ICG
INTERNATIONAL
CEMENT GROUP

ANNUAL REPORT 2021

BUILDING MOMENTUM DRIVING GROWTH

Building Momentum Driving Growth

Over the past years, the Group has made significant headway in executing our expansion plan to ramp up our cement production capacity in the Central Asia region through both construction and acquisitions of cement plants. With our expanded capacity and strong track record, we will continue to build on this momentum and focus on driving growth in our core cement business within the Central Asia region where demand for cement remains strong.

Alacem Cement Plant

IMCCMC Quarry

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At a Glance

About International Cement Group

International Cement Group Ltd. (the "Company", and together with its subsidiaries, the "Group") is a cement producer with operations in the Central Asia region.

The Group owns and operates the largest cement plant in the Khatlon region in Tajikistan, with an annual production capacity of 1.2 million metric tonnes. In addition, the Group owns and operates a grinding station in Kolkhozabad, Tajikistan, with an annual production capacity of 0.6 million metric tonnes.

In addition to its Tajikistan operations, the Group also owns and operates a cement plant in the Almaty region of Kazakhstan, with an annual production capacity of 1.2 million metric tonnes.

In September 2021, the Group entered into a joint venture to build a new cement plant in the Korday district, Jambyl region in Kazakhstan, with an annual production capacity of 1.5 million metric tonnes. Construction of the new cement plant commenced in the last quarter of 2021 and is expected to be completed by mid-2023.

In November 2021, the Group completed the acquisition of a cement plant in the Jarminsky district in the East Kazakhstan region, with an annual production capacity of 1.0 million metric tonnes. Upgrading works commenced in end-2021 and the plant is expected to commence commercial production by mid-2022.

The Group also has an established business in manufacturing and marketing aluminum extrusions used for the construction industry in Singapore.

OUR BRANDS

Alacem

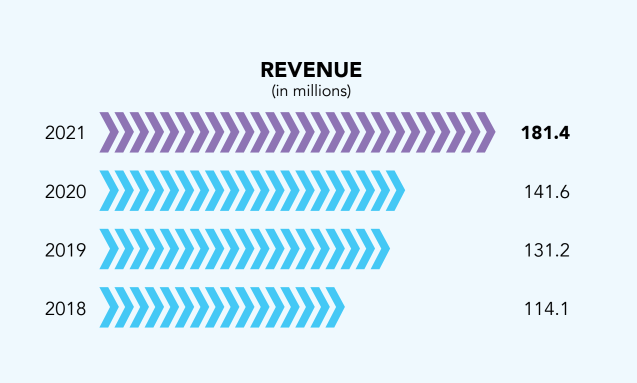
Мохир семент

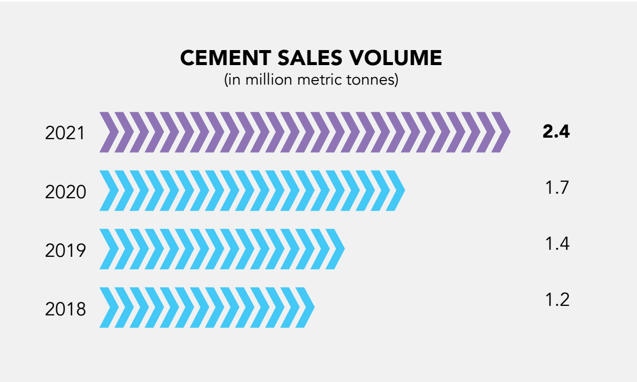
Existing Plant	Location	Annual Production Capacity
TAJIKISTAN		
1 Cement Plant - IMCCMC	Yovon District, Khatlon Region	1.2 mil MT
1 Grinding Station - MC	Kolkhozabad, Khatlon Region	0.6 mil MT
1 Drywall (Gypsum Plasterboard) Plant* - MI	Yovon District, Khatlon Region	30 mil m^2
KAZAKHSTAN		
Central Asia Headquarters	Almaty City	–
1 Cement Plant - Alacem	Sary-Ozek, Almaty Region	1.2 mil MT
1 Cement Plant* - Sharcem	Jarminsky District, East Kazakhstan Region	1.0 mil MT
1 Cement Plant* - Korcem	Korday District, Jambyl Region	1.5 mil MT

