effect on the registration by the Registrar of a notice of amendment, or restated Memorandum and Articles, filed by the registered agent.

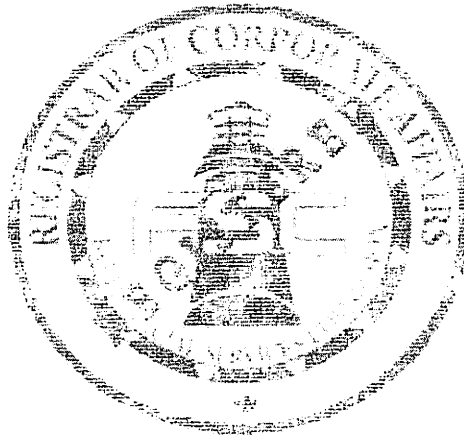


We, Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 25th day of September, 2023.

Incorporator



.....  
(Sd.) Rexella D. Hodge  
Authorised Signatory  
Vistra (BVI) Limited



TERRITORY OF THE BRITISH VIRGIN ISLANDS  
THE BVI BUSINESS COMPANIES ACT, 2004

ARTICLES OF ASSOCIATION

OF

Team King Investment Limited

A COMPANY LIMITED BY SHARES

**1. REGISTERED SHARES**

- 1.1. Every Shareholder is entitled, on request to a certificate signed by a director or officer of the Company, or any other person authorised by Resolution of Directors, or under the Seal specifying the number of Shares held by him and the signature of the director, officer or authorised person and the Seal may be facsimiles.
- 1.2. Any Shareholder receiving a certificate shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by Resolution of Directors.
- 1.3. If several Persons are registered as joint holders of any Shares, any one of such Persons may give an effectual receipt for any Distribution.

**2. SHARES**

- 2.1. Shares and other Securities may be issued at such times, to such Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.
- 2.2. Section 46 of the Act (*Pre-emptive rights*) does not apply to the Company.
- 2.3. A Share may be issued for consideration in any form or a combination of forms, including money, a promissory note, or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how), services rendered or a contract for future services.
- 2.4. The consideration for a Share with par value shall not be less than the par value of the Share. If a Share with par value is issued for consideration less than the par value, the person to whom the Share is issued is liable to pay to the Company an amount equal to the difference between the issue price and the par value.
- 2.5. A bonus share issued by the Company shall be deemed to have been fully paid for on issue.
- 2.6. No Shares may be issued for a consideration, which is in whole or in part, other than money, unless a Resolution of Directors has been passed stating:
  - (a) the amount to be credited for the issue of the Shares; and

- (b) that, in the opinion of the directors, the present cash value of the non-money consideration and money consideration, if any, is not less than the amount to be credited for the issue of the Shares.
- 2.7. The consideration paid for any Share, whether a par value Share or a no par value Share, shall not be treated as a liability or debt of the Company for the purposes of:
  - (a) the solvency test in Regulations 3 and 18; and
  - (b) sections 197 and 209 of the Act.
- 2.8. The Company shall keep a register (the “**register of members**”) containing:
  - (a) the names and addresses of the Persons who hold Shares;
  - (b) the number of each class and series of Shares held by each Shareholder, including the nature of the associated rights unless such rights are contained in the Memorandum or these Articles;
  - (c) the date on which the name of each Shareholder was entered in the register of members; and
  - (d) the date on which any Person ceased to be a Shareholder.
- 2.9. The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.
- 2.10. A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.

### **3. REDEMPTION OF SHARES AND TREASURY SHARES**

- 3.1. The Company may purchase, redeem or otherwise acquire and hold its own Shares in such manner and upon such other terms as the directors may agree with the relevant Shareholder(s) save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.
- 3.2. The Company may acquire its own fully paid Share or Shares for no consideration by way of surrender of the Share or Shares to the Company by the Shareholder holding the Share or Shares. Any surrender of a Share or Shares under this Sub-Regulation 3.2 shall be in writing and signed by the Shareholder holding the Share or Shares.
- 3.3. The Company may only offer to purchase, redeem or otherwise acquire Shares if the Resolution of Directors authorising the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company’s assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 3.4. Sections 60 (*Process for acquisition of own Shares*), 61 (*Offer to one or more shareholders*) and 62 (*Shares redeemed otherwise than at the option of company*) of the Act shall not apply to the Company.
- 3.5. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.
- 3.6. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.

3.7. Treasury Shares may be transferred by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and the Articles) as the Company may by Resolution of Directors determine.

3.8. Where Shares are held by another body corporate of which the Company holds, directly or indirectly, Shares having more than 50 percent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

#### **4. MORTGAGES AND CHARGES OF SHARES**

4.1. Shareholders may mortgage or charge their Shares.

4.2. There shall be entered in the register of members at the written request of the Shareholder:

- (a) a statement that the Shares held by him are mortgaged or charged;
- (b) the name of the mortgagee or chargee; and
- (c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.

4.3. Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:

- (a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or
- (b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.

4.4. Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:

- (a) no transfer of any Share the subject of those particulars shall be effected;
  - (b) the Company may not purchase, redeem or otherwise acquire any such Share; and
  - (c) no replacement certificate shall be issued in respect of such Shares,
- without the written consent of the named mortgagee or chargee.

#### **5. FORFEITURE**

5.1. Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation.

5.2. A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.

5.3. The written notice of call referred to in Sub-Regulation 5.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

5.4. Where a written notice of call has been issued pursuant to Sub-Regulation 5.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.

- 5.5. The Company is under no obligation to refund any moneys to a Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 5.4 and that Shareholder shall be discharged from any further obligation to the Company.

## **6. TRANSFER OF SHARES**

- 6.1. Subject to the Memorandum, Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company for registration.
- 6.2. The transfer of a Share is effective when the name of the transferee is entered on the register of members.
- 6.3. If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:
- (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
  - (b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.
- 6.4. Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.

## **7. MEETINGS AND CONSENTS OF SHAREHOLDERS**

- 7.1. Any director of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the director considers necessary or desirable.
- 7.2. Upon the written request of Shareholders entitled to exercise 30 percent or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.
- 7.3. The director convening a meeting shall give not less than 7 days' notice of a meeting of Shareholders to:
- (a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members and are entitled to vote at the meeting; and
  - (b) the other directors.
- 7.4. The director convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.
- 7.5. A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.
- 7.6. The inadvertent failure of a director who convenes a meeting to give notice of a meeting to a Shareholder or another director, or the fact that a Shareholder or another director has not received notice, does not invalidate the meeting.
- 7.7. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

- 7.8. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
- 7.9. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

|   |
|---|
| <p>[COMPANY NAME]</p> <p>(the "Company")</p> <p>I/We, ....., being a Shareholder of the Company HEREBY APPOINT ..... of ..... or failing him ..... of ..... to be my/our proxy to vote for me/us at the meeting of Shareholders to be held on the ..... day of ....., 20..... and at any adjournment thereof.</p> <p>(Any restrictions on voting to be inserted here.)</p> <p>Signed this ..... day of ....., 20.....</p> <p>.....</p> <p>Shareholder</p> |
|---|

- 7.10. The following applies where Shares are jointly owned:
- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
  - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
  - (c) if two or more of the joint owners are present in person or by proxy they must vote as one.
- 7.11. A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.
- 7.12. A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 percent of the votes of the Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting. A quorum may comprise a single Shareholder or proxy and then such person may pass a Resolution of Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Shareholders.
- 7.13. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.



- 7.14. At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.
- 7.15. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 7.16. At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.
- 7.17. Subject to the specific provisions contained in this Regulation for the appointment of representatives of Persons other than individuals the right of any individual to speak for or represent a Shareholder shall be determined by the law of the jurisdiction where, and by the documents by which, the Person is constituted or derives its existence. ~~In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any Shareholder or the Company.~~
- 7.18. Any Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Shareholder which he represents as that Shareholder could exercise if it were an individual.
- 7.19. The chairman of any meeting at which a vote is cast by proxy or on behalf of any Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Person shall be disregarded.
- 7.20. Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.
- 7.21. An action that may be taken by the Shareholders at a meeting may also be taken by a resolution consented to in writing, without the need for any notice, but if any Resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Shareholders holding a sufficient number of votes of Shares to constitute a Resolution of Shareholders have consented to the resolution by signed counterparts.
- 8. DIRECTORS**
- 8.1. The first directors of the Company shall be appointed by the first registered agent within 6 months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders or by Resolution of Directors.

- 8.2. No person shall be appointed as a director, alternate director, or nominated as a reserve director, of the Company unless he has consented in writing to be a director, alternate director or to be nominated as a reserve director respectively.
- 8.3. Subject to Sub-Regulation 8.1, the minimum number of directors shall be one and there shall be no maximum number.
- 8.4. Each director holds office for the term, if any, fixed by the Resolution of Shareholders or the Resolution of Directors appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a director, the director serves indefinitely until his earlier death, resignation or removal.
- 8.5. A director may be removed from office,
  - (a) with or without cause, by Resolution of Shareholders passed at a meeting of Shareholders called for the purposes of removing the director or for purposes including the removal of the director or by a written resolution passed by at least 75 percent of the votes of the Shareholders of the Company entitled to vote; or
  - (b) with cause, by Resolution of Directors passed at a meeting of directors called for the purpose of removing the director or for purposes including the removal of the director.
- 8.6. A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.
- 8.7. The directors may at any time appoint any person to be a director either to fill a vacancy or as an addition to the existing directors. Where the directors appoint a person as director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be a director ceased to hold office.
- 8.8. A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 8.9. Where the Company only has one Shareholder who is an individual and that Shareholder is also the sole director of the Company, the sole Shareholder/director may, by instrument in writing, nominate a person who is not disqualified from being a director of the Company as a reserve director of the Company to act in the place of the sole director in the event of his death.
- 8.10. The nomination of a person as a reserve director of the Company ceases to have effect if:
  - (a) before the death of the sole Shareholder/director who nominated him,
    - (i) he resigns as reserve director, or
    - (ii) the sole Shareholder/director revokes the nomination in writing; or
  - (b) the sole Shareholder/director who nominated him ceases to be able to be the sole Shareholder/director of the Company for any reason other than his death.
- 8.11. The Company shall keep a register of directors (the "register of directors") containing:
  - (a) in the case of an individual director or alternate director, the particulars stated in section 118A(1)(a) of the Act;
  - (b) in the case of a corporate director, the particulars stated in section 118A(1)(b) of the Act; and
  - (c) such other information as may be prescribed by the Act.

