

IMPERIUM CROWN LIMITED

(The “Company”)



**Half-Year Financial
Statements for the Period
Ended 31 December 2017**

9 February 2018

Company Registration Number: 1995-05053-Z

Table of Contents

		Page No
1(a)	Consolidated Statement of Comprehensive Income	2 - 3
1(b)	Statements of Financial Position	4 - 5
1(c)	Consolidated Statement of Cash Flows	6 - 7
1(d)	Statements of Changes in Shareholders' Equity	8 - 10
2 & 3	Audit Statement	11
4	Accounting Policies	11
5	Changes in Accounting Policies	11
6	Earnings per Share	12
7	Net Asset Value per Share	12
8	Review of Group Performance	13 - 17
9	Variance from Previous Prospect Statement	17
10	Outlook	18
11 & 12	Dividend	18
13	Interested Persons Transactions	18
14	Use of Net Proceeds from Placement of Shares	19
15	Confirmation of Undertakings from Directors and Executive Officers	19
16	Negative Assurance	19

Note:

- Numbers in all tables may not exactly add due to rounding

UNAUDITED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2017

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY
(Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	The Group		Increase/ (Decrease) %
		6 months ended 31 December 2017 Unaudited S\$'000	2016 Unaudited S\$'000	
Revenue	A	826	2,490	(66.8)
Less: Property operating expenses	B	(928)	(922)	0.7
Net property (loss)/income		(102)	1,568	(106.5)
Other income	C	797	11	>100.0
Depreciation of property, plant and equipment	D	(15)	(7)	114.3
Other operating expenses	E	(12,349)	(874)	>100.0
Finance costs	F	(469)	(281)	66.9
Net fair value gain on financial derivatives	G	86	219	(60.7)
Net fair value gain on investment properties	H	–	140	(100.0)
(Loss)/Profit before tax		(12,052)	776	n.m.*
Income tax expense	I	(2,880)	(123)	>100.0
(Loss)/Profit after income tax		(14,932)	653	n.m.*
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations, net of tax	J	(224)	(2,978)	(92.5)
Other comprehensive loss for the period, net of tax		(224)	(2,978)	(92.5)
Total comprehensive loss for the period		(15,156)	(2,325)	551.9
Net (loss)/profit attributable to:				
Equity holders of the Company		(14,791)	653	n.m.*
Non-controlling interests		(141)	–	n.m.*
		(14,932)	653	n.m.*
Total comprehensive loss attributable to:				
Equity holders of the Company		(15,006)	(2,325)	545.4
Non-controlling interests		(150)	–	n.m.*
		(15,156)	(2,325)	551.9

*n.m. – not meaningful

Please refer to paragraph 8 on pages 13 to 14 for further explanations of the respective Notes.

1(a)(ii) Profit/(loss) before taxation is stated after charging/(crediting) the following :-

	The Group		
	6 months ended 31 December		
	2017	2016	Increase/ (Decrease)
	Unaudited	Unaudited	(Decrease)
	S\$'000	S\$'000	%
Allowance for impairment gain/(loss) on trade receivables	9	(8)	n.m.*
Net foreign exchange (loss)	(70)	(66)	6.1
Interest income	5	9	(44.4)

