

IMPERIUM CROWN LIMITED
(Company Registration No.: 199505053Z)
(Incorporated in Singapore)

**THE PROPOSED GRANT OF OPTIONS TO SUBSCRIBE FOR
NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY**

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Imperium Crown Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into option agreements dated 26 February 2018 (the “**Option Agreements**”) with each of Mr. Sun Bowen and Mr. Wee Henry (together, the “**Option Subscribers**”), pursuant to which the Company shall issue an aggregate of 600,000,000 share options (the “**Options**”), with each Option carrying the right to subscribe for one (1) new ordinary share in the Company at the exercise price of S\$0.085 (the “**Exercise Price**”) for each new ordinary share on the terms and conditions of the Option Agreements (the “**Grant of Options**”).

There is no placement agent appointed for the Grant of Options. The Grant of Options will be by way of a private placement pursuant to an exempted offer under Section 272B of the Securities and Futures Act, Chapter 289, of Singapore. Hence, no prospectus or offer information statement in connection with the Grant of Options will be lodged with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) acting as agent on behalf of the Monetary Authority of Singapore.

2. INFORMATION ON THE OPTION SUBSCRIBERS

2.1 Mr. Sun Bowen

As at the date of this announcement, Mr. Sun Bowen is a non-executive director of the Company who will be re-designated as an executive director with effect from 1 March 2018. He is a national of the People’s Republic of China (“**PRC**”) and an executive director of Fabchem China Limited, a commercial explosives company listed on the Mainboard of the SGX-ST. He has more than twenty (20) years of experience in the explosives industry and also has diverse investments in the PRC. Mr. Sun obtained his degree in Chemical Engineering from Qingdao University of Science & Technology. He is also the sole director and shareholder of Fortsmith Investments Limited, which owns the remaining 40% of Global Entertainment Media Pte Ltd, the 60% subsidiary of the Company, which in turn owns Linyi Yin Sheng Wen Hua Mei Ti Co., Ltd., which owns 80% equity interest in Fei County Wonder Stone Characteristic Town Development Co., Ltd. (i.e. Wonder Stone Park). As at the date of this announcement, Mr. Sun does not hold any shares in the Company.

2.2 Mr. Wee Henry

Mr. Wee Henry, a substantial shareholder of the Company, is a businessman with an extensive network, and has over twenty (20) years of experience in investing in the PRC. As at the date of this announcement, he has a direct interest in 112,700,325 ordinary shares in the Company, representing approximately 14.28% of the total issued share capital of the Company.

3. GRANT OF OPTIONS

3.1 Grant of Options

Subject to the terms and conditions of the Option Agreements:

- (a) the Company shall grant, and Mr. Sun Bowen shall acquire, 300,000,000 Options for the cash consideration of S\$1.00, with each Option carrying the right to subscribe for one (1) new share for the Exercise Price of S\$0.085 for each new share; and
- (b) the Company shall grant, and Mr. Wee Henry shall acquire, 300,000,000 Options for the cash consideration of S\$1.00, with each Option carrying the right to subscribe for one (1) new share for the Exercise Price of S\$0.085 for each new share.

3.2 Terms of the Options

The key terms and conditions of the Options are set out below:

Aggregate Number of Options	:	600,000,000 Options
Transferability	:	<p>The Options are freely transferable. In the event of a transfer of Options, the transferor must lodge:</p> <ul style="list-style-type: none">(a) a duly executed transfer notice in the prescribed form to the Company; and(b) a written confirmation from the transferee, confirming that the transferee does not fall within the category of restricted persons as set out in Rule 812(1) of the SGX-ST's Listing Manual Section B: Rules of Catalist (the "Catalist Rules") and will not become a controlling shareholder of the Company in the event of the exercise or conversion of all the convertible securities held by the transferee, including any Options to be transferred to him or her.
Exercise Rights	:	Each Option entitles the holder of the Option (the " Optionholder ") to subscribe for one (1) New Share (the " Option Share ") at the Exercise Price (as defined below) during the Exercise Period (as defined below).
Exercise Price	:	S\$0.085 (the " Exercise Price ") for each Option, which represents a premium of 31.6% to the volume weighted average price of S\$0.0646 of the shares of the Company (the " Shares ") for trades done on the SGX-ST on 23 February 2018 (being the last full market day on which Shares were traded prior to the date the Option Agreements were signed).
Aggregate Gross Proceeds	:	S\$51,000,000 (assuming the exercise of all the Options and subscription of all the Option Shares)