- 8.12. The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.
- 8.13. The Company shall file for registration with the Registrar a copy of its register of directors (and any changes to the register of directors) in accordance with the provisions of the Act.
- 8.14. The directors may, by Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.
- 8.15. A director is not required to hold a Share as a qualification to office.
- 8.16. A director, by written instrument deposited at the registered office of the Company may from time to time appoint another director or another person who is not disqualified for appointment as a director under section 111 of the Act to be his alternate to:
- (a) exercise the appointing director's powers; and
  - (b) carry out the appointing director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the appointing director.
- 8.17. No person shall be appointed as an alternate director unless he has consented in writing to be an alternate director. The appointment of an alternate director does not take effect until written notice of the appointment has been deposited at the registered office of the Company.
- 8.18. The appointing director may, at any time, terminate or vary the alternate's appointment. The termination or variation of the appointment of an alternate director does not take effect until written notice of the termination or variation has been deposited at the registered office of the Company, save that if a director shall die or cease to hold the office of director, the appointment of his alternate shall thereupon cease and terminate immediately without the need of notice.
- 8.19. An alternate director has no power to appoint an alternate, whether of the appointing director or of the alternate director.
- 8.20. An alternate director has the same rights as the appointing director in relation to any directors' meeting and any written resolution of directors circulated for written consent. Unless stated otherwise in the notice of the appointment of the alternate, or a notice of variation of the appointment, if undue delay or difficulty would be occasioned by giving notice to a director of a resolution of which his approval is sought in accordance with these Articles his alternate (if any) shall be entitled to signify approval of the same on behalf of that director. Any exercise by the alternate director of the appointing director's powers in relation to the taking of decisions by the directors is as effective as if the powers were exercised by the appointing director. An alternate director does not act as an agent of or for the appointing director and is liable for his own acts and omissions as an alternate director.
- 8.21. The remuneration of an alternate director (if any) shall be payable out of the remuneration payable to the director appointing him (if any), as agreed between such alternate and the director appointing him.

## **9. POWERS OF DIRECTORS**

- 9.1. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.

- 9.2. Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.
- 9.3. If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.
- 9.4. Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.
- 9.5. The continuing directors may act notwithstanding any vacancy in their body.
- 9.6. The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 9.7. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.
- 9.8. For the purposes of Section 175 (*Disposition of assets*) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

## **10. PROCEEDINGS OF DIRECTORS**

- 10.1. Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.
- 10.2. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.
- 10.3. A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.
- 10.4. A director shall be given not less than 3 days' notice of meetings of directors, but a meeting of directors held without 3 days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.
- 10.5. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only 2 directors in which case the quorum is 2.
- 10.6. If the Company has only one director the provisions herein contained for meetings of directors do not apply and such sole director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting the sole director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.

- 10.7. At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.
- 10.8. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the directors or by a majority of the members of the committee, as the case may be, without the need for any notice. A written resolution consented to in such manner may consist of several documents, including written electronic communication, in like form each signed or assented to by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

## 11. COMMITTEES

- 11.1. The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.
- 11.2. The directors have no power to delegate to a committee of directors any of the following powers:
- (a) to amend the Memorandum or the Articles;
  - (b) to designate committees of directors;
  - (c) to delegate powers to a committee of directors;
  - (d) to appoint or remove directors;
  - (e) to appoint or remove an agent;
  - (f) to approve a plan of merger, consolidation or arrangement;
  - (g) to make a declaration of solvency or to approve a liquidation plan; or
  - (h) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 11.3. Sub-Regulation 11.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 11.4. The meetings and proceedings of each committee of directors consisting of 2 or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.
- 11.5. Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.



## **12. OFFICERS AND AGENTS**

- 12.1. The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a president and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.
- 12.2. The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.
- 12.3. The emoluments of all officers shall be fixed by Resolution of Directors.
- 12.4. The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.
- 12.5. The directors may, by Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company.
- 12.6. An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the following:
- (a) to amend the Memorandum or the Articles;
  - (b) to change the registered office or agent;
  - (c) to designate committees of directors;
  - (d) to delegate powers to a committee of directors;
  - (e) to appoint or remove directors;
  - (f) to appoint or remove an agent;
  - (g) to fix emoluments of directors;
  - (h) to approve a plan of merger, consolidation or arrangement;
  - (i) to make a declaration of solvency or to approve a liquidation plan;
  - (j) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due; or
  - (k) to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.
- 12.7. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.



- 12.8. The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

**13. CONFLICT OF INTERESTS**

- 13.1. A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.

- 13.2. For the purposes of Sub-Regulation 13.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

- 13.3. A director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction,

and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

**14. INDEMNIFICATION**

- 14.1. Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or
- (b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

- 14.2. The indemnity in Sub-Regulation 14.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.

- 14.3. For the purposes of Sub-Regulation 14.2, a director acts in the best interests of the Company if he acts in the best interests of

- (a) the Company's holding company; or
- (b) a Shareholder or Shareholders;

in either case, in the circumstances specified in Sub-Regulation 9.3 or the Act, as the case may be.

- 14.4. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.

- 14.5. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.
- 14.6. Expenses, including legal fees, incurred by a director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the director to repay the amount if it shall ultimately be determined that the director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1.
- 14.7. Expenses, including legal fees, incurred by a former director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the former director to repay the amount if it shall ultimately be determined that the former director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1 and upon such terms and conditions, if any, as the Company deems appropriate.
- 14.8. The indemnification and advancement of expenses provided by, or granted pursuant to, this section is not exclusive of any other rights to which the person seeking indemnification or advancement of expenses may be entitled under any agreement, Resolution of Shareholders, resolution of disinterested directors or otherwise, both as acting in the person's official capacity and as to acting in another capacity while serving as a director of the Company.
- 14.9. If a person referred to in Sub-Regulation 14.1 has been successful in defence of any proceedings referred to in Sub-Regulation 14.1, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.
- 14.10. The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

## **15. RECORDS AND UNDERLYING DOCUMENTATION**

- 15.1. The Company shall keep the following documents at the office of its registered agent:
  - (a) the Memorandum and the Articles;
  - (b) the register of members, or a copy of the register of members;
  - (c) the register of directors, or a copy of the register of directors; and
  - (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.
- 15.2. Until the directors determine otherwise by Resolution of Directors the Company shall keep the original register of members and original register of directors at the office of its registered agent.
- 15.3. If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:
  - (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
  - (b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.

- 15.4. Where the original register of members or the original register of directors is maintained other than at the office of the registered agent, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.
- 15.5. The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:
- (a) the records and underlying documentation of the Company;
  - (b) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;
  - (c) minutes of meetings and Resolutions of Directors and committees of directors; and
  - (d) an impression of the Seal.
- 15.6. The records and underlying documentation of the Company shall be in such form as:
- (a) are sufficient to show and explain the Company's transactions; and
  - (b) will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
- 15.7. The Company shall retain the records and underlying documentation for a period of at least five years from the date:
- (a) of completion of the transaction to which the records and underlying documentation relate; or
  - (b) the Company terminates the business relationship to which the records and underlying documentation relate.
- 15.8. Where the records and underlying documentation of the Company are kept at a place or places other than at the office of its registered agent, the Company shall provide the registered agent with a written:
- (a) record of the physical address of the place at which the records and underlying documentation are kept; and
  - (b) record of the name of the person who maintains and controls the Company's records and underlying documentation.
- 15.9. Where the place or places at which the records and underlying documentation of the Company, or the name of the person who maintains and controls the Company's records and underlying documentation, change, the Company shall, within 14 days of the change, provide its registered agent with:
- (a) the physical address of the new location of the records and underlying documentation; or
  - (b) the name of the new person who maintains and controls the Company's records and underlying documentation.
- 15.10. The Company shall file with its registered agent in accordance with section 98A(2) of the Act, financial returns in respect of each calendar year, or if the Company's fiscal or financial year is not a calendar year, the fiscal or financial year of the Company.
- 15.11. The Company shall provide its registered agent without delay any records and underlying documentation in respect of the Company that the registered agent requests pursuant to the Act or that the Company is required to file with its registered agent pursuant to the Act.
- 15.12. The records and underlying documentation kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act, 2001 (No. 5 of 2001) as from time to time amended or re-enacted.

**16. REGISTER OF CHARGES**

16.1. The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

- (a) the date of creation of the charge;
- (b) a short description of the liability secured by the charge;
- (c) a short description of the property charged;
- (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
- (e) unless the charge is a security to bearer, the name and address of the holder of the charge; and
- (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

16.2. Where a change occurs in the relevant charges or in the details of the charges required to be recorded in the Company's register of charges maintained in accordance with Sub-Regulation 16.1, the Company shall, within 14 days of the change occurring, transmit details of the change to the registered agent.

**17. SEAL**

The Company shall have a Seal and may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

**18. DISTRIBUTIONS**

18.1. The directors of the Company may, by Resolution of Directors, authorise a Distribution at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the Distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

18.2. Distributions may be paid in money, Shares, or other property.

18.3. Notice of any Distribution that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 20.1 and all Distributions unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.

18.4. No Distributions shall bear interest as against the Company and no Distribution shall be paid on Treasury Shares.

**19. ACCOUNTS AND AUDIT**

- 19.1. The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
- 19.2. The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.
- 19.3. The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.
- 19.4. The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by Resolution of Shareholders or by Resolution of Directors.
- 19.5. The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.
- 19.6. The remuneration of the auditors of the Company may be fixed by Resolution of Directors.
- 19.7. The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:
- (a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and
  - (b) all the information and explanations required by the auditors have been obtained.
- 19.8. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.
- 19.9. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.
- 19.10. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

**20. NOTICES**

- 20.1. Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.
- 20.2. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.

