



*For Immediate Release*

## **Imperium Crown makes maiden foray into Cultural, Media and Art-related real estate industry with a planned acquisition of two cineplex assets in PRC for S\$5.0 million**

- **Imperium Crown Limited (the “Group”) marks its maiden foray into the Chinese property market with its proposed acquisition of two real estate assets to gain exposure to China’s cultural, media and art-related industry**
- **Imperium Crown has signed conditional sale and purchase agreements with two subsidiaries of Shandong Yinguang Chemical Industry Co., Ltd (“Yinguang Group”) to acquire a 30% stake in the subsidiaries for a total of S\$5.0 million to start a joint venture**
- **This geographical diversification into China opens up opportunities for the Group to leverage the country’s fast-growing film industry**
- **Establish business relationship with Zhejiang Yong Le Television and Film Co., Ltd, and Yinguang Group**

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**Singapore, 1 November 2016** – Real estate investment group Imperium Crown Ltd (or the “Group”) has signed conditional sale and purchase agreements to acquire a 30% stake each in two Chinese entities under the Yinguang group, which hold real estate assets related to the cultural, media, art assets and businesses within the film industry in China’s Shandong province, for S\$1.3 million and S\$3.7 million respectively (or a combined total of S\$5.0 million).

The two companies are Linyi Yinguang Cineplex Management Co., Ltd and Zaozhuang Yinguang Cineplex Co., Ltd. The former will comprise of cineplex assets comprising five

cinema halls that are scheduled to commence operations in June 2017. The cineplex, which has a built-up area of approximately 2,600 square metres, is located at Linyi City. The latter is currently being developed into eight cinema halls, an antiques auction house and retail outlets, with a built-up area of about 12,000 square metres. Located in Zaozhuang City, the cineplex development is slated for completion in the second half of 2017.

Both cineplex shall be managed and operated by Zhejiang Yong Le Film and Television Co., Ltd (“Yongle Group”), a company that offers drama planning, investment, filming, production, and distribution of professional film and television. The Yongle Group was founded in 2004 and is based in Hangzhou, China. As of December 31, 2013, Zhejiang Yongle Film and Television Co., Ltd. operates as a former subsidiary of Huayi Brothers Media Corporation. An earlier partnership agreement between Yinguang Group and Yongle Group had been signed in July 2016.

### **Rationale for Proposed Acquisition**

Currently, the Group’s assets are largely based in Japan where it owns five properties. The planned acquisition of real estate related assets within the media distribution and film production industry of China marks Imperium Crown’s maiden entry into the Chinese property market and opens up opportunities for the Group to tap into China’s booming film industry.

Commenting on the rationale of the proposed acquisitions, Imperium Crown’s Executive Chairman and Chief Executive Officer Wan Jinn Woei explains, **“We are excited about gaining exposure to the Chinese film market. China has approximately 23 theatres per million residents as compared to the United States, which has roughly 100 theatres per million.<sup>1</sup> Given the popularity of movies amongst Chinese urbanites, the Chinese film industry has huge potential for growth.”**

**“We are excited that these acquisitions, when they materialise, will meaningfully reflect the panning out of our strategy in venturing into the property management services sector.”**

Commenting on the rationale for the propose acquisitions, Chairman of the vendor, Yinguang Group, Mr Sun Bowen explains, **“We look forward to the partnership with**

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<sup>1</sup> Source: Forbes, “How China Is Refueling The Film Industry

**Imperium Crown Ltd and our venture partner Zhejiang Yong Le Film and Television Co., Ltd (“Yongle Group”) to establish the 100 Entertainment Mall business within the province of Shandong. This venture will cater to the burgeoning middle class in the province of Shandong and cater to the government’s cultural policy of improving the lifestyle and media demand of the Chinese population.”**

## **China’s Movie Industry Set for Rapid Growth**

China is poised to become the largest film market in the world, with both box office revenue and number of movie-goers surpassing that of North America by 2020<sup>2</sup>. Driven by the growing popularity of movie-going among China’s urban youth and its rising middle class, box-office revenue totalled more than USD 6.5 billion in 2015, up nearly 50% from 2014. Currently, more than 20 cinema screens open every day in China.<sup>3</sup> As cinema-going becomes a favourite past-time for urban Chinese, more new theatres are being built to cater to this demand. By 2020, revenue generated by China’s film industry is forecasted to hit USD 30 billion.<sup>4</sup>

## **Future Strategy and Plans**

Imperium Crown’s key future strategy is to leverage on the strengths of its partners, Yinguang Group and Yongle Group, to grow shareholders’ value. This strategy entails strategic expansion plans that can grow and sustain its income base. These plans include (i) enlarging its cultural, media and art-related real estate footprint to increase rental income; (ii) entering into management of real estate assets in conjunction with its strategic partners, thereby raising the Group’s fee income further; and (iii) exploring mergers and acquisitions of operating businesses in the film and television industry of China.