** Upcoming Development*

MALAYSIA
SINGAPORE
Corporate Headquarters
Sharcem
East Kazakhstan Region
KAZAKHSTAN
Alacem
Almaty Region
Central Asia
Headquarters
Almaty City
Korcem
Jambyl Region
KYRGYZSTAN
UZBEKISTAN
TAJIKISTAN
IMCCMC / MI
Khatlon Region
TURKMENISTAN
MC
Khatlon Region
HEADQUARTERS
CEMENT SEGMENT
ALUMINIUM SEGMENT
OTHERS SEGMENT

Financial Highlights





S$'000 (unless otherwise stated)	2018	2019	2020	2021
Cement sales volume (million metric tonnes)	1.2	1.4	1.7	2.4
Revenue	114,107	131,229	141,626	181,429
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	39,717	42,880	43,625	68,582
Profit before tax	31,083	33,405	26,229	46,723
Profit after tax	26,658	28,381	18,894	37,384
Profit attributable to owners of the Company	16,388	15,730	8,788	26,350
EBITDA margin (%)	34.8	32.7	30.8	37.8
Net profit margin (%)	23.4	21.6	13.3	20.6
Basic and diluted earnings per share (Singapore cents)	0.29	0.28	0.15	0.46
Total assets	292,747	368,475	337,423	393,188
Total liabilities	41,851	104,543	98,194	120,636
Total equity	250,896	263,932	239,229	272,552
Equity attributable to owners of the Company	194,860	205,077	192,744	224,258
Net asset value per share (Singapore cents)	3.44	3.58	3.36	3.91
Net cash from operating activities	33,525	50,271	49,905	51,959
Net cash used in investing activities	(37,098)	(55,114)	(26,118)	(60,607)
Net cash from/(used in) financing activities	(11,741)	4,273	(25,763)	10,776
Cash and cash equivalents	13,027	12,345	10,047	12,283

Corporate Structure

Chairman's Message

PROFIT

S$26.4

MILLION

REVENUE

S$181.4

MILLION

Dear Shareholders,

As the pandemic entered a second year, it continued to cause disruption across all countries and communities. Nevertheless, International Cement Group ("ICG") remained steady during the year and stayed on course in executing our growth strategy to increase our cement production capacity in the Central Asia region.

We are pleased to report that despite the challenging operating environment, we delivered a stellar set of results with net profit attributable to shareholders in the financial year ended 31 December 2021 ("FY2021"), nearly tripled from a year ago. The Group's net profit attributable to shareholders grew by 200.0% to S$26.4 million in FY2021 compared to S$8.8 million in the previous year. This was achieved on the back of a 28.1% increase in revenue to S$181.4 million, boosted by a 30.9% surge in contribution from its cement segment largely due to the commencement of sales from the new Alacem cement plant in Kazakhstan, which generated S$67.2 million in sales in FY2021. However, the overall increase was partially offset by a decline in revenue from the Group's Tajikistan operations and aluminium segment, which were affected by the slowdown in local construction activities in Tajikistan and Singapore due to the COVID-19 pandemic.

Our Alacem cement plant in Kazakhstan has performed remarkably well since the commencement of sales in the third quarter of 2020. During the year, demand for our cement in Kazakhstan was strong and sales had gained momentum, driven by the Kazakh government's commitment towards infrastructure development and modernisation. With our growing reputation for producing high-quality cement in Kazakhstan, we were able to capture a significant market share within a short span of time. On 5 January 2022, the Kazakh government imposed a nationwide state of emergency due to anti-government demonstrations triggered by rising fuel prices and political grievances, which has escalated into nationwide unrest. We temporarily closed the Alacem cement plant for a few days during the civil unrest to safeguard our employees and plant and resumed operations when the situation stabilised.

Our Tajikistan operations, which sells cement under the Mohir brand name, was affected by a slowdown in construction activities locally, due to the ongoing COVID-19 pandemic. Additionally, the sales of cement to our primary export market, Afghanistan, was impacted by the withdrawal of the United States troops and the Taliban takeover. Moving ahead, we plan to focus more on domestic sales which we expect to remain robust with the Tajikistan government's continued focus on developing the country's infrastructure.