- 20.3. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

**21. VOLUNTARY LIQUIDATION**

The Company may by Resolution of Shareholders or, subject to section 199(2) of the Act, by Resolution of Directors appoint an eligible individual physically resident in the British Virgin Islands for not less than 180 days prior to his or her appointment, as voluntary liquidator.

**22. CONTINUATION**

The Company may by Resolution of Shareholders or by a Resolution of Directors, subject to section 184(1) of the Act, continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 25th day of September, 2023.

Incorporator



.....  
(Sd.) Rexella D. Hodge  
Authorised Signatory  
Vistra (BVI) Limited





|                 |                                     |                        |                               |                            |
|-----------------|-------------------------------------|------------------------|-------------------------------|----------------------------|
| Name of Company | <b>Team King Investment Limited</b> |                        |                               | <b>Register of Members</b> |
| Company No.     | <b>2132887</b>                      | Place of Incorporation | <b>British Virgin Islands</b> |                            |

|         |  |            |          |       |              |                            |             |
|---------|--|------------|----------|-------|--------------|----------------------------|-------------|
| Name    | <b>KANEKO Hiroshi</b><br>金子博   | Occupation | Merchant | Folio | <b>00001</b> | Date Entered as a Member   | 15 Jan 2025 |
| Address | Room 701, 7/F, Kai Tak Commercial Building, 66-72 Stanley Street, Central, Hong Kong |            |          |       |              | Date Ceased to be a Member |             |
| Remarks |  |            |          |       |              |                            |             |

| Date        | Shares Acquired      |                    |                    |               |                     | Shares Transferred   |                    |                    |               | Balance of Shares | Remarks                              |
|-------------|----------------------|--------------------|--------------------|---------------|---------------------|----------------------|--------------------|--------------------|---------------|-------------------|--------------------------------------|
|             | No. of Transfer Deed | Certificate Number | Distinctive Number | No. of Shares | Total Consideration | No. of Transfer Deed | Certificate Number | Distinctive Number | No. of Shares |                   |                                      |
| 15 Jan 2025 |                      |                    |                    |               |                     |                      |                    |                    |               |                   | Became a member                      |
| 15 Jan 2025 |                      | 2                  | 1                  | 1             | USD1.00             |                      |                    |                    |               | 1                 | Shares purchased from TAN Boon Chuan |

|                 |                 |          |            |           |             |                  |                       |
|-----------------|-----------------|----------|------------|-----------|-------------|------------------|-----------------------|
| Class of Shares | <b>Ordinary</b> | Currency | <b>USD</b> | Par Value | <b>1.00</b> | Current Holdings | <b>1 (or) 100.00%</b> |
|-----------------|-----------------|----------|------------|-----------|-------------|------------------|-----------------------|

|                 |                                     |                        |                               |                            |
|-----------------|-------------------------------------|------------------------|-------------------------------|----------------------------|
| Name of Company | <b>Team King Investment Limited</b> |                        |                               | <b>Register of Members</b> |
| Company No.     | <b>2132887</b>                      | Place of Incorporation | <b>British Virgin Islands</b> |                            |

|         |  |            |          |       |              |                            |             |
|---------|--|------------|----------|-------|--------------|----------------------------|-------------|
| Name    | <b>TAN Boon Chuan</b>  | Occupation | Merchant | Folio | <b>00002</b> | Date Entered as a Member   | 25 Sep 2023 |
| Address | No. 28 Jalan Besar Dangi, 73100 Johol, Negeri Sembilan, Malaysia |            |          |       |              | Date Ceased to be a Member | 15 Jan 2025 |
| Remarks | Founder Member SPA   |            |          |       |              |                            |             |

| Date        | Shares Acquired      |                    |                    |               |                     | Shares Transferred   |                    |                    |               | Balance of Shares | Remarks                       |
|-------------|----------------------|--------------------|--------------------|---------------|---------------------|----------------------|--------------------|--------------------|---------------|-------------------|-------------------------------|
|             | No. of Transfer Deed | Certificate Number | Distinctive Number | No. of Shares | Total Consideration | No. of Transfer Deed | Certificate Number | Distinctive Number | No. of Shares |                   |                               |
| 25 Sep 2023 |                      |                    |                    |               |                     |                      |                    |                    |               |                   | Became a member               |
| 25 Sep 2023 |                      | 1                  | 1                  | 1             | USD1.00             |                      |                    |                    |               | 1                 |                               |
| 15 Jan 2025 |                      |                    |                    |               |                     |                      | 1                  | 1                  | 1             | 0                 | Shares sold to KANEKO Hiroshi |
| 15 Jan 2025 |                      |                    |                    |               |                     |                      |                    |                    |               |                   | Ceased to be a member         |

|                 |                 |          |            |           |             |                  |                     |
|-----------------|-----------------|----------|------------|-----------|-------------|------------------|---------------------|
| Class of Shares | <b>Ordinary</b> | Currency | <b>USD</b> | Par Value | <b>1.00</b> | Current Holdings | <b>0 (or) 0.00%</b> |
|-----------------|-----------------|----------|------------|-----------|-------------|------------------|---------------------|

**Notes**

The original or copy of this register must be kept at the office of the company's registered agent. If a copy then please notify the registered agent in writing of the physical address of the original.

|                 |                                     |                        |                               |                              |
|-----------------|-------------------------------------|------------------------|-------------------------------|------------------------------|
| Name of Company | <b>Team King Investment Limited</b> |                        |                               | <b>Register of Directors</b> |
| Company No.     | <b>2132887</b>                      | Place of Incorporation | <b>British Virgin Islands</b> |                              |

| Date of Appointment | Name / Former Name# / Alias<br>(or) Corporate Name | Date and Place of Birth<br>(or) Date and Place of Incorporation | Nationality<br>ID or Passport No.<br>(or) Company No<br>Occupation                    | Residential Address ##<br>(or) Registered / Principal<br>Office Address | Service Address<br>(or) Correspondence Address  | Date of Cessation |
|---------------------|--|---|---|---|---|-------------------|
| 15 Jan 2025         | KANEKO Hiroshi<br>金子博                              | 19 Nov 1964<br>China  | Japanese<br><br>Merchant<br><br>Other Identity:<br>Hong Kong I.D. Card:<br>M274088(0) | N/A   | Room 701, 7/F, Kai Tak<br>Commercial Building, 66-72<br>Stanley Street, Central, Hong<br>Kong |                   |
| 15 Jan 2025         | KON Teck Tien                                      | 28 Feb 1988<br>Malaysia   | Malaysian<br>Malaysia Passport:<br>A57000309<br>Merchant                              | N/A   | No. 196, Jalan Pinang 1,<br>Taman Kota Kulai, 81000<br>Kulai, Johor, Malaysia                 |                   |
| 25 Sep 2023         | TAN Boon Chuan                                     | 6 Nov 1981<br>Malaysia  | Malaysian<br>Malaysia Passport:<br>A51751861<br>Merchant                              | N/A   | No. 28 Jalan Besar Dangi,<br>73100 Johor, Negeri<br>Sembilan, Malaysia                        | 15 Jan 2025       |

# Pursuant to Sec.118A(1)(a)(ii) of the BVI Business Act ("BC Act"), the Company's Register of Directors shall contain former name of individual director, if any, unless the former name was changed by deed poll or other legal means or disused for more than 10 years.

## Pursuant to Sec.118A(1)(a)(vi) of BC Act, the Company's Register of Directors shall contain the usual residential address of individual director, unless that address is same as the individual's service address.

### Pursuant to Sec.118A(1)(b)(iv) of BC Act, if the corporate director is incorporated or registered in the BVI, provide its corporate or registration number only.

#### Notes

- (1) The first registered agent of the company shall, within 6 months from the date of incorporation of the company, appoint one or more persons as the first directors of the company. The original or copy of this Register of Directors must be kept at the office of the company's registered agent. If a copy then please notify the registered agent in writing of the physical address of the original.
- (2) The initial copy of the Register of Directors shall be filed for registration by the Registrar within 21 days of the appointment of first directors. Any subsequent changes in the Register will also need to be filed within 30 days of any changes occurring.



**REGISTRAR OF CORPORATION**  
**DEPARTMENT OF COMMERCE**  
**CHECK LIST- LIMITED LIABILITY COMPANY**

Name of Organization LLC: \_\_\_\_\_

Date Received: \_\_\_\_\_ Payment Receipt No.: \_\_\_\_\_

Submitted by: \_\_\_\_\_ Phone No.: \_\_\_\_\_

Picked up by: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

\*\*\*\*\*

**ARTICLES OF ORGANIZATION:**

1. Original and one copy
2. \$150.00 Articles of Organization, \$50.00 Operating Agreement, \$50.00 Consent for the Registered Agent: Filing Fee Payable to CNMI Treasury

\*The name of the company. Name of LLC must contain "limited liability company" or "limited company" or the abbreviation "L.L.C.", "LLC" "L.C." or "LC";

3. The physical location and mailing address of the initial designated office;
4. Name and street address of initial agent for service of process & the consent form.
5. The name and address of each organizer;
6. If a company desires to elect to be a term company it must include a statement indicating such and the term specified (NOTE: if no such election is made, default provisions of the Act will apply and LLC will be at-will);
7. If a company desires to elect to be manager-managed must include a statement to that effect and state the name and address of each initial manager (NOTE: if no such election is made, default provisions of the Act will apply and LLC will be member-managed); and
8. If members so desire to be personally liable for debts of LLC, must have a provision that one or more of the members of the company are to be liable for its debts and obligations under Section 303(c) of the Act (NOTE: if no such election is made, default provisions of the Act will apply and LLC will be liable for debts).
9. Articles must be signed in the name of the company by a (1) manager of a manager-managed company; (2) member of a member-managed company; (3) person organizing the company if the company has not been formed; or (4) fiduciary, if the company is in the hands of a receiver, trustee, or other court-appointed fiduciary. The name and capacity of the signer must be indicated.





