

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

UPDATE ON MATTERS CONCERNING THE SUBSIDIARY

The board of directors¹ (the “**Board**” or “**Directors**”) of Imperium Crown Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 21 June 2023, 3 July 2023, 17 July 2023 and 21 July 2023 in respect of, amongst others, the Proposed Disposal and Fact-Finding Exercise (the “**Previous Announcements**”).

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

The Board wishes to update as follows, subsequent to reports received from, and discussions with Management (the “**Group Management**”):

- (i) The Board and Group Management have been in consultation with its legal counsels (both Singapore and China) on the preparation of the findings of the Fact-Finding Exercise. There was however a delay in the report on the findings (the “**Report**”) due to the non-response of the interviewees in China (the “**Interviewees**”) and recent developments that have arisen, necessitating further updates to the Report. The Group Management also understood from Mr. Yang Xingdong, the General Manager of Fei County Wonder Stone (the “**PRC General Manager**”) that a manager (the “**Manager**”) has since been appointed by the local court for the restructuring proceedings for the group of companies related to Mr. Sun Bowen (“**Mr. Sun**”) (the “**Restructuring Group**”) and there is an ongoing assessment for other companies to be included within the Restructuring Group. However, at this stage as at the date of this announcement, it remains undetermined as to whether Fei County Wonder Stone is considered part of such group of companies and the process remains subject to the timing of the local court.
- (ii) At the advice of the Singapore legal counsel, it was intended for Fei County Wonder Stone to make a police report in China. However, the Group Management was informed by the PRC General Manager that the remaining two (2) staff members² in China (including the PRC General Manager) (the “**PRC Staff**”) are not comfortable with making such a police report due to a fear of reprisal from Mr. Sun. After several rounds of discussions between August 2023 to November 2023, Mr. Tan Keng Keat (Executive Director and Chief Financial Officer of the Company) (the “**CFO**”), in consultation with the Board, made the decision to travel to Fei County to speak to the PRC Staff on 24 November 2023. The intention was to encourage them to respond to the requests for purposes of the Report, as well as to speak to the PRC General Manager on the making of the police report.
- (iii) When the CFO travelled to Fei County and met the PRC General Manager however, the CFO noted that the PRC Staff were fearful of Mr. Sun and any possible reprisals. It was expressed by the PRC Staff to the CFO that Mr. Sun and the group of companies related to him have a significant presence in Fei County, being one of the largest groups there, and the PRC Staff and their families reside in Fei County. It was further conveyed by the PRC General Manager to the CFO that it would not be possible for the PRC General Manager to file the police report nor assist in affixing the Company Seal on a letter of authority to authorise the CFO to make a police report. Despite earlier instructions that the use of the Company Seal is to remain at the instructions of the Group Management and the Board, the PRC General Manager was not willing to release the Company Seal for such use for fear of reprisal.

¹ Save for Mr Sun Bowen who was suspended in his role as an Executive Chairman on 8 July 2023.

² Noting that the PRC Finance Head was suspended in her role on 8 July 2023.

- (iv) Accordingly, the CFO, with the authorisation of Board, proceeded to attempt to file the police report on behalf of Fei County Wonder Stone. The CFO was however informed by the police that without the letter of authority and relevant supporting documents, there is nothing further that the police can do. The views of the PRC legal counsel were subsequently sought, who confirmed the same.
- (v) The PRC General Manager also informed the CFO that they have been facing a lot of creditor pressure as there has been information that Fei County Wonder Stone is not considered as part of the Restructuring Group and therefore, creditors are able to exert pressure on Fei County Wonder Stone for repayment of outstanding liabilities. During the CFO's trip to Fei County, he had also faced creditor harassment, which was in line with the information received from the PRC General Manager. Whilst the CFO was unable to ascertain the identities of the creditors as it was not in his safety or interests to have contact with the creditors, as disclosed by the PRC General Manager, such incidents have not been uncommon as creditors have been regularly visiting the office premises in hopes of pressuring the PRC General Manager.
- (vi) The PRC General Manager also informed the CFO that there was an offer made by a representative of the Yinguang group of companies (related to Mr. Sun) (the "**YG Representative**") that it would be in the PRC General Manager's interest to facilitate the assessment by the Manager to include Fei County Wonder Stone as part of the Restructuring Group. This would then would stave off pressure on the PRC General Manager from the creditors. The CFO was then informed that the PRC General Manager concurs with this view. Accordingly, this was why, as understood by the CFO, the PRC General Manager was not willing to make a police report nor hand over the Company Seal as taking those actions may jeopardise their plan to be included as part of the Restructuring Group. It was also clear to the CFO that the PRC General Manager would no longer to report to him. When the CFO requested for financials of Fei County Wonder Stone, the PRC General Manager had also declined to give the same to the CFO.