Central Asia Headquarters Opening Ceremony

For the aluminium business, the Group had an order book (including variation orders) of S$16.2 million as at 31 December 2021. The projects secured were mainly local public housing projects, which are expected to be completed progressively over the next 3 to 5 years. During the year in review, our aluminium operations were severely impacted by the implementation of safe management measures in Singapore to control the spread of the virus, which led to a slowdown in construction activities. Additionally, we faced a shortage in manpower due to the strict border restrictions imposed in Singapore on foreign labour. In Malaysia, multiple phases of movement restrictions imposed during the year also caused a significant production slowdown in our fabrication factory.

ESTABLISHMENT OF REGIONAL HEADQUARTERS IN CENTRAL ASIA

During the year, ICG achieved another significant milestone with the establishment of our regional headquarters in Almaty, Kazakhstan. As we continue to gain a stronger foothold and grow our presence in the Central Asia region, this regional headquarters will play an important role in driving the Group's long-term business growth across this region, as well as improving operational efficiencies.

INVESTING IN FUTURE GROWTH

In 2021, the Group continued to deepen its footprint in the Central Asia region and increased its production capacity by acquiring a new cement plant, the Sharcem plant, in the Jarminsky district in the East Kazakhstan region, with an annual production capacity of 1.0 million metric tonnes. We will be investing US$29.0 million (S$39.2 million) on the upgrading of this plant. Upgrading works on the new plant is ongoing and we aim to commence operations by mid-2022.

During the year, we also entered into a joint venture to build a new cement plant, the Korcem plant, with an annual production capacity of 1.5 million in the Korday district, Jambyl region in Kazakhstan, and construction commenced in the last quarter of 2021. With an investment of approximately US$153.0 million (S$206.8 million), this new plant will comprise, specifically, a dry process cement clinker production line with a daily production of 3,500 metric tonnes of clinkers. The Korcem plant, which is planned for completion in mid-2023, is yet another tangible step in our journey towards achieving our goal of becoming one of the leading cement producers in the Central Asia region.

We are pleased to report that we continued to make headway with the building of the drywall (gypsum plasterboard) production line at our main Tajikistan plant in the Yovon district, and started construction works in the last quarter of 2021. We plan to complete the construction of the drywall production line by end of 2022. With an annual production capacity of 30.0 million square metres of drywall, we are optimistic that this new business segment will further broaden our product offerings, as well as provide the Group with a new revenue stream.


Central Asia Headquarters Opening Ceremony

THE WAY AHEAD

Moving into 2022, the Group is now in a stronger position to capture more growth opportunities in the Central Asia region. As governments in the Central Asia region continue to prioritise infrastructure development, we will build on this momentum and continue driving growth by leveraging on our expanded capacities and strong track record.

With the addition of the two new cement plants, our combined annual cement production capacity will almost double from 3.0 million metric tonnes to 5.5 million metric tonnes. This will strengthen the Group's ability to meet the strong demand for cement in Central Asia and contribute towards increasing our market share within the domestic market.

Looking ahead, despite the ongoing pandemic, we are cautiously optimistic for the year to come as we foresee that the demand for construction materials within the Central Asia region will remain strong. We will remain strategic and prudent in our pursuits of opportunities to further expand our cement operations in the Central Asia region through investments, acquisitions, joint ventures, and/or strategic collaborations to achieve sustainable and viable long-term growth, as well as create greater value for our stakeholders.

In addition, the Group will remain vigilant as we continue to navigate through this rapidly evolving COVID-19 situation. Safeguarding the well-being of our employees is our top priority and we will ensure that necessary health and safety measures are enforced across all our operations. We will continue to actively monitor and take the necessary steps to mitigate any continuing impact this may have on the Group's business.

The sanctions arising from the conflict between Ukraine and Russia are unlikely to have a direct operational and financial impact on the Group's business as we are not involved in any sanctioned business dealings with Russia. Nevertheless, we have put in place adequate and effective internal controls to monitor, address and mitigate sanction-related risks.

