17 June 2016

Imperium Crown Limited
25 Bukit Batok Crescent
#08-01 The Elitist
Singapore 658066

RE: DIRECTORS' REPRESENTATIONS PURSUANT TO SECTION 152(3) OF THE COMPANIES ACT (CAP. 50)

Dear Sirs

1. We refer to the letter from Tan Geok Bee and Yeo Wee Kok (collectively, the "**Relevant Parties**") dated 7 June 2016 ("**Letter**") enclosing a Notice of Extraordinary General Meeting ("**EGM**") to be convened on 30 June 2016, for the purposes of, amongst others, passing resolutions to remove each of us as director of the Company with effect from the date of the EGM.

2. Pursuant to section 152(3) of the Companies Act (Cap. 50) ("**Companies Act**"), we hereby set out our representations in relation to the matters stated in the Letter.

3. The Relevant Parties have stated in the Letter, amongst others, that they are not satisfied with the historical performance of the Company under the current Board and are of the view that more can be done to enhance and maximise shareholder value for the benefit of all the Company's shareholders.

4. We set out our response below.

5. In respect of point (1) above, we note that the Relevant Parties have not provided any reasons as to why they are not satisfied with the historical performance of the Company under the current Board.

The Current Board

6. To put matters in context, the current Board was reconstituted after the Company's Annual General Meeting ("**AGM**") on 29 October 2014, and had comprised ourselves,

Mr Lim Chuan Lam ("**Mr Lim**"), Mr David Bay ("**Mr Bay**"), Mr Ng Hong Whee ("**Mr Ng**") and Mr Zheng Jiabin ("**Mr Zheng**").

7. Prior to Mr Lim's resignation as the Executive Chairman and CEO of the Company on 29 April 2016, Mr Zheng resigned as the Company's President and CEO on 13 April 2015, and Mr Ng resigned as a Non-executive and Non-independent director of the Company on 28 October 2015.

Diversification of the Company's business and Profits made

8. After the Company completed a private placement that raised gross proceeds of S$29.4 million on 18 November 2014, an EGM was held on 23 December 2014 to approve:

   a. a diversification of the Company's business to include property development and investment; and

   b. the acquisition of an initial 3 properties in Tokyo, Japan for a total sum of S$31 million.

9. Following the EGM, the Company completed the acquisition of 3 properties in Tokyo, Japan in January 2015 ("**the 3 Properties**").

10. On 18 June 2015, an EGM was held to approve:

    a. the disposal of the Company's outsourced and marketing business ("**Original Business**") (which was challenging and uncertain) to Mr Bay at S$3.4 million; and

    b. a change of the Company's name to its present name, Imperium Crown Limited, to reflect the diversification and change of its business focus.

11. On 29 June 2015, the Company completed the disposal of its Original Business to Mr Bay.

12. The proceeds from the disposal of the Original Business contributed to the growing of the Company's property investment and development business as well as general working capital needs.

13. In July 2015, the Company completed the acquisition of additional 2 residential properties in Tokyo for the total sum of S$19.6 million.

14. On 26 August 2015, the Company saw maiden contributions of S$1.73 million in revenue for the financial year ended 30 June 2015 from the 3 Properties after acquiring them in January 2015.

15. For the 6 months ended 31 December 2015, the Company achieved profits before changes in fair value of S$0.634 million as well as positive cash flow from operations. The Company declared an interim dividend in February 2016, for the second time since the Company's IPO in 2006.

The Company's Strategic Plans and Directions

16. The Company's clear strategic plans and directions were stated in its 2015 Annual Report, which stated, amongst others, that:

    a. The Company's "***strategy is to build up a diversified portfolio of well-located properties which are generating stable recurrent income. This is part of our capital management strategy to develop sustainable earnings in the longer term.***" (emphasis added).

    b. The Company intended to strengthen its capital base and develop a stable recurrent income stream. In particular, the Company shall continue to adopt a prudent capital management strategy by:

        i. strengthening its capital base; and

        ii. developing a stable recurrent income stream from our portfolio of investment properties.

c. In order to achieve a stable recurrent income stream, the Company shall remain selective in its acquisitions by focusing on residential and commercial properties and focus its portfolio on:

   i. Local residential housing located near key transport nodes such as the Tokyo Metro and Japan Rail stations and amenities such as convenience stores, supermarkets and schools; and

   ii. Grade B offices which target local residents, SME tenants and local companies supporting larger Japanese corporations and MNCs.

d. In addition, the Company seeks to identify suitable properties which may have potential for future re-development and/or asset enhancement thereby enhancing the value and growth of our portfolio over the longer term.

e. The Company had raised a total of S$36.47 million in 2 placement exercises in June 2014 and November 2014, bringing its total issued share capital to 490 million shares.

f. Given the capital intensive nature of its business, the Company needs to strengthen its capital base in order to build a larger and diversified portfolio of properties via fund-raising.

17. Accordingly, it is evident that the Company has performed creditably under the current Board - testimony to the success of the strategic plans and direction. The current Board is capable of enhancing the Company's growth in its property investment and development business.

18. In accordance with section 152 of the Companies Act, please notify the members of the Company of our representations as set out in this letter as soon as possible.

Prof Tan Chin Tiong
Pao Kiew Tee
Leong Koon Weng