* n.m. – not meaningful

1(b)(i) A consolidated statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group			Company		
		31 December 2017 \$'000 Unaudited	30 June 2017 \$'000 Audited	Increase/ (Decrease) %	31 December 2017 \$'000 Unaudited	30 June 2017 \$'000 Audited	Increase/ (Decrease) %
ASSETS							
Non-current assets							
Property, plant and equipment		386	5	>100.0	3	5	(40.4)
Intangible assets		3	–	n.m.*	–	–	n.m.*
Construction in process		9,567	–	n.m.*	–	–	n.m.*
Investments in subsidiaries		–	–	n.m.*	82,379	36,211	127.5
Goodwill		47,791	–	n.m.*	–	–	n.m.*
Trade and other receivables		–	6,000	(100.0)	–	6,000	(100.0)
Long-term prepaid expenses		4	–	n.m.*	–	–	n.m.*
Other financial asset		–	–	n.m.*	–	–	n.m.*
Total non-current assets	K	<u>57,751</u>	<u>6,005</u>	861.7	<u>82,382</u>	<u>42,216</u>	95.1
Current assets							
Assets held for sale		–	67,020	(100.0)	–	–	n.m.*
Inventory		14	–	n.m.*	–	–	n.m.*
Trade and other receivables		5,141	217	>100.0	28	14	100.0
Cash and cash equivalents		23,134	1,160	>100.0	1,778	731	143.2
Restricted cash		–	3,196	(100.0)	–	–	n.m.*
Total current assets	L	<u>28,289</u>	<u>71,593</u>	(60.5)	<u>1,806</u>	<u>745</u>	142.4
Total assets		<u>86,040</u>	<u>77,598</u>	10.9	<u>84,188</u>	<u>42,961</u>	96.0
EQUITY AND LIABILITIES							
Equity							
Share capital		85,315	47,815	78.4	85,315	47,815	78.4
Treasury shares		(58)	(58)	-	(58)	(58)	-
Accumulated losses		(25,144)	(10,353)	142.9	(5,340)	(5,379)	(0.7)
Other reserves		6,375	6,599	(3.4)	–	–	n.m.*
		66,488	44,003	51.1	79,917	42,378	88.6
Non-controlling interests		3,807	–	n.m.*	–	–	n.m.*
Total equity		<u>70,295</u>	<u>44,003</u>	59.8	<u>79,917</u>	<u>42,378</u>	88.6
Non-current liabilities							
Deferred tax liabilities		4,518	2,576	75.4	–	–	n.m.*
Borrowings		–	–	n.m.*	–	–	n.m.*
Security deposits		–	926	(100.0)	–	–	n.m.*
Derivative financial instruments		–	50	(100.0)	–	50	(100.0)
Total non-current liabilities	M	<u>4,518</u>	<u>3,552</u>	27.2	<u>–</u>	<u>50</u>	(100.0)
Current liabilities							
Trade and other payables		11,163	675	>100.0	4,208	434	869.6
Borrowings		–	28,858	(100.0)	–	–	n.m.*
Security deposits		1	147	(99.3)	–	–	n.m.*
Deferred revenue		–	264	(100.0)	–	–	n.m.*
Derivative financial instruments		63	99	(36.4)	63	99	(36.4)
Total current liabilities	N	<u>11,227</u>	<u>30,043</u>	(62.6)	<u>4,271</u>	<u>533</u>	701.3
Total liabilities		<u>15,745</u>	<u>33,595</u>	(53.1)	<u>4,271</u>	<u>583</u>	632.6
Total equity and liabilities		<u>86,040</u>	<u>77,598</u>	10.9	<u>84,188</u>	<u>42,961</u>	96.0

Please refer to paragraph 8 on pages 15 to 17 for further explanations of the respective Notes.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(a) Amount repayable in one year or less, or on demand

	As at 31 December 2017		As at 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	–	–	29,045	–
Less: Transaction costs in relation to the bank loans	–	–	(187)	–
Net borrowings	–	–	28,858	–

(b) Amount repayable after one year

	As at 31 December 2017		As at 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Gross borrowings	–	–	–	–
Less: Transaction costs in relation to the bank loans	–	–	–	–
Net borrowings	–	–	–	–

(c) Details of any collateral

As at 31 December 2017, there were no borrowings following the disposal of the investment properties in Japan (30 June 2017: S\$28,858,000).