The Group shall seek shareholders’ approval in relation to the above corporate action plans, whenever such approvals are required in compliance with the Catalist listing rules.

## **Next Steps**

In addition to the current proposed acquisitions, Imperium Crown also has the option to acquire an additional 19% stake each in the two Chinese companies based on their

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<sup>2</sup> Source: China Film Insider, “Seven Trends Shaping The Chinese Film Industry”

<sup>3</sup> Source: WIPO Magazine, “The rise of China’s film industry”

<sup>4</sup> Source: China Film Insider, “Seven Trends Shaping The Chinese Film Industry”

respective prevailing valuations. These options are made available for 12 months from the date of the signing of the conditional sale and purchase agreements.

Imperium Crown will finance the proposed acquisitions by internal funds and bank borrowings. The completion of the two acquisitions will be subject to the fulfilment of the terms of the purchase contracts, including financial and legal due diligence on the assets, the obtaining by the target companies of all legal titles and rights relating to the ownership of the assets to be acquired and the approval by relevant authorities for the transfer of shares. Approval by Imperium Crown's shareholders will be obtained, if deemed required.

The transactions are expected to be completed within six months from the signing of the conditional sale and purchase agreements.

The above acquisitions are not expected to have material impact on the net tangible assets or earnings per share of Imperium Crown for the current financial year.



Left to Right: Mr. Sherman Tan, Mr. Henry Wee, Mr Chen Yeow Sin, Mr Alex Yong, Mr Wan Jinn Woei, Mr Sun Bowen, Mr Jeffrey Ong, Mr Roger Poh, Mr. Chua Kern, Mr. Yang Xingdong

*This press release is to be read in conjunction with the Company's announcement released on 1 November 2016 in relation to the proposed acquisition of a 30% stake in 2 cineplex property investment companies in the People's Republic of China.*

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Issued on behalf of **Imperium Crown Limited**  
By RHT Communications and Investor Relations Pte Ltd

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### **About Imperium Crown**

Imperium Crown is listed on the SGX-ST Catalist Board (stock code: 5HT) and became a component stock of the FTSE ST Catalist Index on 21 September 2015. It was listed on SGX-ST (Catalist Board) on 19 January 2006. The Company's main business is in property investment and property development in Asia.

The Company aims to build up a portfolio of well-located properties with a view towards generating attractive returns for our shareholders. We constantly seek growth opportunities in the real estate sector, especially through experienced and trusted partners in various markets.

For more information, please go to [www.imperium-crown.com](http://www.imperium-crown.com)

### **About Yinguang Group**

Yinguang Group has over 35 years of history and is engaged in a number of businesses, including commercial explosives, textiles, magnesium alloy, property development, cultural, art and media and entertainment. With total assets amounting to RMB 4 billion and annual revenue registering RMB 3 billion, Yinguang Group is an established conglomerate based in Shandong, China. Through its subsidiary Shandong Yinguang Wen Chuang Yuan Co., Ltd, Yinguang Group seeks to actively expand its businesses relating to cultural, art and media.

Yinguang Group is currently working with Xeitgeist Entertainment Group Pte Ltd ("Xeitgeist"), a company that produces Hollywood films which have been exhibited in the White House of the United States of America such as The Man Who Knew Infinity, Hotel Mumbai (currently in production) and TV formats such as The Code. Films of Xeitgeist have been campaigned for Oscar awards and various other international film awards following their release on the big screens. While producing crossover global productions, Xeitgeist is now acquiring rights to US movies to make into China specific content in conjunction with its Chinese partner.

## **About Yong Le Group**

Zhejiang Yongle Film and Television Co., Ltd. offers drama planning, investment, filming, production, and distribution of professional film and television. The company was founded in 2004 and is based in Hangzhou, China. As of December 31, 2013, Zhejiang Yongle Film and Television Co., Ltd. operates as a former subsidiary of Huayi Brothers Media Corporation. Huayi Brothers Media Corp is a Chinese entertainment company that owns a film studio, television production company, talent agency, record label, and movie theaters founded in Beijing by brothers Wang Zhongjun and Wang Zhonglei in 1994. The company made world news on October 30, 2009 when the Shenzhen Stock Exchange ChiNext Board was halted, after HBMC's stock price more than doubled by 122.74 percent from its IPO price, to open at 63.66 yuan per share. Patrick Frater of Variety called it "China's largest private sector film conglomerate". In 2014, the company was the seventh-largest film distributor in China, with 2.26% of the market.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*