

UPDATE ON COMPLETION OF THE PROPOSED DISPOSAL OF THE (I) LAND USE RIGHTS IN RESPECT OF 2 PLOTS OF LAND LOCATED IN THE SHANDONG PROVINCE OF THE PEOPLE'S REPUBLIC OF CHINA AND (II) WONDER STONE HOTEL AND LAND USE RIGHTS IN RESPECT OF THE LAND ON WHICH THE WONDER STONE HOTEL IS SITUATED

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Imperium Crown Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its announcements dated 5 December 2022, 16 January 2023, 20 January 2023, 27 January 2023, 3 February 2023 and 10 March 2023 in respect of the Proposed Disposals and its circular to shareholders dated 12 January 2023 (the "**Circular**") in respect of the Proposed Disposals and the Proposed Diversification.

All capitalised terms used but not defined in this announcement shall have the meanings ascribed to them in the Circular.

2. UPDATE ON COMPLETION OF THE PROPOSED DISPOSALS

Under the terms of the Land Use Rights Re-acquisition Agreement and Asset Transfer Agreement, the completion dates of the Proposed Land Disposal and the Proposed Hotel Disposal were intended to be 27 January 2023 and 28 January 2023 respectively, being the date on which the Land Disposal Condition and the Hotel Disposal Condition was satisfied.

On 3 February 2023, the Company announced that, in view of the Chinese Lunar New Year holidays in the PRC during which the key personnel of Land Purchaser, Shandong Yimeng and Hotel Purchaser were out of the office, Fei County Wonder Stone had agreed with the Land Purchaser and Shandong Yimeng, and Fei County Wonder Stone and Fei County Inzone have agreed with the Hotel Purchaser, to extend the completion dates of the Proposed Land Disposal and the Proposed Hotel Disposal to 28 February 2023.

On 10 March 2023, the Company announced that the local government of Fei County (the "**Local Government**") had informed the Company that the Local Government was waiting for the approval of its bank loan application ("the **Bank Loan Application**") for funds to meet the expenditure of the Local Government. As further information was requested for by the bank, the approval of the Bank Loan Application had been delayed and upon the approval of its Bank Loan Application, the Local Government would transfer the funds needed to complete the Proposed Disposals to the Hotel Purchaser, the Land Purchaser and Shandong Yimeng. Consequently, Fei County Wonder Stone had agreed with the Land Purchaser and Shandong Yimeng, and Fei County Wonder Stone and Fei County Inzone had agreed with the Hotel Purchaser, to further extend the completion dates of the Proposed Land Disposal and the Proposed Hotel Disposal to 8 June 2023.

As the completion of the Proposed Disposals did not take place on 8 June 2023, the Chief Financial Officer of the Group (the "**CFO**") requested for an urgent meeting with the Local Government, subsequently flew to Fei County to meet with the Local Government. In the course of the meeting with the Local Government on 13 June 2023, the Local Government informed the management of the Company (the "**Management**") of the following 2 reasons for the delay in completing the Proposed Disposals:

- (i) The Local Government informed the Company that a group of companies (the “**ED Related Companies**”) related to a PRC-based executive director of the Group (the “**ED**”) had recently filed for voluntary bankruptcy proceedings to the local court of Fei County (the “**Local Court**”). Notwithstanding that the subsidiaries of the Group are not part of the ED Related Companies, the Local Government highlighted that amongst others, it appears that the ED Related Companies and certain subsidiaries of the Group have a common legal representative. The Local Court is in the midst of determining the categorisation of certain subsidiaries of the Group for the purposes of the aforementioned bankruptcy proceedings. In light of this development, the Local Government has, on grounds of prudence, informed that completion of the Proposed Disposals will be temporarily delayed until this report is out.
- (ii) In addition, the Local Government informed the Company that during the Bank Loan Application undertaken by the Local Government, the Local Government was informed by its bankers that the Disposal Assets appear to have been pledged to certain parties (the “**Alleged Security**”) and the Bank Loan Application is unable to proceed until the Disposal Assets are free from encumbrance.

The Company wishes to state for the record that it is not aware of the Alleged Security and the complications arising from the ED Related Companies (the “**Complications**”) prior to meeting the Local Government. Upon being informed by the Local Government, the Management had sought to find out more information on the Complications and the Alleged Security and seek to verify the same from the ED and the Chinese management team. Management had, on 13 June 2023, attempted to seek further clarification and obtain the alleged underlying loan documents from the premises of the finance department of the Company’s subsidiary’s office in China. However, attempts to do so were thwarted as certain creditors of the ED Related Companies turned up at the office premises and arguments broke out between the staff and these creditors. In light of the escalation of conflict at the office premises, the CFO was ushered to vacate the premises before the escalation potentially turned violent. The CFO then proceeded to conduct his clarification from the hotel which he was based in. In view of the developments and due to safety concerns, the CFO returned to Singapore on 14 June 2023 and immediately updated the Board and the Sponsor of the Company of the situation upon his return.

In view of the uncertainty of situation surrounding the Alleged Security and the Complications, including a present inability to verify the facts, the Board made the decision to call for a trading halt and this was put into place before market opened on 15 June 2023. Since then, the Company has sought professional advice and is in the midst of engaging legal counsels in Singapore and China to undertake a fact-finding exercise into the circumstances surrounding the Alleged Security to verify and ascertain the situation. Management hopes to undertake the fact-finding exercise in China on or around early July as preparation time is required for the trip, including the obtaining of the necessary visa for such travel.

In view of the foregoing, the Company did not lift the trading halt called on 15 June 2023, and has converted the trading halt to a voluntary suspension of the Company’s shares pursuant to Catalyst Rule 1302(1) until this state of affairs can be addressed.

3. GENERAL

The Company will provide Shareholders with a further update when there is further clarity on the matters highlighted in the above.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbroker, bank managers, solicitor or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Kiar Lee Noi
Company Secretary

21 June 2023

*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd, (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any statements or opinions made or reports contained in this announcement.*

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