APPRECIATION

My heartfelt gratitude to the management team and staff for their hard work and unwavering dedication to the Group, particularly during this challenging period. We would also like to thank our fellow Board members for their guidance and invaluable advice.

We would like to take this opportunity to welcome Mr Wong Chee Meng Lawrence and Mr Ng Kian Guan, who joined ICG as Independent Directors on 26 April 2021 and 25 June 2021 respectively. Mr Wong is an established corporate practitioner with extensive legal experience, while Mr Ng has over 30 years of experience in banking and finance.

Finally, we thank you, our shareholders, for your steadfast support. The Company is certainly positioned to achieve many more milestones and we look forward to our growth journey ahead with you.

MA ZHAOYANG
Chairman

主席致词

尊敬的各位股东，

伴随着疫情进入新的一年，继续给所有国家和社区造成混乱。尽管如此，国际水泥集团（“ICG”）于年内保持稳定，并继续执行我们的增长战略，以提高我们在中亚地区的水泥产能。

我们很高兴地报告，尽管经营环境充满挑战，但我们在截至2021年12月31日的财务年度（“2021财年”）取得了一系列的出色业绩，归属股东的净利润几乎达到了一年前的近三倍。2021财年，集团归属于股东的净利润增长200.0%至2,640万新元，同比上一年为880万新元。这是在收入增长28.1%至1.814亿新元的背景下实现的；其中由于哈萨克斯坦的阿拉西姆（Alacem）水泥厂开始销售，并在2021财年产生了6,720万新元销售额，使得水泥业务板块的贡献激增30.9%。然而，受到新冠肺炎疫情影响，加之塔吉克斯坦和新加坡当地建筑活动有所放缓，致使塔吉克斯坦业务和铝业业务板块的收入有所下滑进而对集团整体业绩的增长产生了部分的抵消。

我们位于哈萨克斯坦的“阿拉西姆”（Alacem）水泥厂自2020年第三季度开始销售以来表现特别出色。本年度内，受哈萨克斯坦政府对基础设施开发和现代化投资的驱动，我们哈萨克斯坦水泥厂的需求强劲，销售迅猛增长。随着我们在哈萨克斯坦生产高品质水泥的声誉不断提升，让我们能够在短时间内占领可观的市场份额。2022年1月5日，由于燃料价格上涨和政治不满引发的反政府示威活动升级为全国范围的骚乱，哈萨克斯坦政府宣布全国进入紧急状态。在此期间，我们短暂地关闭了阿拉西姆水泥厂数天，以保护我们的员工和工厂，并在局势稳定后恢复了运营。

我们在塔吉克斯坦的品牌叫做“莫伊尔”（“Mohir”），因为持续的新冠肺炎疫情致使当地建设活动放缓，致使我们当地的业务受到影响。此外，美国军队撤离和塔利班的接管导致我们主要的水泥出口市场阿富汗受到影响。展望未来，我们计划更多地关注国内销售，我们预计随着塔吉克斯坦政府继续专注于发展该国的基础设施，国内销售将保持强劲。

关于铝业业务，截至2021年12月31日，集团的订单（包括变更订单）为1,620万新元。获得的项目主要是本地的公共住房项目，这些项目预计将在未来3至5年内逐步完工。回顾本年度，新加坡为控制病毒传播而实施的防疫安全管控措施导致建筑活动放缓，致使我们的铝业业务受到严重影响。此外，由于新加坡政府对外国劳工实施严格的边境限制，我们面临人力短缺的问题。在马来西亚，该国政府在年内实施的多阶段行动限制措施也导致我们装配厂的效率大幅受限。

设立中亚区域总部

本年内，作为另一个重要的里程碑，国际水泥集团在哈萨克斯坦阿拉木图设立了区域总部。随着我们继续在中亚地区站稳脚跟并扩大业务，该区域总部将在推动集团在该地区的长期业务增长以及提高运营效率方面发挥重要作用。