**Department of Commerce**  
**Office of the Registrar of Corporation**  
 COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
 P.O. Box 5795 CHRB, Saipan, MP 96950 Tel: (670) 664-8024  
 Email: registrar.reyes@commerce.gov.mp



## MEMORANDUM

**TO** : CNMI Treasurer

Date: 01/17/2025

**FROM** : Registrar of Corporation

Submitted By: Howyo Chi

Tel. No.: 670-2851832

**RE** : **Payment of Document(s)**

Receipt No.: 006508-0006

The marked box(es) below indicates the required payment(s) for the filling of corporation documents, service and copying fee for:

1. TEAM KING INVESTMENT (CNMI), LLC
2. \_\_\_\_\_
3. \_\_\_\_\_


- |            |   |
|------------|---|
| CD 048 / ✓ | \$112.50 Articles of Organization (LLC) ✓   |
| CD 049 / / | \$112.50 Articles of Incorporation  |
| CD 050 / / | \$187.50 Application for Reinstatement following Administrative Dissolution   |
| CD 051 / / | \$187.50 Application for Certificate of Authority for Foreign Corporation   |
| CD 052 / / | \$37.50 Application for Amended Certificate of Authority for Foreign Corporation  |
| CD 053 / / | \$22.50 Non-Profit Corporation (Petition, Charter & Bylaws)   |
| CD 054 / / | \$75 Registration of Partnership  |
| CD 055 / / | \$75 Amended Articles of Organization   |
| CD 056 / / | \$75 Amended Articles of Incorporation  |
| CD 057 / / | \$75 Restated Articles of Incorporation   |
| CD 058 / / | \$37.50 Articles of Dissolution/Termination   |
| CD 059 / / | \$75 Articles of Merger or Share Exchange   |
| CD 060 / / | \$37.50 Articles of Revocation of Dissolution   |
| CD 061 / ✓ | \$75 Annual & Initial Corporation Report Year ✓   |
| CD 062 / / | \$37.50 Application for Certificate of Withdrawal   |
| CD 063 / / | \$18.75 Articles of Correction  |
| CD 064 / / | \$150 Service of Process served on the Registrar of Corporations  |
| CD 065 / ✓ | \$37.50 Any other document required or permitted to be filed such as bylaws, affidavit, minutes, resolution, Amendment annual report & amendment by-laws, <u>operating agreement</u> , resignation as officer or director ✓ |
| CD 066 / / | \$7.50 Non-Profit Initial/Annual Corporation Report, (see notes on second page)   |
| CD 067 / / | \$37.50 Application for Certificate of Existence or Authorization or Good Standing  |
| CD 068 / ✓ | \$37.50 Registered Agent Consent Form ✓   |
| CD 069 / / | \$7.50 Agent's statement of: change of registered office or resignation   |

**RECEIVED**  
 BY: [Signature] DATED 01/21/2025  
 Department of Commerce  
 REGISTRAR OF CORPORATION  
 SAIPAN, CNMI



CD 070 / / \$37.50 Application for Reservation of Name, Notice of Transfer of Reserved Name  
CD 071 / / \$37.50 Application for Registered Name, Application for Renewal of Registered Name  
CD 072 / / \$18.75 Corporation's statement of change of registered agent or registered office or both  
CD 073 / / \$15 For Certificate or Certification of Document;  
CD 074 / / \$0.75 for additional page for copying  
CD 075 / / Annual Subscription for the Commonwealth Register  
CD 076 / / Postage Fee for the Commonwealth Register  
CD 077 / / \$3.75 Per document, i.e., Articles of Inc, Bylaws, Annual Reports (uncertified copies)  
CD 078 / / \$0.75 per copy of each additional attachments  
CD 079 / / \$112.50 Expedited Service fee, business organization document filing (within 1 business day)  
CD 080 / / \$112.50 Expedited Service fee, certified research request, i.e., certification requests of documents (fulfilled within 1 business day);  
CD 081 / / \$112.50 Penalty for documents received after March 1st, i.e., Initial reports, Annual Report and  
CD 082 / / \$7.50 Penalty Per day for Annual Reports received after March 2<sup>nd</sup>  
CD 083 / / \$18.75 Penalty for late filing on Non-Profit Annual Corporation Report  
CD 084 / / \$3.75 Penalty Per day for Non-Profit Annual Reports received after March 2<sup>nd</sup>

**TOTALS: \$ 262.50** **CREDIT ACCOUNT NO:** 1959E-42510 Domestic, LLC, Partnership  
1959E-42520 Foreign  
1959E-42530 Non-Profit

  
**JOHN DAVID A. REYES**  
Registrar of Corporations



Commonwealth of the Northern Mariana  
Islands (CNMI) - MP  
FINANCE - SAIPAN  
Treasury Capital Hill  
Saipan, MP 96950  
Official Cash Receipt

006508-0006 Marcy D. 01/21/2025 08:38AM

**MISCELLANEOUS**

ARTICLES OF ORGANIZATION  
(LLC) (CD048)

2025 Item: CD048

1 @ 112.50 -

ARTICLES OF  
ORGANIZATION (LLC)  
(CD048)

USED.  
112.50

112.50

**MISCELLANEOUS**

ANNUAL & INITIAL  
CORPORATION REPORT FOR:

2025 Item: CD061

1 @ 75.00

ANNUAL & INITIAL  
CORPORATION REPORT FOR:  
(CD061)

USED.  
75.00

75.00

**MISCELLANEOUS**

ANY OTHER DOCUMENT

REQUIRED: BYLAWS, AFF

2025 Item: CD065

1 @ 37.50

ANY OTHER DOCUMENT

REQUIRED: BYLAWS, AFF  
(CD065)

USED.  
37.50

37.50

**MISCELLANEOUS**

REGISTERED AGENT FORM

(CD068) -

2025 Item: CD068

1 @ 37.50

REGISTERED AGENT FORM  
(CD068)

USED.  
37.50

37.50

Subtotal

262.50

Total

262.50

CREDIT CARD

262.50

Visa

3778

Change due

0.00

Paid by: CHI HOWYO

Comments: TEAM KING INVESTMENT (CNMI),  
LLC

Thank you for your payment

CUSTOMER COPY





渡 航 先

This passport is valid for all countries and areas  
unless otherwise endorsed.

旅券 PASSPORT

|        |                     |                   |
|--------|---------------------|-------------------|
| 型/Type | 发行国/Issuing country | 旅客番号/Passport No. |
|--------|---------------------|-------------------|

P JPN

姓/Surname  
KANEKO

多/GIVEN DATE

HIROSHI

国籍/Nationality 生年月日/Date of birth  
JAPAN

## JAPAN

性别/Sex  
M

本 商/Regis  
CHIBA

発行年 月 日 / Date of issue

24 OCT 2017

有效期間満了日/Date of expiry  
31 OCT 2027

24 OCT 2027

CONSULATE-GENERAL OF JAPAN  
IN HONG KONG

所持人自署/Signature of bearer

金子博

[illegible]

&lt;&lt;&lt;&lt;&lt;&lt;&lt;&lt;&lt;&lt;&lt;&lt;04

Kaare Lundin  
金剛

# EXHIBIT K

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**(1) APPOINTMENT OF EXECUTIVE DIRECTOR;  
(2) APPOINTMENT OF AUTHORISED REPRESENTATIVE  
UNDER THE LISTING RULES AND AUTHORISED REPRESENTATIVE  
UNDER THE COMPANIES ORDINANCE;  
(3) APPOINTMENT OF COMPANY SECRETARY;  
AND  
(4) RE-COMPLIANCE WITH RULES 3.05 AND 3.28 OF  
THE LISTING RULES**

The Board announces that with effect from 20 October 2023:

- (i) Mr. Kon Teck Tien has been appointed as an executive Director; and
- (ii) Ms. Tsang Yuk Ting has been appointed as the Company Secretary, an Authorised Representative under the Listing Rules and an Authorised Representative under the Companies Ordinance.

**APPOINTMENT OF EXECUTIVE DIRECTOR**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Imperial Pacific International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that with effect from 20 October 2023, Mr. Kon Teck Tien (“**Mr. Kon**”) has been appointed as an executive Director.

## **Biography of Mr. Kon**

Mr. Kon, aged 35, has a wealth of experience in machinery trading and electrical engineering. Over the past 10 years, he has proven to possess progressive and comprehensive business knowledge. Mr. Kon is familiar with a variety of management functions of an organization including initiating, developing and implementing procedures to improve business performance. Prior to joining the Company, Mr. Kon had managed organisations in Malaysia.

Mr. Kon has entered into a letter of appointment with the Company for a fixed term of one (1) year commencing from 20 October 2023, which is automatically renewable for successive terms of one year upon the expiry of a term. He is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company and the Listing Rules. Mr. Kon will not receive any remuneration from the Company for his appointment as an executive Director.

As at the date of this announcement and save as disclosed above, Mr. Kon has confirmed that he (i) has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not have any relationship with any Director, senior management, substantial shareholders (as defined under the Listing Rules) or controlling shareholders (as defined under the Listing Rules) of the Company; (iii) does not, and is not deemed to have any interests in the shares or underlying shares of the Company or any of its associated corporations (within the meaning under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, “**SFO**”); and (iv) does not hold any other positions in the Company or any member of the Group.

As at the date of this announcement and save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and there are no other matters relating to the appointment of Mr. Kon that needs to be brought to the attention of the Shareholders and/or the Stock Exchange.