Exercise Period	:	The period commencing on and including the date of issue of the Options and expiring on the fifth anniversary of the date of issue of the Options (unless such date is a date on which the Register of Members of the Company is closed or is not a market day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding market day) (the “ Exercise Period ”).
Adjustment Events	:	The Exercise Price and number of Options held by the Optionholders shall not be adjusted in the event of any alterations to the share capital of the Company.
Winding Up	:	<p>Where there is a members’ voluntary winding-up of the Company, each Optionholder may elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Options and had on such date been the holders of the Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice to each Optionholder in accordance with the terms and conditions of the passing of any such resolution.</p> <p>In the event the Company is wound up for any other reasons, all Options which have not been exercised at the date of the passing of such resolution shall lapse and the Options shall cease to be valid for any purpose.</p>
Further Issues	:	<p>The Company shall be at liberty to issue Shares to the shareholders of the Company either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as the Company sees fit, but each Optionholder shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting.</p> <p>The terms and conditions of the Options do not provide an Optionholder with any right to participate in any distributions and/or offers of further securities made by the Company unless the Options are converted into Shares.</p>
Notice of Expiry	:	The Company shall, not later than one (1) month before the last day of the Exercise Period (the “ Expiry Date ”), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall not later than one (1) month before the Expiry Date, take reasonable steps to notify the Optionholders in writing of the Expiry Date, and such notice shall be delivered personally or by post to the address of the Optionholder.

Alteration to Terms : No material alteration to the terms of the Options after the issue thereof to the advantage of the Optionholder shall be made, unless the alterations are made pursuant to the terms and conditions of the Options or the prior approval of the shareholders in general meeting has been sought.

Governing Law : The laws of the Republic of Singapore.

3.3 **Option Shares**

Assuming that the Options are exercised in full, the Company's issued and paid-up share capital (excluding treasury shares) will increase from 789,000,000 Shares as at the date of this announcement to 1,389,000,000 Shares. The Option Shares to be issued by the Company represents approximately 76.0% of the existing share capital and 43.2% of the enlarged issued and paid-up share capital of the Company after the issue of the Option Shares.

The allotment and issuance of the Option Shares to the Option Subscribers will not be made pursuant to the general mandate obtained from shareholders at the annual general meeting of the Company held on 6 October 2017 and the Company will therefore be seeking specific shareholders' approval for the Grant of Options in this regard.

The Option Shares, when allotted and issued upon exercise of the Options, shall be fully paid and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls on or prior to the date of allotment of the Option Shares.

The Company will make an application through its sponsor, Stamford Corporate Services Pte. Ltd., to the SGX-ST for the listing of and quotation for the Option Shares on the Catalist of the SGX-ST.

3.4 **Exercise Price**

The Exercise Price of S\$0.085 represents a premium of 31.6% to the volume weighted average price of S\$0.0646 of the Shares for trades done on the SGX-ST on 23 February 2018, being the last full market day immediately preceding the date on which the Option Agreements were signed. The Exercise Price was determined on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, the long term benefits of the strategic investment by the Option Subscribers as shareholders of the Company, which will be instrumental in the development of its existing or future projects in the Shandong province in the PRC.