- 1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	6 months ended	
	31 December 2017	31 December 2016
	Unaudited	Unaudited
	S\$'000	S\$'000
Cash Flows From Operating Activities		
(Loss)/gain before tax	(12,052)	776
	<u>(12,052)</u>	<u>776</u>
Adjustments for:		
Allowance for impairment (gain)/loss on trade and other receivables	(9)	8
Depreciation of property, plant and equipment	15	7
Interest income	(5)	(9)
Finance costs	469	281
Net fair value gain on financial derivatives	(86)	(219)
Net fair value gain on investment properties	–	(140)
Loss on disposal of investment properties	7,619	–
Operating cash flows (used in)/from before changes in working capital	(4,049)	704
Trade and other receivables	1,782	(743)
Trade and other payables	10,495	(1,167)
Inventories	(14)	–
Construction in process	(9,567)	–
Deferred revenue	(256)	121
Net cash flows used in operations	(1,609)	(1,085)
Income taxes paid	(938)	(162)
Net cash flows used in operating activities	<u>(2,547)</u>	<u>(1,247)</u>

1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	6 months ended	
	31 December 2017	31 December 2016
	Unaudited S\$'000	Unaudited S\$'000
Cash Flows From Investing Activities		
Capital expenditure on investment properties	–	(290)
Proceeds from disposal of investment properties	58,349	–
Acquisition of subsidiary	(43,843)	–
Interest received	5	9
Additions to intangible assets	(3)	–
Purchases of property, plant and equipment	(396)	–
Net cash flows from/(used in) investing activities	<u>14,112</u>	<u>(281)</u>
Cash Flows From Financing Activities		
Repayment of bank borrowings	(28,858)	(181)
Security deposits	(1,040)	(26)
Interest paid	(287)	(234)
Proceeds from issuance shares	37,500	–
Restricted cash	3,100	391
Net cash flows from/(used in) financing activities	<u>10,415</u>	<u>(50)</u>
Net increase/(decrease) in cash and cash equivalents	21,980	(1,578)
Cash and cash equivalents at beginning of period	1,160	5,261
Effects of currency translation on cash and cash equivalents	(6)	(27)
Cash and cash equivalents, consolidated statement of cash flows, end of financial period	<u><u>23,134</u></u>	<u><u>3,656</u></u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to shareholders							
	Share capital	Translation reserves	Revaluation reserves	Treasury shares	Retained earnings/ (accumulated losses)	Total	Non-Controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group</u>								
Balance as at 1 July 2016 (Audited)	47,815	9,458	504	(58)	(4,172)	53,547	–	53,547
Loss, net of tax	–	–	–	–	653	653	–	653
Exchange differences on translating foreign operations	–	(2,978)	–	–	–	(2,978)	–	(2,978)
Balance as at 31 December 2016 (Unaudited)	47,815	6,480	504	(58)	(3,519)	51,222	–	51,222
Loss, net of tax	–	–	–	–	(7,338)	(7,338)	–	(7,338)
Exchange differences on translating foreign operations	–	119	–	–	–	119	–	119
Transferred to retained earnings	–	–	(504)	–	504	–	–	–
Balance as at 30 June 2017 (Audited)	47,815	6,599	–	(58)	(10,353)	44,003	–	44,003
Issuance of shares	37,500	–	–	–	–	37,500	–	37,500
Acquisition of subsidiary	–	–	–	–	–	–	3,948	3,948
Loss, net of tax	–	–	–	–	(14,791)	(14,791)	(141)	(14,932)
Exchange differences on translating foreign operations	–	(224)	–	–	–	(224)	–	(224)
Balance as at 31 December 2017 (Unaudited)	85,315	6,375	–	(58)	(25,144)	66,488	3,807	70,295