## **APPOINTMENT OF COMPANY SECRETARY**

The Board further announces that with effect from 20 October 2023, Ms. Tsang Yuk Ting (“**Ms Tsang**”) has been appointed as the Company Secretary of the Company, an authorised representative under Rule 3.05 of the Listing Rules and an authorised representative under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Ms. Tsang Yuk Ting obtained her Bachelor’s degree in Laws from and attended the Postgraduate Certificate in Laws programme at the Chinese University of Hong Kong, and was admitted as a solicitor in Hong Kong in 2015. Ms. Tsang focuses on corporate and commercial affairs, including corporate finance for listed companies, mergers and acquisitions, licensing and/or compliance matters regarding the Securities and Futures Commission of Hong Kong, etc. Ms. Tsang also provides legal advice on regulatory compliance matters for companies listed on the Stock Exchange and corporation licensed to carry out regulated activities under the SFO, as well as on the corporate affairs and commercial transactions in general. In 2022, Mr. Tsang successfully passed the Greater Bay Area Legal Professional Examination.

The Board would like to take this opportunity to welcome Mr. Kon and Ms. Tsang in joining the Company.

## **RE-COMPLIANCE WITH RULES 3.05 AND 3.28 OF THE LISTING RULES**

With reference to the announcement of the Company dated 7 February 2023, and following the above-mentioned appointments with effect from the date of this announcement, the Company is in compliance with the relevant requirements under Rules 3.05 and 3.28 of the Listing Rules.

## **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**  
**Kon Teck Tien**  
*Executive Director*

Hong Kong, 20 October 2023

*As at the date of this announcement, the Board comprises Mr. Kon Teck Tien, Mr. Xu Zhongxiang and Mr. Chen Feng as executive Directors and Mr. Robert James Woolsey, Mr. Lum Pak Sum, Dr. Chew Chee Wah and Mr. See Lee Seng, Reason as independent non-executive Directors.*

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

# EXHIBIT L

[繁](#) | [简](#)[HOME](#)[ABOUT US](#)[INVESTOR RELATIONS](#)[CONTACT US](#)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Director

Dr. Hiroshi Kaneko

#### Non-executive Directors

Mr. Chung Ho Wai Alan

#### Independent Non-executive Directors

Mr. Huang Zhongquan

Ms. Tang Ying Sum

Ms. Ha Sze Wan

#### Audit Committee

Ms. Ha Sze Wan (Chairman)

Mr. Huang Zhongquan

Ms. Tang Ying Sum

## **Remuneration Committee**

Mr. Huang Zhongquan (Chairman)  
Dr. Hiroshi Kaneko  
Ms. Tang Ying Sum

## **Nomination Committee**

Dr. Hiroshi Kaneko (Chairman)  
Mr. Huang Zhongquan  
Ms. Ha Sze Wan

## **COMPANY SECRETARY**

Mr. Tsang King Sun

## **AUDITOR**

PKF Hong Kong Limited

## **REGISTERED OFFICE**

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Room 1104, 11/F, Kai Tak Commercial Building  
66-72 Stanley Street, Central  
Hong Kong

## **PRINCIPAL REGISTRAR (IN BERMUDA)**

Cohort Limited

3rd Floor, Sofia House, 48 Church Street, Hamilton HM 12, Bermuda

## **BRANCH REGISTRAR (IN HONG KONG)**

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square

338 King's Road

North Point, Hong Kong

## **Stock Code**

627

## **ABOUT US**

Corporate Information

## **INVESTOR RELATIONS**

Announcements

Circulars

Financial Statements/ESG Information

Corporate Governance

Constitutional Documents

Press Releases

Notices (Replacement of Lost Share Certificates)

## **CONTACT US**

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# EXHIBIT M

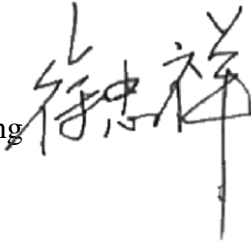
- 2) The MOU takes effect when both Parties have signed it.
- 3) All other issues will be settled by Parties under the spirit of cooperation and mutual benefit.

(End of MOU)

(Signature Page)

Representative of Party A

Xu Zhongxiang



Representative of Party B



Witnessed By:



Witnessed By:



Kaare Lundin  
金塔

# EXHIBIT N

Law Office of Louie J. Yanza  
A Professional Corporation

MVP Building  
862 South Marine Corps Drive,  
Suite 203 Tamuning, Guam 96913  
Telephone: (671) 477-7059  
Facsimile: (671) 472-5487

Louie J. Yanza  
lyanza@jurisguam.com

George Neil P. Valdes  
gvaldes@jurisguam.com  
Associate\*

---

February 20, 2025

Chuck Choi  
**CHOI & ITO ATTORNEYS AT LAW**  
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E-Mail: [cchoi@hibklaw.com](mailto:cchoi@hibklaw.com)

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**MCDONALD LAW OFFICE**  
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Gualo Rai, Saipan, MP 96950  
E-Mail: [charles@mcdonald.law](mailto:charles@mcdonald.law)

Aram Ordubegian  
Christopher K.S. Wong  
**ARENTFOX SCHIFF LLP**  
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Los Angeles, CA 90071  
E-Mail: [aram.ordubegian@afslaw.com](mailto:aram.ordubegian@afslaw.com)  
E-Mail: [christopher.wong@afslaw.com](mailto:christopher.wong@afslaw.com)

Keith Chambers II (F0528)  
**CHAMBERS LAW LLC**  
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PMB 919 Box 10000  
Saipan, MP 96950  
E-Mail: [keith.chambers@chamberslawcnmi.com](mailto:keith.chambers@chamberslawcnmi.com)

Carl Comstock  
**INTREPID INVESTMENT BANKERS, LLC**  
11755 Wilshire Boulevard, 22<sup>nd</sup> Floor  
Los Angeles, CA 90025  
E-Mail: [CComstock@intrepidib.com](mailto:CComstock@intrepidib.com)

**Re: In re Imperial Pacific International LLC (CNMI) Bankruptcy Case No. BK24-00002 Auction of Debtor's Assets**



Team King  
February 20, 2025  
Page 2 of 3

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Dear Counsels:

This office represents Team King Investment, (CNMI) LLC ("Team King") in the above-referenced matter.

Team King is a Prospective Bidder for the February 21, 2025 Bid Deadline, as set forth in the Stipulation of Debtor and Official Committee of General Unsecured Creditors, (A) to establish bidding procedures for the sale of the assets of the Debtor, (B) to designate a stocking horse bidder, (C) to schedule an auction and a sale hearing, (D) to establish assumption and assignment procedures ("Stipulation").

Team King's principal is Mr. Hiroshi Kaneko. Team King and Mr. Kaneko do not have any past or present connections or agreements with the Debtor, any stocking horse bidder, any other non-prospective bidder or qualified bidder, LOI LAM SIT ("Dip Lender"), or any officer or director of the Debtor.

Team King and Mr. Kaneko is not engaged in any collusion in respect to the upcoming auction or the submission of any bid or any of the assets, and that its bid at the auction is binding, good-faith, and a bonafide offer to purchase the assets identified in such bids.

Team King issues the following bid of twelve million five hundred thousand dollars (\$12,500,000.00) in cash with an overbid of four hundred fifty thousand dollars (\$450,000.00) for a total of twelve million nine hundred fifty thousand (\$12,950,000.00) dollars. Team King has placed a good faith deposit with Security Title, Inc. Enclosed hereto is the escrow deposit receipt.

Enclosed is the Amended Asset Purchase Agreement with our redline changes memorializing Team King's bid.

Team King is financially capable of consummating the sale transaction. Mr. Kaneko is the principal shareholder of City East Investments Limited. Enclosed are true and correct copies of the following:

- City East Investments Limited Certificate of Incumbency.
- City East Investments Limited Register of Members.
- City East Investments Limited Bank Statement that reflects the Hong Kong dollars in the accounts.

City East Investments Limited's monies will be used to fund the purchase of the Debtor's Assets.



Team King  
February 20, 2025  
Page 3 of 3

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Team King was formed for the purpose of effecting the proposed sale transaction. Team King's sole member is Team King Investment Limited owned by Mr. Kaneko. Enclosed are true and correct copies of the following documents memorializing Team King as an existing LLC organized under CNMI Law:

- Team King's Articles of Organization.
- Team King's Appointment as Registered Agent Letter.
- Team King's Certificate of Organization.
- Team King's Business License.
- Team King's 2025 CNMI Annual LLC Report Letter.
- Team King's Tax Identification Number.
- Team King's Minutes of Special Meeting.

I also attach the company's minutes reflecting approval by the equity holders.

For the purposes of qualifying, Team King and its principal, Mr. Kaneko, agrees to the conditions set forth in the Stipulation.

Should you have further questions, please feel free to call.

Very truly yours,



Louie J. Yanza

Enclosures

Cc: Team King Investment (CNMI), LLC  
Michael N. Evangelista

# EXHIBIT O



John Brendan Layde &lt;brendan.layde@gov.mp&gt;

---

**Fwd: Team King bank statement Risona Bank**

---

**Rebecca Wiggins** <rebecca\_wiggins@cnmioag.org>  
To: John Brendan Layde <brendan.layde@gov.mp>

Mon, Mar 10, 2025 at 4:00 PM

----- Forwarded message -----

From: **Louie Yanza** <lyanza@jurisguam.com>  
Date: Fri, Mar 7, 2025, 12:42 PM  
Subject: Team King bank statement Risona Bank  
To: Rebecca Wiggins <rebecca\_wiggins@cnmioag.org>  
Cc: Mike N. Evangelista <mnevangelista8@gmail.com>

Hi Rebecca,

We are forwarding you a Risona Bank Statement reflecting 3,539,386,692 Japanese Yen in the account. Converted to USD is \$23,951,029.75. This is another company bank account owned by Mr. Hiroshi Kaneko.

We will be compiling all the documents in the checklist but I thought I forward this as proof of further assurances that Team King has the ability to move forward and complete the project.