3.5 **Conditions Precedent**

Completion of the Grant of Options ("**Completion**") is conditional upon, amongst others:

- (a) the approval of the Board and shareholders of the Company being obtained for the Grant of Options and the transfer of a controlling interest in the Company;
- (b) the receipt of the approval-in-principle from the SGX-ST for the listing and quotation of the Option Shares on the Catalist of the SGX-ST;

- (c) the receipt of all necessary approvals, consents or waivers from any governmental body, regulatory authority or other third party for the Grant of Options (where applicable), and if such approvals, consents or waivers are granted subject to conditions, such conditions being acceptable to the relevant party, and if any conditions are required to be satisfied by Completion, such conditions being so satisfied;
- (d) the representations and warranties set out in the Option Agreements being true and accurate in all material respects as at the date of the signing of the Option Agreements and the date of Completion; and
- (e) the Grant of Options or allotment and issue of the Option Shares not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company and the Option Subscribers,

(collectively, the “**Conditions**”).

If any of the conditions are not satisfied or waived by 30 April 2018 (or such other date as may be agreed by the parties), the Option Agreements shall terminate and the provisions thereunder shall cease and be of no further effect (save for certain clauses) and no party shall have claim against the other party for any costs, damages, losses or compensation, other than in respect of any antecedent breach of the Option Agreements.

4. RATIONALE AND USE OF PROCEEDS

The Grant of Options and issuance of Option Shares will align the interests of the Option Subscribers and the Company and motivate each Option Subscriber to contribute positively towards the long-term progress of the Company.

Assuming that all of the Options are validly exercised, the aggregate gross proceeds from the issuance of the Option Shares will be S\$51,000,000. The Grant of Options provides potential additional funding from the Option Subscribers. The Options are exercisable at the discretion of each Option Subscriber, allowing the Option Subscribers to provide funding to the Group as and when required to meet the funding needs of the Group, including for the development of its projects in the Shandong province in the PRC or potential future investments in the Shandong province in the PRC and/or such other purposes as the Directors may in their discretion deem fit.

Pending the deployment for the uses identified above, the Option Proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements of the utilisation of the Option Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and percentage allocated. The Company will also provide a status report on the use of the proceeds in the Company's interim and full year financial statements and the Company's annual report. Where there is material deviation from the stated use of the Option Proceeds, the Company will announce the reasons for such deviation.

5. SHAREHOLDERS' APPROVAL AND INTERESTED PERSON TRANSACTION

The Company intends to convene an extraordinary general meeting (“EGM”) to seek the approval of the shareholders of the Company for the Grant of Options pursuant to Rules 803, 812 and 906 of the Catalist Rules. Additionally, the allotment and issuance of the Option Shares to the Option Subscribers will not be made pursuant to the general mandate obtained from shareholders at the annual general meeting of the Company held on 6 October 2017 and the Company will therefore also be seeking specific shareholders' approval for the Grant of Options in this regard.

Rule 803 of the Catalist Rules states that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. As the exercise of the Options may result in a transfer of a controlling interest in the Company, the approval of shareholders for a transfer of controlling interest will be sought at the EGM.

Rule 812(1)(a) and Rule 812(2) of the Catalist Rules state that, save where specific shareholders' approval for a placement has been obtained, the company must not place any issue to directors and substantial shareholders of the company. As at the date of this announcement, Mr. Sun Bowen is a Director of the Company and Mr. Wee Henry is a substantial shareholder of the Company, and the Company will therefore be seeking shareholders' approval for the Grant of Options pursuant to Rule 812 of the Catalist Rules.