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Share capital S\$'000	Treasury shares S\$'000	Revaluation reserves S\$'000	Accumulated losses S\$'000	Total S\$'000
<u>The Company</u>					
Balance as at 1 July 2016 (Audited)	47,815	(58)	504	(7,243)	41,018
Loss, net of tax	–	–	–	99	99
Balance as at 31 December 2016 (Unaudited)	47,815	(58)	504	(7,144)	41,117
Profit, net of tax	–	–	–	1,261	1,261
Transferred to retained earnings	–	–	(504)	504	–
Balance as at 30 June 2017 (Audited)	47,815	(58)	–	(5,379)	42,378
Issuance of new shares	37,500	–	–	–	37,500
Profit, net of tax	–	–	–	39	39
Balance as at 31 December 2017 (Unaudited)	85,315	(58)	–	(5,340)	79,917

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid ordinary share capital

	Number of Shares '000	Issued share capital S\$'000
Balance as at 30 June 2017 (excluding treasury shares)	489,000	47,815
Balance as at 31 December 2017 (excluding treasury shares)	789,000	85,315

Pursuant to a placement exercise approved by the shareholders of the Company at an Extraordinary General Meeting on 30 June 2017, the Company issued 300,000,000 new ordinary shares at the issue price of S\$0.125 per placement share.

As at 31 December 2017, the Company held 1,000,000 ordinary shares as treasury shares (30 June 2017: 1,000,000).

The total number of issued shares of the Company, excluding treasury shares and subsidiary holdings, as at 31 December 2017 and 30 June 2017 were 789,000,000 shares and 489,000,000 shares, respectively.

The Company has no outstanding convertible shares as at 31 December 2017 and 30 June 2017.

Treasury shares and subsidiary holdings

	31 December 2017	30 June 2017
Treasury shares	1,000,000	1,000,000
Subsidiary holdings	-	-
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	0.1%	0.2%

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 December 2017 '000	30 June 2017 '000
Total number of issued shares	790,000	490,000
Treasury shares	(1,000)	(1,000)
Total number of issued shares, excluding treasury shares	<u>789,000</u>	<u>489,000</u>

1(d)(iv) A statement showing all sales, transfers, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellations and/or use of treasury shares by the Company as at 31 December 2017 (31 December 2016: Nil).

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellations and/or use of subsidiary holdings by the Company as at 31 December 2017 (31 December 2016: Nil).

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 30 June 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and are effective for financial periods beginning on or after 1 July 2017. The adoption of these new or revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and does not have any material impact on the Group's financial statements for the current period reported on.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) based on the weighted average number of ordinary shares on issue; and
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	The Group	
	6 months ended 31 December 2017 Unaudited S\$'000	2016 Unaudited S\$'000
(Loss)/profit attributable to equity holders of the Company	(14,791)	653
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares	704,217	489,000
(Loss)/profit per share		
Basic and diluted (loss)/profit per share *		
Singapore cents	(2.10)	0.13

*Based on the weighted average number of ordinary shares in issue during the respective financial periods. The basic and diluted earnings/(loss) per share were the same as there were no potentially dilutive securities in issue as at 31 December 2017 and 31 December 2016.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	The Group		The Company	
	As at 31 December <u>2017</u> Unaudited	As at 30 June <u>2017</u> Audited	As at 31 December <u>2017</u> Unaudited	As at 30 June <u>2017</u> Audited
Net asset value ("NAV") (in S\$'000)	70,295	44,003	79,917	42,378
No. of ordinary shares ('000), excluding treasury shares	789,000	489,000	789,000	489,000
NAV per ordinary share based on Issued share capital (Singapore cents)	8.91	9.00	10.13	8.67

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF COMPREHENSIVE INCOME

Pursuant to the approval granted by the shareholders of the Company at the extraordinary general meeting held on 20 January 2017 the "**Japanese Properties Divestment Mandate**", the Company has completed the divestment of all its Japanese properties. 4 of its Japanese properties (the "**Remaining Properties**") were divested in the 6 months ended 31 December 2017 ("**1H2018**").

In 1H2018, the Group's revenue was mainly derived from the divestment of the Remaining Properties.

Note A

Revenue was S\$0.826 million for 1H2018, compared to S\$2.490 million for the 6 months ended 31 December 2016 ("**1H2017**").