Louie J. Yanza

**LAW OFFICE OF LOUIE J. YANZA**

A Professional Corporation

MVP Building

862 South Marine Corps Drive, Suite 203

Tamuning, Guam 96910

Telephone No.: (671) 477-7059

Facsimile No.: (671) 472-5487

E-mail: [lyanza@jurisguam.com](mailto:lyanza@jurisguam.com)

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共生バンク：残高証明書20250225.pdf

204K

# 残高証明書

102-0084

東京都 千代田区  
二番町 12-3

共生バンク株式会社 御中



令和 07 年 02 月 25 日現在



貴名義下記勘定の残高を証明いたします。

発行種類：預金

| 科 目     | 口座番号   | 金 額             | 備考（交換未呈示他店券等） |
|---------|--------|-----------------|---------------|
| 普 通 預 金 | ██████ | ¥3,539,386,693* |               |
|         |        | 以下余白            |               |
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令和 07 年 02 月 28 日

株式会社 **りそな銀行**

麻

布

支店



(金額訂正いたしません)

Balance Certificate

12-3 Nibanchou  
Chiyoda, Tokyo 102-0084

Dear Kyosei Bank Co., Ltd

M.Tani

As of February 25, Reiwa 07 (2025)

S.Ueda

We certify your account balance as follows.

Issue Category: Account Deposit

| Account         | Account number | Amount                             | Notes (Unsettled or other branch bills, etc) |
|-----------------|----------------|------------------------------------|--|
| Savings Account |                | JPY3,539,386,693.-                 |  |
|                 |                | Remainder intentionally left blank |  |
|                 |                |                                    |  |
|                 |                |                                    |  |
|                 |                |                                    |  |

February 28, Reiwa 07 (2025)

Resona Bank, Limited Azabu Branch

(Amounts are not to be corrected.)

Resona Bank,  
17 Limited 17  
Tokyo Support  
Office

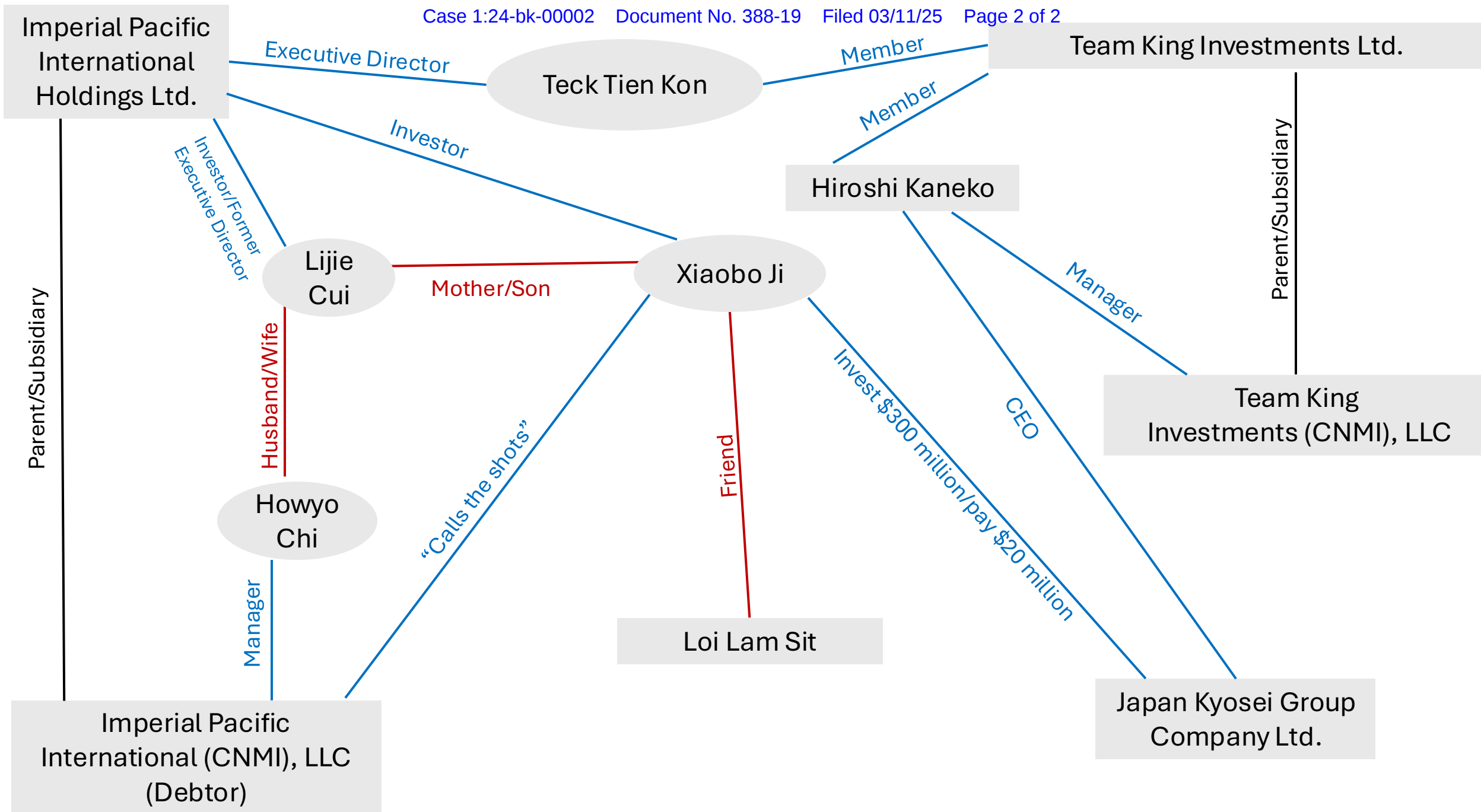


Certified to be a true and correct translation of the attached document.

Akiko Kamegai and Brendan Layde

Executed on Saipan, CNMI, March 11, 2025.

# EXHIBIT P



# EXHIBIT Q

**FILED**  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
*Department of Commerce*  
DATE: 5/1/14 TIME: 2:00 AM/PM  
Maria O. De La  
REGISTRAR OF CORPORATION

**IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC**  
**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**  
**P. O. Box 5194 CHRB, Saipan MP 96950**

**AMENDED OPERATING AGREEMENT**

**ARTICLE I**  
**NAME OF COMPANY**

The name of the Limited Liability Company herein shall be as follows: IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC (hereafter "Company").

**ARTICLE II**  
**PURPOSES, POWERS AND RESTRICTIONS**

The purpose of this Company is to engage and conduct any business duly authorized by law and/or from time to time as authorized or approved by the Board of Directors of this Company to engage in all businesses as stated under the Company's Articles of Organization.

**ARTICLE III**  
**DESIGNATED OFFICE, AGENT FOR SERVICE OF PROCESS**  
**AND COMPANY ORGANIZER**

**Article III 01: Designated Office for Service of Process**

The designated office of the Company and principal place of business is:

Puerto Rico, Chalan Pale Arnold  
Saipan, Northern Mariana Islands  
P.O. Box 5194 CHRB, Saipan, MP 96950

**Article III 02: Company Organizer & Designated Agent for Service of Process**

The Company's organizer is:

**BEST SUNSHINE INTERNATIONAL LIMITED**

The Company's designated agent, a domestic corporation, and street address is:

Hector Venus  
P.O. Box 5541 CHRB  
Saipan, MP 96950

## **ARTICLE IV TERM COMPANY**

### **Article IV 01: Term of the Company**

The Corporation's existence shall be perpetual beginning from the date the Articles of Organization is filed with the CNMI Registrar of Corporations.

### **Article IV 02: Dissolution of the Company**

In the event of dissolution of the Company, the Board of Directors shall, after paying and making provisions for the payment of all liabilities, obligations, liquidate the Company's assets, if any, and distribute the funds to the Members according to the percentage of shares possessed by each Member and to the laws of the CNMI.

### **Article IV 03: Continuation of Term Before Expiration of Specified Term With Member Action**

Before the term of the Company expires, the Company may extend or alter the Company's term of existence upon simply majority of the Members. Should the Members vote, by simple majority, to extend or alter the Company's term of existence, then the Board of Directors must execute all necessary documents and procedures to ensure the Company's continued term according to the laws of the CNMI.

### **Article IV 04: Continuation of Term After Expiration of Specified Term Without Member Action**

In the event that the Company continues after the expiration of the specified term, without any action taken by its Members, the rights and duties of the members and managers remain the same as they were at the expiration of the term except to the extent inconsistent with rights and duties of members and managers of an at-will company. In the event that the Managers of the Company continue the business without any winding up of the Company, then the Company continues as an at-will company.

### **Article IV 05: Continuation of Company after Termination of a Member**

The death, resignation, expulsion, bankruptcy, retirement of a Member or the occurrence of any other event that terminates the continued membership of a Member of the Company does not immediately terminate the Company. In the event of a Member's death, resignation, expulsion, bankruptcy, retirement or any other event that terminates a Member's membership, the remaining Members shall have the right to continue the business of the Company if the right is exercised by unanimous vote of the remaining Members within a reasonable time after the occurrence of the event described above in this provision.



**ARTICLE V**  
**VOTING, SHARES AND DISTRIBUTIONS**

**Article V 01: Votes Per Member**

Voting of the Company will be represented by each share held by an individual member of the company. ONE SHARE EQUALS ONE VOTE.

**Article V 02: Shares of the Company**

The authorized share of the Company is One Hundred (100) at One Dollar (\$1.00) per share for a total amount of One Hundred Dollars (\$100.00). The Members are authorized to vote to increase the numbers of shares of the Company at any time subject to the member's meeting and quorum requirements of this Operating Agreement.

Accordingly, the initial Member is Best Sunshine International Limited that has the 100% share of the company.

**Article V 03: Additional Rights of A Member per Number of Shares**

A member who owns more than 10% of the total shares of the Company shall have the right to request a general membership vote on any issue at the annual Company shareholder meeting.

**Article V 04: Distributions of Profits and Losses**

The Members shall determine and distribute available funds annually or at more frequent intervals as they fit. Available funds, as referenced to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Board of Directors. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the laws of the CNMI. To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset as permitted by the laws of the CNMI. For financial accounting and tax purposes the Company's net profits or net losses shall be determined on annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company and in accordance with the laws of the CNMI.

**ARTICLE VI**  
**MEMBER MEETINGS**

**Article VI 01: Place of Meeting.**

All meetings of the members shall be held at the principal office of the Company in Saipan, Commonwealth of the Northern Mariana Islands, or elsewhere as may be determined by the Board of Directors.