投资未来成长

2021年，集团继续深化在中亚地区的布局，并通过收购一间新的水泥厂，即夏尔西姆水泥厂，来增加集团的水泥产能，该水泥厂位于东哈萨克斯坦州让明斯克区，年水泥产能100万吨。我们将投资2,900万美元（3,920万新元）对该工厂进行改造升级。新工厂的改造升级工程正在进行中，我们的目标是在2022年年中开始运营。

年内，我们还成立了一家合资企业，计划在哈萨克斯坦江布尔州科尔代地区新建一间年产150万吨的水泥厂，即科尔西姆水泥厂，已于2021年第四季度开工建设。新厂投资约1.53亿美元（2.068亿新元），将建设一条熟料产能为3,500吨/日的新型干法水泥熟料生产线。科尔西姆水泥厂，计划于2023年年中竣工，它是我们实现成为中亚地区领先水泥生产商之一这一目标的又一切实步骤。

我们很高兴地汇报，我们在亚湾区塔吉克斯坦水泥厂内新建的石膏板生产线项目建设也进展顺利，已于2021年第四季度开工建设。我们计划于2022年底完成石膏板项目生产线的建设。我们乐观地认为，凭借年产3,000万平方米石膏板的生产能力，这项新的业务板块将进一步拓宽我们的产品线，并为集团提供新的收入来源。

前进的道路

进入2022年，集团目前比以往任何时候都更能抓住中亚地区的增长机遇。随着中亚各国政府继续优先发展基础设施，我们将充分利用这一势头，通过充分利用我们扩大的产能和良好的业绩来推动增长。

随着集团新增两个水泥厂，我们的年水泥年产能将几乎倍翻，从300万吨增至550万吨。这将提升集团满足中亚对水泥需求的能力，并有助于增加我们在国内市场的市场份额。

展望未来，尽管疫情仍在持续，但我们对来年持谨慎乐观态度，因为我们预计中亚地区对建筑材料的需求将保持强劲。我们将保持战略性和审慎的态度，通过投资、收购、合资和/或战略合作，进一步扩大我们在中亚地区的水泥业务，以实现可持续和可实施的长期增长，并为我们的利益相关方创造更大的价值。

此外，本集团将继续对不断演化的新冠肺炎疫情保持高度警惕。保障员工的福祉是我们的首要任务，我们将确保在我们所有经营活动中实施必要的健康和安全措施。我们将继续积极监控并采取必要措施，以减轻这可能对本集团业务产生的任何持续性影响。

因俄乌冲突而产生的制裁不太可能对集团的业务产生直接的营运及财务影响，因为我们并无与俄罗斯进行任何受制裁的业务往来。尽管如此，我们已经实施了充分和有效的内部控制，以监控、处理和减轻与制裁相关的风险。

致谢

我衷心感谢管理团队和员工的辛勤工作和对本集团坚定不移的奉献精神，尤其是在眼下这一充满挑战的时期。我们还要感谢董事会成员的指导和宝贵建议。

我们想借此机会欢迎分别于2021年4月26日和2021年6月25日加入国际水泥集团担任独立董事的黄志明先生和黄金源先生。黄志明先生是一位资深的企业从业人员，拥有丰富的法务经验，而黄金源先生在银行和金融领域拥有超过30年的经验。

最后，感谢各位股东的大力支持。公司一定有能力实现更多的里程碑，我们期待与您一起迈向成长之路。

马朝阳
主席

Board of Directors

Mr Ma Zhaoyang
Chairman and Executive Director

Mr Zhang Zengtao
Non-Independent Non-Executive Director

Mr Chng Beng Hua
Executive Director

Mr Guok Chin Huat Samuel
Lead Independent Director

MR MA ZHAOYANG

Chairman and Executive Director

Mr Ma Zhaoyang was appointed as a Director of International Cement Group Ltd. ("ICG") on 5 November 2015 and was last re-elected on 19 June 2020. He currently holds the position of Executive Chairman in ICG.

Mr Ma served as Chairman of Sino Vanadium Inc., a vanadium mining company, from 2009 to 2018. He was also a Non-Executive Director of Taihua PLC from 2006 to 2018, and an Independent Non-Executive Director of Xian Kaiyuan Holding Group Co Limited from 2006 to 2012.