The decrease was due to the lower revenue contribution following the divestment of the Remaining Properties in 1H2018.

Note B

Property operating expenses increased slightly from S\$0.922 million for 1H2017 to S\$0.928 million for 1H2018 due to higher commission expenses incurred in connection with the divestment of the Remaining Properties.

Note C

Other income increased by S\$0.786 million from S\$0.011 million in 1H2017 to S\$0.797 million in 1H2018 mainly due to:

- (i) the settlement agreement entered into with the former directors of the Company (the "**Former Directors**") in respect of the irregularities pertaining to the previous declaration and payment of interim dividends. As announced by the Company on 28 July 2017, the settlement amount of S\$458,000 has been received by the Company from the Former Directors; and
- (ii) the settlement agreement entered into with Mr Bay Cheow Guan David ("**Mr Bay**") in respect of the Company's previous payment of certain director's emoluments to Mr Bay. As announced by the Company on 8 November 2017, the settlement amount of S\$185,000 has been received by the Company from Mr Bay.

Note D

Depreciation of property, plant and equipment increased by S\$0.008 million from S\$0.007 million in 1H2017 to S\$0.015 million in 1H2018 mainly due to increase in office equipment. Subsequent to the acquisition of 60% of the equity interest in Global Entertainment Media Pte Ltd (“**GEM**”) in August 2017, the consolidation of GEM and its subsidiaries resulted in an increase in property, plant and equipment.

Note E

Other operating expenses increased by S\$11.475 million from S\$0.874 million in 1H2017 to S\$12.349 million in 1H2018 mainly due to:

- (i) the loss on divestment of the Remaining Properties, being the Green Forest Itabashi and Hatchobori Place properties, for S\$7.619 million. As the collective selling price for both properties was JPY 3.05 billion (approximately S\$36.9 million) and the corresponding collective fair value for both properties was JPY 3.68 billion (approximately S\$44.5 million), the divestment resulted in a loss of S\$7.619 million. Notwithstanding the foregoing, as the selling price in Japanese Yen was higher than the initial acquisition costs (approximately JPY 2.70 billion), the divestment of the Remaining Properties is in line with the Japanese Properties Divestment Mandate;
- (ii) the payment of S\$1.125 million as commission to the introducer further to the placement exercise approved by the shareholders of the Company at an Extraordinary General Meeting on 30 June 2017; and
- (iii) the payment of consultancy fees, legal and professional fees of S\$2.2 million arising from the GEM Acquisition, the aforementioned placement exercise, the legal suits against the Former Directors and Mr Bay, as well as an increase in operating and administrative costs following the consolidation of GEM and its subsidiaries.

Note F

Finance cost increased by S\$0.188 million from S\$0.281 million in 1H2017 compared to S\$0.469 million in 1H2018 mainly due to the early redemption fees incurred in relation to the full repayment of the outstanding loans of the Remaining Properties.

Note G

Net fair value gain on financial derivatives of S\$0.086 million in 1H2018 related to unrealised exchange gain on cross currency swaps, which had previously been entered in to hedge the Japanese Yen-denominated income arising from Japan. This unrealised exchange gain was due to favorable exchange rates movement in relation to the aforesaid swap in 1H2018.

Note H

Following the divestment of the Remaining Properties, no further fair value measurement of investment properties was required. That resulted in the nil figure for 1H2018.

Note I

Income tax expense comprised 20.42% withholding tax paid and payable upon the repatriation of proceeds from Godo Kaisha Threeline, Godo Kaisha Halekulani, the TK Operators, and asset managers of our Japan properties.

In 1H2018, the income tax expense was higher due to the higher amount of repatriated funds (the sales proceeds from the divestment of the Remaining Properties).

Note J

Exchange differences on translating foreign operations decreased from S\$2.978 million in 1H2017 to S\$0.224 million in 1H2018 mainly due to the smaller fluctuation of exchange rates in 1H2018 compared to 1H2017.

