

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

WITHDRAWAL OF OPERATING RIGHTS OF THE WONDER STONE PARK

The board of directors (the “**Board**”) of Imperium Crown Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Group had on 22 June 2022 entered into an agreement (the “**Agreement**”) with a state-owned enterprise representing the local government of the People’s Republic of China (the “**PRC**”) to withdraw the operating rights (the “**Operating Rights**”) of the Wonder Stone Park (the “**WSP**”).

As disclosed in its previous financial statements (including its most recent financial statements for its half year ended 30 June 2022), the Group has been in discussions with the local Fei County Government (the “**Local Government**”) on the development of the WSP over the years. More recently, further discussions were held on the future plans of the WSP and its development. Due to differences in the development direction, the Local Government decided to withdraw the Operating Rights that were previously granted to the Group’s subsidiary, Fei County Wonder Stone Characteristic Town Development Co., Ltd (“**Fei County Wonder Stone**”) at no cost, in April 2017. Under the terms of the Agreement, it was noted that Fei County Wonder Stone had invested RMB 3.37 million in the development of the WSP (in relation to various property, plant and equipment, plants and trees, the ticketing software system and inventory, prepayments and deposits) and accumulated RMB 2.73 million in unpaid rental of land to the Local Government which the Local Government will waive off. No compensation is or will be payable by the Local Government or Fei County Wonder Stone for the withdrawal to the other party.

The Operating Rights were originally granted by the Local Government to Fei County Wonder Stone in May 2017 for a period of 50 years with a view for the Group to develop and commercialise the WSP. Since the onset of the COVID-19 pandemic in the PRC in early 2020, the COVID-19 precautionary measures had adversely impacted the visitorship to the WSP. While cases of COVID-19 continue to linger in the PRC, the existing zero-COVID strategy continues to have an impact on the movement of people within the PRC. Notwithstanding that the Group remains confident of the long-term commercial viability of the WSP, the Local Government was of the view that it may not be in the best interest of the Fei County for the Group to continue with the development and commercialisation of the WSP.

The withdrawal of the Operating Rights is expected to have a material impact on the financials of the Group for the financial year ending 30 June 2022 (including the carrying value of the operating rights and the corresponding deferred tax liabilities), amongst others. The Group is currently in the process of determining the extent of the impact with its external auditors and will be providing an update in due course. With the withdrawal of the Operating Rights, the Group will be formally informing Sim Leisure Group Pte Ltd (“**SLG**”) that the Group does not intend to proceed with the non-binding memorandum of understanding entered into between Fei County Wonder Stone and SLG in September 2018 on the building of an “Escape Theme Park” at the WSP (the “**MOU**”). No definitive agreements had been entered into pursuant to the MOU. For further information on the MOU signed with SLG, please refer to the Company’s announcement dated 1 September 2018.

For the avoidance of doubt, the 2 plots of land owned by the Group within the WSP, presented as land use rights in the financial statements of the Group, is unaffected by the Agreement, notwithstanding that the development of the Hongyun Lake Project on 1 plot of land has been halted temporarily due to the ongoing COVID-19 measures put in place by the authorities. Similarly, the Wonder Stone Hotel, including the land on which it sits on which is also presented as land use rights in the financial statements of the Group, is situated on the fringe of the boundary of the WSP and continues to be owned by the Group. The Wonder Stone Hotel is unaffected by the Agreement and remains in operation, albeit under prevailing COVID-19 precautionary measures. The Group is currently assessing its operations in the PRC as well as its future plans and will be providing an update in due course.

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 advisers if they have any doubt about the actions that they should take.

By Order of the Board

Sun Bowen
Executive Chairman

27 June 2022

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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