Rule 906 of the Catalist Rules states, inter alia, that an issuer must obtain shareholders' approval for any interested person transaction of a value equal to, or more than, 5% of the Group's latest audited net tangible assets (“NTA”). As at the date of this announcement, Mr. Sun Bowen is a Director of the Company and an “interested person” pursuant to the Catalist Rules. As such, the proposed Grant of Options between the Company and Mr. Sun Bowen is an “interested person transaction” under Chapter 9 of the Catalist Rules. The aggregate value of the Grant of the Options (assuming the exercise of all the Options and subscription of all the Option Shares) of S\$51,000,000 represents approximately 115.9% of the Group's latest audited NTA as at 30 June 2017. As the aggregate value of all transactions entered into with Mr. Sun Bowen exceeds 5% of the Group's latest audited NTA, the Company will be seeking shareholders' approval for the Grant of Options pursuant to Rule 906 of the Catalist Rules as well.

As at the date of this announcement, the aggregate value of all transactions entered into with Mr. Sun Bowen for the current financial year ending 30 June 2018 up to the date of this announcement amounted to approximately S\$53,500,000 pursuant to the acquisition of Global Entertainment Media Pte Ltd by the Company which was completed on 11 August 2017 and the aggregate value of all interested person transactions entered into for the current financial year ending 30 June 2018 up to the date of this announcement amounted to approximately S\$53,520,000.

As of the date of this announcement, Mr. Henry Wee is not a controlling shareholder of the Company. It should however be noted that Mr. Wee Henry was, until 29 January 2018, a controlling shareholder of the Company and an “interested person” pursuant to the Catalist Rules. As at the date of this announcement, the Company has not entered into any transactions with Mr. Wee Henry for the current financial year ending 30 June 2018.

The audit committee of the Company is of the view that the Grant of Options is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders. An opinion from an independent financial advisor is not required for the Grant of Options as it is an issuance pursuant to Part IV of Chapter 8 of the Catalist Rules for cash.

6. FINANCIAL EFFECTS OF THE GRANT OF OPTIONS

The following tables illustrate the financial effects of the Grant of Options on:

- (a) the NTA per share of the Group (assuming the Options have been fully exercised at the end of that financial year);
- (b) the earnings per share of the Group (assuming the Options have been fully exercised at the beginning of that financial year);
- (c) the gearing of the Group (assuming the Options have been fully exercised at the end of that financial year),

based on the unaudited financial statements of the Group for the financial year ended 30 June 2017.

6.1 Net Tangible Assets

	Before the Grant of Options	After the Grant of Options
NTA (S\$'000)	44,003	95,003
Number of Shares ('000)	489,000	1,089,000
NTA per Share (cents)	9.00	8.72

6.2 Loss per Share

	Before the Grant of Options	After the Grant of Options
Loss after tax attributable to shareholders (S\$'000)	(6,685)	(6,685)
Weighted average number of Shares ('000)	489,000	1,089,000
Loss per Share (cents)	(1.37)	(0.61)

6.3 Gearing

	Before the Grant of Options	After the Grant of Options
Net borrowings / (cash) (S\$'000)	27,698	(23,302)
Total equity (S\$'000)	44,003	95,003
Gearing ratio (times)	0.63	(0.25)

7. DIRECTORS' CONFIRMATIONS

The Directors are of the opinion that after taking into consideration the present banking facilities and the net proceeds from the exercise of the Options, the working capital available to the Group is sufficient to meet its present requirements. The reason for the Grant of Options is to provide the Company with funds for the development of its projects in the Shandong province in the PRC or potential future investments in the Shandong province in the PRC.

8. INTEREST OF DIRECTORS AND SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Grant of the Options (other than through their respective shareholdings in the Company, if any).

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Option Agreements are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 1 Commonwealth Lane #06-20 One Commonwealth Singapore 149544 for a period of three (3) months from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Grant of Options, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. FURTHER INFORMATION

A circular containing further information on the Grant of Options, together with the notice of EGM, will be despatched to shareholders in due course.

The Company will make further announcements relating to the Grant of Options as and when necessary. Shareholders are advised to exercise caution in trading their shares in the Company. There is no certainty or assurance as at the date of this announcement that the Grant of Options will be completed. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Kelly Kiar Lee Noi
Company Secretary
26 February 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's continuing sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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