He is currently a Non-Executive Director of West China Cement Limited ("WCC"), a company listed on the Hong Kong Stock Exchange since 2010. WCC specialises in producing and distributing cement products and is one of the leading cement producers in China's Shaanxi province.

Mr Ma received a Master's degree (1998) and a Doctorate (2009), both in Management, from the Northwestern Polytechnic University (Shaanxi, China). He was also an Associate Professor of Management at the University from 1996 until February 2019.

Mr Ma is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 28 April 2022.

MR ZHANG ZENGTAO

Non-Independent Non-Executive Director

Mr Zhang Zengtao was appointed as a Director of ICG on 5 November 2015 and was last re-elected on 19 June 2020. He is a Non-Independent Non-Executive Director of ICG.

He has extensive management expertise in the cement business gained through his years as an employee of the WCC group of companies. From 2007 to 2014, Mr Zhang held different roles in Yaobai Special Cement Group Co., Ltd, WCC's wholly-owned subsidiary.

Mr Zhang graduated from Xi'an Jiaotong University in October 2011 with a Master of Business Administration.

Mr Zhang is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 28 April 2022.

MR CHNG BENG HUA

Executive Director

Mr Chng Beng Hua was appointed as a Director of ICG on 30 May 2018 and was last re-elected on 26 April 2021. He is an Executive Director of ICG.

He has extensive experience in the area of finance and real estate development and has served as an Independent Director of Hong Leong Finance Limited from 2000 until April 2021.

Mr Chng holds a Bachelor's degree in Business Administration (Finance) from the University of Texas, Austin.

MR GUOK CHIN HUAT SAMUEL

Lead Independent Director

Mr Guok Chin Huat Samuel was appointed as an Independent Director of ICG on 31 December 2019 and was last re-elected on 19 June 2020. He was appointed as the Lead Independent Director of ICG on 26 April 2021. He is also the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

Mr Guok has been the Chief Executive Officer of StarHealth Pte. Ltd., a Singapore-based importer and distributor of health and medical products, since 1995 and has over 20 years of experience in investment banking, venture capital, and private equity businesses. In addition, he serves as an Independent Director of Global Palm Resources Holding Ltd, Redwood Group Limited and RE&S Holdings Limited.

Mr Guok holds a Bachelor of Science degree in Business Administration from Boston University, with majors in Finance and International Economics, and a minor in Chemistry.

Mr Wong Loke Tan *Independent Director* | **Mr Wong Chee Meng Lawrence** *Independent Director* | **Mr Ng Kian Guan** *Independent Director*

MR WONG LOKE TAN

Independent Director

Mr Wong Loke Tan was appointed as an Independent Director of ICG on 31 December 2019 and was last re-elected on 19 June 2020. He is also the Chairman of the Audit Committee and a member of the Nominating Committee.

He has over 30 years of experience in banking, last holding a Senior Vice President position at Maybank Singapore in 2016. His expertise includes syndicated loans, project financing, structured trade financing, and mergers and acquisitions. Mr Wong is particularly known in the business community for his extensive network and strong rapport with Singapore SMEs. Mr Wong remains active in the SME and Corporate business circle.

Mr Wong is an Independent Director of Union Steel Holdings Limited, Adventus Holdings Limited and K2 F&B Holdings Limited. He also serves as the Non-Executive Independent Chairman of Koyo International Limited.

Mr Wong holds a Master of Business Administration from Brunel University, and an Executive Diploma in Directorship from the Singapore Management University and the Singapore Institute of Directors.

MR WONG CHEE MENG LAWRENCE

Independent Director

Mr Wong Chee Meng Lawrence was appointed as an Independent Director of ICG on 26 April 2021. He is also a member of the Audit Committee, Nominating Committee and Remuneration Committee.

Mr Wong is an established corporate practitioner with extensive legal experience. He is currently a Managing Counsel at Bird & Bird ATMD LLP. His areas of practice include corporate and securities laws, capital markets, mergers and acquisitions, corporate restructuring, joint ventures, corporate and commercial contracts, regulatory compliance and corporate governance advisory and corporate secretarial work. He has led numerous initial public offerings, reverse take-overs, general offers, secondary fund raising and cross-border merger and acquisitions exercises.

