



## PRESS RELEASE

### Imperial Ginseng Products Ltd. Announces Cash Distribution

**VANCOUVER, BRITISH COLUMBIA, December 22, 2023** – Imperial Ginseng Products Ltd. (TSXV: IGP) (the “Company”) today announces it has declared a cash distribution of \$2.25 per common share (the “**Distribution**”) to the holders of record at the close of business on January 12, 2024, payable on January 26, 2024. Because the Distribution is greater than 25% of the trading price of the Company’s common shares on the declaration date, it will be subject to the “Due Bill” trading requirements of the TSX Venture Exchange (the “**Exchange**”). Accordingly, the Exchange requires that the Company’s shares trade on a “Due Bill” basis from January 11, 2024 to January 26, 2024, inclusive (the “**Due Bill Period**”). This means that sellers who sell shares during the Due Bill Period will also sell their entitlement to the Distribution. The Company’s shares will trade on an ex-distribution basis (i.e., without an attached “Due Bill” entitlement to the Distribution) from the opening of trading on January 29, 2024. The Due Bills will be redeemed on January 30, 2024 once all trades with attached Due Bills entered during the Due Bill Period have settled.

Until the year ended June 30, 2023, the Company’s principal business was cultivating, processing and selling ginseng. In 2020, the Company announced that it would wind up its ginseng operations and dispose of all the farm assets, which was completed in the summer of 2023. At a special meeting of shareholders held on August 15, 2023, the Company received approval to make a distribution from the proceeds of the wind up to shareholders.

The Company anticipates that subsection 84(2) of the *Income Tax Act* (Canada) (the “**Act**”) will apply to the Distribution. Subsection 84(2) of the Act provides, in effect, that a distribution made to shareholders on a “winding-up, discontinuance or reorganization of [the Company’s] business”, will not be taxed as a dividend so long as the amount or value of the funds distributed does not exceed the amount by which the “paid-up capital”, as defined for the purposes of the Act (the “**PUC**”), of the relevant shares is reduced on the distribution. However, the amount of the reduction of PUC will reduce the adjusted cost base of a shareholder’s shares by a like amount. If the amount so required to be deducted from the adjusted cost base of the shares to a particular shareholder exceeds their adjusted cost base of such shares for purposes of the Act, the excess will be deemed to be a capital gain realized by such shareholder from a disposition of the shares. For a more detailed description of the tax consequences of the Distribution, Shareholders are encouraged to refer to the section titled “Certain Federal Income Tax Considerations” in the Company’s Management Information Circular (“MIC”), dated July 4, 2023 (available at the “Sedarplus.ca” website).

Neither this News Release, nor any previous correspondence from the Company, including the MIC, shall be construed as tax or legal advice to any Shareholder of the Company. The Company will not be able to provide any further tax information, including providing a Shareholders ACB, to any Shareholder and further, the Company strongly advises Shareholders to consult with their own accountants and/or tax advisors to determine their ACB and their specific tax consequences.

The Distribution described in this news release is the one and only distribution from liquidating the Company's ginseng business.

### **About Imperial Ginseng Products Ltd.**

The Company is currently seeking new business opportunities and remains committed to providing investors with future value.

### **ON BEHALF OF THE BOARD OF DIRECTORS**

#### ***“Stephen McCoach”***

Chief Executive Officer and Director

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### **Forward Looking Statements**

Certain statements in this press release may constitute “forward-looking” statements, including statements with respect to future purchases of common shares by the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligations to update or revise them to reflect new events or circumstances.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*