**Article VI 02: Regular Annual Meetings.**

The regular annual meeting of the members will be held on the first day of July every year, and if a legal holiday, then, on the next succeeding business day.

**Article VI 03: Purpose of the Annual Meeting.**

The regular annual meeting of the Members shall be for the purpose of electing managers (Directors) and for the transaction of any other business as may be placed on the agenda. Submission items to the agenda can only be submitted by Members possessing more than 10% of the shares outstanding.

**Article VI 04: Special Meetings.**

Special meetings of the Members may be called at any time for any purpose or purposes whatsoever by the Board of Directors or by a Member holding not less than one-fourth (1/4) of all the shares outstanding, or by the Registrar of Corporations.

**Article VI 05: Notice, Entry of Service of Notice and Consent for Members Meeting.**

Notice of the annual or a special meeting shall be given to Member in writing either by personally serving the Member or by sending a copy through the mail to the address of each Member as registered with the Company or as provided by the Member for the purpose of notice. Notice shall be served not less than five (5) or more than fifty (50) days before the date of the meeting. Notice of any meeting need not be issued to any Member who submits a signed waiver of notice before or after any meeting. The fact of the notice to each Member shall be entered in the minutes of the proceedings of the Members and if read and approved at a subsequent meeting of the Members shall be exclusive on the questions of notice. The Members may at any meeting, however called or noticed, sign written consent thereto which shall be entered into the minutes of the proceedings and such entry shall render the proceedings valid irrespective of the manner in which the meeting was called.

**Article VI 06: Notice Requirements**

Notice of each Member meeting must be in writing and state whether the meeting is annual or special, the time and place where the meeting will be held; written notice includes, but is not limited to, electronic mail (email) and facsimile. Notice of a special meeting must state the purpose or purposes for which the meeting is called, and shall indicate that is being issued by, or at the direction of, the person or persons calling the special meeting. If, at any meeting, action is proposed to be taken that would, if taken, entitle Members to receive payment for their shares, the notice of the meeting shall include a statement of that purpose and to that effect.



**Article VI 07: Quorum**

Quorum for any Member meeting is a simple majority of the total number of shares issued and entitled to vote. The withdrawal of any Member after commencement of a meeting shall have no effect on the existence of a quorum after a quorum has been established.

**Article VI 08: Presiding Officer**

Chairman of the Board of the Directors which is also the President shall preside at the Member meetings, shall call any meeting to order and shall act as recorder and in his or her absence, the presiding officer may appoint any person to act as Secretary.

**Article VI 09: Proxy voting and voting rights**

Proxy votes shall be allowed for each vote.

**Article VI 10: Members Acting Without A Meeting**

Any action, which may be taken at a meeting of the Members, may be valid without a meeting for such purpose, if (1) a Memorandum specifically stating the action is signed and ratified by a simple majority of the total number of shares issued and entitled to vote, and (2) filed with the Secretary of the Company. Any resolution in writing, signed by the requisite Members entitled to vote shall constitute action by the Members to the effect, with the same force and effect as if the same had been duly passed by the requisite vote at a duly called meeting of Members and such resolution so signed shall be inserted in the Minute book of the Company under its proper date.

**Article VI 11: Special Member Rights**

Members possess the special rights to sell or transfer the Company's interest upon recommendation by the Board of Directors and in accordance with the laws of the CNMI; any action by a Member to sell or transfer the Company's interest must be by unanimous vote of the total Members.

**ARTICLE VII  
MANAGEMENT-DIRECTORS**

**Article VII 01: Powers & Duties of The Managers-Directors**

The Company powers, business and affairs of the Company shall be controlled by the Managers of the Company, called the Board of Directors. The Board of Directors shall have the powers customarily and usually held and performed by like directors of a company similar in organization and business purposes to this Company as a manager-managed limited liability company. The Board of Directors has the power to implement policy and corporate direction for the Company; the Board of Directors is responsible for the control and management

of the affairs, property, and interest of the Company and may exercise all powers of the Company, except as expressly conferred upon or reserved by the Members. The duties of the Board of Directors of the Company shall be to attend to the day to day operations, business and affairs of the Company. The Board of Directors are to report to the Members annually, at the Members Annual Meeting, as to the status of the business and its financial standing.

**Article VII 02: Appointment of the Managers-Directors**

Any Member may appoint a person to be on the Board of Director and appointment must be confirmed by a simple majority of the Members. The Board of Directors shall appoint a Chairman, President, Secretary and Treasurer to conduct the day to day business, affairs and operations of the Company; the Chairman may also be the Secretary and the President may also be the Treasurer.

**Article VII 03: Chairman**

The Chairman, also a Board of Director, and is the Chief Executive Officer of the Company are subject to the control of the Members. The Chairman shall have general supervision, direction and control of the business and employees of the Company. The Chairman presides at all meetings of the Members and Board of Directors; the Chairman shall be an ex-officio member of all standing committees and shall have the general powers and duties of management usually vested in its office.

**Article VII 04: President**

The President, also a Board of Director, shall perform all duties of the Chairman; when so acting, the President shall have all the powers thereof subjected to all restrictions of the President. The President shall have other powers and duties as prescribed by the Board of Directors. The President shall have the authority to open any position and name such position to assist in the daily business operation of the Company.

**Article VII 05: Secretary**

The Secretary shall give, or cause to be given, notice of all meetings of the Member and Board of Directors, and shall keep the seal of the Company in safe custody, and shall have other powers and perform other duties as prescribed by the Board of Directors. The Secretary shall keep, or cause to be kept:

- (a) Book of Minutes at the principle office or such other place as the Board of Directors may order, of all meetings of the Members and Board of Directors. The book of minutes must at minimum include: (1) the time and place of the meetings, (2) whether the meeting was regular or special, if special state how it was authorized and the notices given, (3) the names and numbers of shares present or represented at the Members meetings, and (4) the proceedings of the meetings.



(b) Share Register at the Company's principle place of business. The share register must at minimum include: (1) the name and address of each Member, (2) the number and classes of shares held by each Member, (3) the number and date of certificates issued for each Member, and (4) the number and date of cancellation of every certificate surrendered for cancellation.

**Article VII 06: Treasurer**

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursement, gains, losses, capita, and surplus of the Company; any paid-in-capital shall be classified according to source and showing in a separate account. The books of account shall be open to inspection by any Director at reasonable times. The Treasurer shall deposit all monies and other valuables that belong to the Company in the name of the Company. The Treasurer shall disburse the funds of the Company as ordered by the Board of Directors and shall render to the Board of Directors and the President upon request an account of all transactions and of the financial condition of the Company. The Treasurer shall have such other powers and perform other duties as prescribed by the Board of Directors.

**Article VII 07: Management Fee**

Any Manager rendering services to the Company shall be entitled to compensation commensurate with the value of such services

**Article VII 08: Election of Board of Directors**

The election of the Board of Directors shall take place at the regular annual Member meeting for the Company. A quorum must be established in order for the election to take place. Members with more than 20% ownership of the outstanding shares of the Company will have an automatic seat on the board, no election is necessary.

**Article VII 09: Composition of the Board of Directors**

The initial member of the Board of Director is CAI, LINGLI.

**Article VII 10: Terms of Office and Vacancies for Directors**

Terms for Board of Directors shall be for three (3) years. However, if no meeting is held to elect new Board of Directors, then the existing Board of Directors will automatically have a year term. Elected members of Board of Directors do not have term limits. Directors may be re-elected for as many as warranted by the Members.

**Article VII 11: Vacancies for Directors**

Vacancies will be deemed to exist upon: (1) a Directors failure to attend two consecutive Board of Directors meeting within a fiscal year and his or her non attendance is listed in the roll call minutes, (2) death of a Director, (3) receipt by the Board of a Director's resignation and which acceptance of such resignation is unnecessary to make the resignation effective, (4) removal of a Director as provided by the Civil Code of the Commonwealth of the Northern Mariana Islands, (5) upon a court issued judgment that a Director has been convicted of fraud or embezzlement from the Company or breach of a fiduciary duty owed to the Company, or (6) at any time the Members fail to elect a full number of authorized Directors. The vacancy may be filled at the discretion of the President of the Board of Directors; the vacancy is filled only for the remaining term left by the vacancy. The Members may at any time elect a Director to fill any vacancy.

**Article VII 12: Quorum**

Quorum for any Board of Director meeting will be established only if the Chairman of the Board of Directors is present and a simple majority of the members of the Board of Directors is also present. A Director is present if he or she is physically at the meeting or is able to participate in the meeting via telephonically or through a broadcast system such as an online camera; a Director who attends a meeting telephonically or through a broadcast system, for quorum purposes, is sufficient if and only if said Director can hear and be heard by the Directors who are physically present at the meeting place.

**Article VII 13: Proxy voting and voting rights**

Proxy voting is permitted for any Board of Director.

**Article VII 14: Presiding Officer**

The President shall call any meeting to order and shall act as recorder and in his or her absence, the presiding officer may appoint any person to act as Secretary.

**Article VII 15: Manner of Acting**

At all Board of Directors meeting, each Director present will have one vote, irrespective of the number of shares a Director holds, if any. The action of a majority of the Directors present at any meeting at which quorum is present shall be the act of the Board.

**Article VII 16: The Board Acting Without A Meeting**

Any action, which may be taken at a meeting of the Board, may be valid without a meeting for such purpose, if (1) a Memorandum specifically stating the action is signed and ratified by a simple majority of the Board, and (2) filed with the minutes of the Company. Any Memorandum in writing, signed by the requisite number of Members shall constitute action by the Board to the effect, with the same force and effect as if the same had been duly passed by the requisite vote at a



duly called meeting of the Board and such resolution so signed shall be inserted in the Minute book of the Company under its proper date.