Overall, the net loss for 1H2018 was S\$14.930 million, compared to a net gain of S\$0.653 million in 1H2017.

STATEMENT OF FINANCIAL POSITION

On 11 August 2017, the Group acquired 60% of the equity interest in GEM (the "**GEM Acquisition**"), a company incorporated in Singapore, for a total consideration of S\$53,500,000. GEM owns 100% of the equity interest in Linyi Yin Sheng Wen Hua Mei Ti Co., Ltd. ("**Linyi Yin Sheng**"), an entity established in the People's Republic of China (the "**PRC**"). Linyi Yin Sheng, in turn, owns 80% of the equity interest in Fei County Wonder Stone Characteristic Town Development Co., Ltd ("**Fei County Wonder Stone**"), an entity established in the PRC. Fei County Wonder Stone holds the operating rights to Wonder Stone Park, which is located in Shandong Province of the PRC, and also owns a hotel (the "**Wonder Stone Hotel**") situated in Wonder Stone Park.

Subsequent to the GEM Acquisition, the assets and liabilities acquired have been consolidated based on their carrying amounts in the management accounts, and provisional goodwill of S\$47.791 million has been recorded. The Company expects to finalise the purchase price allocation ("**PPA**") exercise within 1 year from 11 August 2017, being the date of acquisition. Accordingly, the fair values of assets and liabilities of GEM and its subsidiaries on acquisition date will be adjusted upon finalisation of the PPA exercise.

Note K - Non-current assets

Non-current assets increased by S\$51.746 million from S\$6.005 million as at 30 June 2017 to S\$57.751 million as at 31 December 2017.

Property, plant and equipment increased due to the consolidation of GEM and its subsidiaries.

Construction in process of S\$9.567 million relates to the uncompleted Wonder Stone Hotel which is in the final stages of construction.

The provisional goodwill of S\$47.791 million relates to the excess of the consideration paid for the GEM Acquisition against the carrying amounts of the assets and liabilities acquired, as explained in the preceding paragraphs above.

Trade and other receivables relate to the Company's S\$6.000 million deposit with the escrow agent for the GEM Acquisition. With the completion of the GEM Acquisition, the deposit had been paid to the vendor.

Note L - Current assets

Current assets decreased by S\$43.304 million from S\$71.593 million as at 30 June 2017 to S\$28.289 million as at 31 December 2017.

Assets held for sale relate to the Remaining Properties which were divested in 1H2018.

Inventory of S\$0.014 million relates to low value consumables acquired for the maintenance of the Wonder Stone Park.

Trade and other receivables relate mainly to the tender deposit of S\$4.800 million placed by the Company's subsidiary, Fei County Wonder Stone, for the tender of 2 plots of land measuring 41,000 square meters in total. Fei County Wonder Stone has since successfully obtained the land use rights for these 2 plots of land in January 2018.

Cash and cash equivalents have also increased following the divestment of the Remaining Properties. Correspondingly, the restricted cash, which was required to be maintained based on bank loan agreements pertaining to the Remaining Properties, had also been returned to the Company.

Note M - Non-current liabilities

Non-current liabilities increased by S\$0.966 million from S\$3.552 million as at 30 June 2017 to S\$4.518 million as at 31 December 2017.

Consistent with the increase in withholding tax expense, deferred tax liabilities had increased due to the higher amount of repatriated funds (the sales proceeds from the divestment of the Remaining Properties).

Security deposits relate to deposits placed by the tenants of the Remaining Properties. With the divestment of the Remaining Properties in 1H2018, the security deposits are no longer held by the Company.

Derivative financial instruments relate to cross currency swaps which had previously been entered in to hedge the Japanese Yen-denominated income arising from Japan. The cross currency swaps are due to mature by July 2018 and are no longer classified as non-current.

Note N - Current liabilities

Current liabilities decreased S\$18.816 million from S\$30.043 million as at 30 June 2017 to S\$11.227 million as at 31 December 2017.