Subsequent to these developments, the CFO then left Fei County out of a concern for his safety, The CFO then updated the Board, including on his inability to file a police report in China and the hostility that he had faced from creditor harassment. When back in Singapore, the CFO had separately attempted to contact the PRC General Manager, but had not been able to reach any of PRC Staff. In light of this development, the Board has considered and wishes to inform shareholders as follows:

- (a) Given that the Group Management is no longer able to contact the PRC General Manager and the PRC General Manager remains uncontactable, as at the date of this announcement, the Board is inclined to consider that the Company has lost control over Fei County Wonder Stone. The Board is currently seeking the advice of legal counsels (both Singapore and PRC) on the next steps, including considering the possibility of taking action against Fei County Wonder Stone and/or replacing the PRC General Manager. However, the Board remains cognisant of the financial position of the Group and recognises that there may be limitations on the action(s) that can be taken due to the cashflow of the Group. In particular, the Board is aware that due to the financial circumstances of the Group, its employees (including the PRC General Manager and the CFO) have not received their salary for a number of months³ and expenses⁴ have yet to be reimbursed.
- (b) Further to the Company's announcement on 25 August 2023 and 21 November 2023 in relation to, amongst others, the extension of time to release its unaudited financial statements for the financial year ended 30 June 2023 (the "**FY2023 Financial Statements Announcement**") by 29 November 2023, the Board wishes to update that Management has been making preparations for the same. However, with this new development, the Board is of the view that material updates are required to be made to the FY2023 Financial Statements Announcement. More time would be required by the Company to assess the impact on the financial statements of the Group, including but not limited to the basis of preparation of such financials such as assessment of the going concern assumption

³ Outstanding salaries range from almost 1 year to more than 2 years for different personnel.

⁴ Including the ancillary costs of the CFO's visits to Fei County.

as well as the relevant disclosures, the basis of consolidation of such financials to determine if there is loss of control and if so, when, as well as the assessment of impairment of the receivables from the Proposed Disposals in light of the loss of control. As a result, the Company will not be able to meet the extended deadlines which the SGX-ST had no objection to, as announced on 21 November 2023⁵.

The Company will provide Shareholders with a further update when there is further clarity on the matters highlighted above, including providing the Shareholders an updated timeline to announce the Company's FY2023 Financial Statements Announcement, hold the Company's annual general meeting for the financial year ended 30 June 2023 and issue the Company's sustainability report for the financial year ended 30 June 2023.

The trading of the Company's shares had been halted since 15 June 2023 and was subsequently converted into a suspension of trading on 21 June 2023. The suspension of trading became mandatory as stated in the Company's announcement on 17 July 2023.

Although the Shares are under suspension, Shareholders, stakeholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders are also advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders, stakeholders and potential investors of the Company should consult with their financial, tax or other advisers if they have any doubt about the actions they should take.

By Order of the Board

Kiar Lee Noi
Company Secretary

29 November 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.

*The contact person for the Sponsor is Mr Bernard Lui
Telephone number: (65) 6389 3000
Email address: bernard.lui@morganlewis.com*

⁵ Shareholders are to note that it was disclosed in the announcement that the SGX RegCo will not be granting further extensions if the extended deadlines are not met.