**Article VII 17: Conflict Of Interest**

(a) No contract or other transaction between this Company and any other entity shall be impaired, affected, or invalidated because a Director of this Company is also a Director, or expresses interest in, the other entity – provided that such fact is disclosed or made known to this Company. Nor shall any Director be liable in any way, by reason of the fact that one of the Directors of this Company is a Director of the other entity – provided that such fact is disclosed or made known to this Company's Board of Directors.

(b) Any Director, personally and individually, may be a party to or may possess interest in any contract or transaction of this Company, and no Director shall be liable in any way by reason of such interest, provided that the fact of such interest is disclosed or made known to the contract or transaction.

**ARTICLE VIII  
RECORDS AND REPORTS**

**Article VIII 01: Books and Records**

The Company shall keep correct and complete books and records of all Company related monetary accounts and related expenses. The Company shall also keep minutes of the proceedings of its Members and Board of Directors, and shall keep at its registered office, a record of its Members and the number and class of the shares held by each.

**Article VIII 02: Inspection**

All books and records required by the laws of the Commonwealth of the Northern Mariana Islands, shall be open to the inspection by the Members, Board of Directors from time to time and in the manner prescribed in said laws.

**Article VIII 03: Annual Report**

The President shall prepare and distribute to the Members an annual report detailing the conduct of the business for the prior calendar year for the Company. The annual report shall contain a summary of all business goals set forth by the Board of Directors and the status of those goals. In addition, the annual report shall contain a detailed breakdown of the financial health of the Company in the form of Financial Statements. The annual report shall be distributed not later than ninety (90) days after the close of the calendar year. The President and another Board Member shall certify the annual report and financial statements contained in the report. Upon written request to the Directors by any Member holding not less than one-fourth (1/4) of all outstanding shares of the Company,

the Directors shall cause any such financial statement to be audited by a certified public accountant.

## **ARTICLE IX ISSUANCE AND TRANSFER OF SHARES**

### **Article IX 01: Consideration and Repayment**

Subscription to any share shall be paid in full unless otherwise authorized by the Directors of the Company and shall be paid in lawful money. In kind consideration for shares are allowed by this Operating Agreement and Articles of Organization of the Company. When payment or in kind consideration of the advertisement for which shares are to be issued has been received by the Company, the shares shall be deemed to be fully paid and non-assessable.

### **Article IX 02: Transfer of Share & Rights of First Refusal**

In the event that any Member decides to sell or transfer for value all or any portion of their shares in the Company, the Company and Members shall have rights of first refusal.

### **Article IX 03: Reliance on the Records**

The Company shall be entitled to recognize the exclusive right of the person registered on its books as the owner of shares to receive dividends, and to vote as an owner. Registered Members only shall be entitled to be treated by the Company as the holders in fact of the stock standing in their respective names. The Company shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person whether or not it shall have express or other notice therefore, except as expressly provided by the laws of the CNMI.

### **Article IX 04: Disposition of Shares**

The Directors may, subject to law, sell, exchange and or dispose of the shares of the Company, in such amounts, and at such times as shall be determined by the said Directors pursuant to the provisions of the Articles of Organization. The Directors may also accept in full or in partial payment therefore, such property, services or other consideration at such valuations as the Directors may determine.

### **Article IX 05: Rules and Regulations**

The Directors upon a majority vote may make such rules and regulations, as they may deem expedient considering the issues of the Company in accordance with and under such restrictions and conditions as may be imposed by the laws of the Commonwealth of the Northern Mariana Islands.



**Article IX 06: Record Date**

The Board of Directors will fix in advance the record date. The Record date may not exceed 50 days nor be less than 10 days, from the date of any meeting of the Members and in which meeting the purpose is to determine receive of payment of any dividend, allotment of any rights or any such purpose.

**ARTICLE X  
AMENDMENT**

The Operating Agreement may be amended, repealed or altered, in whole or in part by the Board of Directors, pursuant to the same provisions as are contained in the Articles of Organization, so long as (1) the present composition of the Company remains, and (2) the amendment, repeal or alteration is not in violation of the laws the CNMI. At such time as additional Members join the Company, the Directors may not make or alter any operating agreement the Directors qualifications, classifications, terms of office or compensation. At such time as additional Members are added to the Company, they may, by unanimous vote, make, altar and repeal the operating agreement made or altered by the Directors.

**ARTICLE XI  
INDEMNITY**

**Article XI 01: Indemnification**

Any person made a party to any action, suit or proceeding, by reason of the fact that he or she, testator thereof, or interstate representative is or was a Member, Director, Officer or employee of the Company, or of any Company in which he or she served as much at the request of the company shall be indemnified by the Company against reasonable expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein that such Member, Director, Officer, or employee is held liable for negligence or misconduct in the performance of his or her duties.

**Article XI 02: Nonexclusive**

The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any Member, Director, Officer or employee may be entitled apart from the provisions of this Article.

**Article XI 03: Amount of Indemnity**

The amount of indemnity to which any Member, Director, Officer or employee may be entitled shall be fixed by the Board of Directors, except that in any case where there is no disinterested majority of the available, the amount shall be fixed by arbitration pursuant to the then existing rules of the American Arbitration Association.

**ARTICLE XII  
LAW TO GOVERN AGREEMENT**

It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of the Northern Mariana Islands. Any action or claim arising out this Agreement shall be filed in the CNMI Superior Court, and the prevailing party shall be entitled to recover its costs and expenses including, without limitation, reasonable attorney's fees, in connection with such action, including any appeal of such action.

**ARTICLE XIII  
ADOPTION**

IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC., hereby certifies, by and through its authorized representative, Cai, Lingli, that the above have been initially adopted by unanimous vote of the Board of Directors of and by Members subscriptions below accept and acknowledge the same.

  
\_\_\_\_\_  
CAI, LINGLI  
Authorized Representative

4/28/2014  
\_\_\_\_\_  
Date

# EXHIBIT Q-2



[Space above for use by Commonwealth Registrar of Corporations]

## IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC

A Commonwealth of the Northern Mariana Islands Limited Liability Company

### ACTION AND CONSENT OF MEMBER WITHOUT MEETING

The undersigned, constituting the director of the sole member of **Imperial Pacific International (CNMI), LLC** (the "Company"), a Commonwealth of the Northern Mariana Islands limited liability company, pursuant to 4 CMC § 4854(d) and the Company's Operating Agreement permitting action to be taken without a meeting, do hereby take and consent to the following action without a formal meeting:

**RESOLVED THAT**, the resignation of the Manager (Director) of the Company, Mr. Zheng, Dongting be and is hereby accepted and approved;

**RESOLVED THAT**, Mr. Chi, How-Yo (US Passport# 550669021) be and is hereby appointed as a Manager/Director of the Company; and

**RESOLVED THAT**, Mr. Chi, How-Yo is hereby vested with all powers and authority of a Manager/Director as provided by the Company's Operating Agreement.

**RESOLVED THAT**, This authorization shall be in effect until otherwise terminated by the Board of Directors of Imperial Pacific Holdings Limited in writing and filed with the Commonwealth Corporate Registrar in Saipan, MP, CNMI.

Zheng, Dongting  
Manager/Director  
Imperial Pacific International (CNMI), LLC  
Date: 29th September 2023



# EXHIBIT Q-3



**BVI FINANCIAL SERVICES COMMISSION**

**LIST OF DIRECTORS**

Company No. : 1817378  
Company Name : BEST SUNSHINE INTERNATIONAL LIMITED  
Foreign Character Name : 佳曦國際有限公司

Filing Date : 26/02/2019

**INDIVIDUAL DIRECTORS**

| <b>S/No.</b> | <b>Name</b> | <b>Director Type</b> |
|--------------|-------------|----------------------|
| 1            | Yuki Yu Xia | Director             |



# EXHIBIT Q-4

**FILED**  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
*Department of Commerce*  
DATE: 2/28/22 TIME: 11:45 AM/PM  
**REGISTRAR OF CORPORATION**

## ANNUAL LIMITED LIABILITY COMPANY ("LLC") REPORT

FILING FEE \$100

FILE ORIGINAL AND TWO COPY

FILING: THE INITIAL REPORT MUST BE FILED WITHIN 60 DAYS OF INCORPORATION  
ANNUAL REPORTS MUST BE FILED ON OR BEFORE MARCH 1ST OF EACH YEAR

FILE WITH: REGISTRAR OF CORPORATIONS  
Department of Commerce  
Capitol Hill, 1<sup>st</sup> Floor-DoorNo: (8)  
Caller Box 10007  
Saipan, MP 96950

INITIAL REPORT \_\_\_\_\_ REPORT FOR THE YEAR 2021Domestic LLC x Foreign LLC \_\_\_\_\_

Name, Address of Designated Office & Telephone No. of LLC  
(Attach map showing location if address is only a P.O. Box)

IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC  
PMB 918 BOX 10000, SAIPAN, MP 96950

State or Country of Organization of LLC:

TELEPHONE: (670) 237-8404 / 286-3183

Address of Principal Office (If Different from Designated Office):

CORPORAL DERENCE ACK ROAD, ORCHID STREET GARAPAN, SAIPAN

Name, Mailing Address & Telephone No. of Agent for Service of Process:  
(Attach map showing location if address is only a P.O. Box)

How Yo Chi  
PMB 918 BOX 10000, SAIPAN, MP 96950

Telephone Number (670) 285-1852

## MANAGERS (IF MANAGER MANAGED):

| <u>NAME</u>                           | <u>NATIONALITY</u> | <u>ADDRESS</u>   |
|---------------------------------------|--------------------|--|
| ZHENG, DONGTING<br>(MANAGER DIRECTOR) | CHINESE            | VESTCOR OFFICE 6, ISA DRIVE,<br>CAPITOL HILL, SAIPAN, MP 96950 |

## MEMBERS (IF MEMBER MANAGED):

BEST SUNSHINE INTERNATIONAL LIMITED

DATE

SIGNATURE

2/28/22
  
Zheng, Dongting, Manager

PRINT NAME & TITLE OF PERSON SIGNING  
(Must be Member of Member-Managed LLC or Manager of Manager-Managed LLC)