Trade and other payables increased to S\$11.163 million mainly due to the following:

- (i) the balance consideration of S\$4.000 million payable to the vendor pursuant to the GEM Acquisition. This has since been paid in January 2018;
- (ii) a shareholder's loan of S\$4.800 million loan extended by the minority shareholder of GEM via a related company of the minority shareholder, to enable Fei County Wonder

Stone to submit the tender deposit for the tender of the 2 plots of land as mentioned in the preceding paragraphs; and

- (iii) value-added tax of S\$1.300 million payable pursuant to the divestment of the Remaining Properties.

Borrowings relate to loans pertaining to the acquisition of the Remaining Properties. With the divestment of the Remaining Properties, these borrowings had also correspondingly been repaid.

Deferred revenue pertains to tenants of the Remaining Properties whom had paid their rent in advance. With the divestment of the Remaining Properties, these deferred revenue would no longer accrue to the Company.

Working capital

The Group has positive working capital of S\$17.062 million as at 31 December 2017.

STATEMENT OF CASH FLOWS

Net cash flows used in operating activities was S\$2.547 million as at 31 December 2017 mainly due to the operating cash outflows arising from:

- (i) higher expenses incurred in the form of professional and legal fees as the Company completed the GEM Acquisition; and
- (ii) higher withholding taxes paid due to the repatriation of proceeds from the divestment of the Remaining Properties.

Net cash flows from investing activities was S\$14.112 million as at 31 December 2017 mainly due to the receipt of proceeds from the divestment of the Remaining Properties and offset by the GEM Acquisition.

Net cash flows from financing activities was S\$10.415 million as at 31 December 2017 mainly due to the proceeds from the placement exercise and offset with the repayment of the outstanding bank borrowings for the Remaining Properties.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement were previously given.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Company continues its strategic reallocation of capital to new projects. With the divestment of the Remaining Properties, the Company has completed the divestment of its Japan properties. Work is currently underway on the development of the Wonder Stone Park and the Wonder Stone Hotel. In addition, new collaborations with potential business partners in tourism, hospitality and entertainment are also being sought out.

While the Company envisage challenges in our push towards a different market, the Company remains driven towards improving the efficiencies of our portfolio assets and enhancing the value and growth over the longer term.

11 If a decision regarding dividend has been made whether an interim (final) ordinary dividend has been declared (recommended)

(a) Current financial period reported on

None.

(b) Corresponding period of the immediately preceding financial year

None.

(c) Date Payable

Not applicable.

(e) Books closure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No interested person transaction mandate has been obtained from shareholders of the Company. There were no interested person transaction of \$100,000 and above entered into by the Group during the period ended 31 December 2017. The aggregate value of all IPTs during 1H2018 is less than S\$100,000.

14 Use of Net Proceeds from the Placement

- (a) The net proceeds from the placement, which was completed on 22 August 2017, was approximately S\$36.250 million (“**August 2017 Placement**”), out of which the entire amount had been utilised as at the date of this announcement, as set out below:

Intended Use	Amount of Net Proceeds allocated (S\$'000)	Amount utilised to date (S\$'000)	Amount unutilised to date (S\$'000)
Partially fund the acquisition of 60% of the issued and paid up capital of GEM	36,250	36,250	–
Total	36,250	36,250	–

The utilisation of proceeds from the August 2017 Placement is in accordance with its intended use.

15. Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”)

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

16. Negative Assurance

We, the undersigned, being the Directors of Imperium Crown Limited (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to our attention, which may render the unaudited financial results for the half year ended 31 December 2017 to be false or misleading in any material aspect pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

On behalf of the board of directors,

Wee Phui Gam
Lead Independent Director

Hau Khee Wee
Independent Director

BY ORDER OF THE BOARD

KELLY KIAR LEE NOI
Company Secretary
9 February 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd, (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. 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.

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