He has advised and led numerous corporate actions for companies listed on SGX. He was also previously a registered professional and headed a SGX-ST continuing sponsor company.

He currently serves as an Independent Director of Eindec Corporation Limited and Atlantic Navigation Holdings (Singapore) Limited.

Mr Wong holds a Bachelor of Laws (Honours) from the National University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore, as well as a Solicitor of the High Court of Hong Kong SAR.

MR NG KIAN GUAN

Independent Director

Mr Ng Kian Guan was appointed as an Independent Director of ICG on 25 June 2021. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee.

Mr Ng has over 30 years of experience in banking and finance with strong expertise in credit and marketing. He was the Deputy Chief Executive Officer of Maybank Singapore from August 2014 to June 2021, while serving simultaneously as the Head of Corporate Office from September 2011 to December 2018. Prior to this, he led and oversaw various portfolios at the bank including Corporate Banking, Risk Management, Remedial Management, and Group Credit Management.

Mr Ng holds a Bachelor of Business Administration from the National University of Singapore. He also holds an Executive Diploma in Directorship from the Singapore Management University and Singapore Institute of Directors.

Mr Ng is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 28 April 2022.

Key Executives

Mr Cao Jianshun
Deputy Chief Executive Officer

Ms Lee Zhen Jesica
Chief Financial Officer

Ms Zhao Yuanyuan
General Counsel

Mr Chng Tze Sian Milton
Assistant General Manager (Corporate Affairs)

MR CAO JIANSHUN

Deputy Chief Executive Officer

Mr Cao Jianshun is the Deputy Chief Executive Officer of the Group. He oversees the cement operations of the Group. He concurrently holds the position of Chief Executive Officer/General Manager in International Manufacturing Company Chzhungtsai Mohir Cement LLC, Alacem LLP, Sharcem LLP, Korcem LLP and International Cement Investment Management LLP, subsidiaries of the Group.

Mr Cao has more than 20 years of experience in the cement industry and has immense knowledge in all aspects of operation and management of a cement plant, including production, sales, finance and maintenance.

Mr Cao graduated from Shaanxi Provincial Committee Party School specialising in economic management in 2005.

MS LEE ZHEN JESICA

Chief Financial Officer

Ms Lee Zhen Jesica is the Chief Financial Officer of the Group. She is responsible for the Group's finance, accounting and regulatory compliance functions including tax, corporate, internal controls and sustainability reporting, and is involved in the Group's activities on mergers and acquisitions. She is also the Chief Risk Officer of the Group and oversees the Group's risk management function.

Ms Lee has over 10 years of audit experience in both Singapore and the United Kingdom, covering multi-national and local companies in diversified industries in both the public and private sectors, as well as government-linked companies.

She holds a Bachelor of Accountancy degree from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

MS ZHAO YUANYUAN

General Counsel

Ms Zhao Yuanyuan is the General Counsel of the Group. She oversees the legal function of the Group and provides the Board of Directors with advice on company strategies.

Ms Zhao has extensive experience in advising on overseas investments, mergers and acquisitions, and initial public offerings. She passed the bar exam in 2005 and worked as a lawyer for 7 years in the People's Republic of China before joining the Group.

Ms Zhao holds a Master's degree in Law from Renmin University of China and a Bachelor's degree in Law from Northwest University of Political Science and Law.

MR CHNG TZE SIAN MILTON

Assistant General Manager (Corporate Affairs)

Mr Chng Tze Sian Milton is the Assistant General Manager (Corporate Affairs) of the Group. He oversees the corporate affairs of the Group.

He holds a Bachelor's degree in Commerce from the University of New South Wales.


Sharcem Quarry

Alacem Quarry

Operations and Financial Review

Regional Headquarters In Central Asia

In December 2021, International Cement Group ("ICG") established its first regional headquarters in Almaty, Kazakhstan. This is yet another significant milestone in our Company's development, underscoring our intent in growing our presence in the Central Asia region.

As we continue to gain a stronger foothold in the Central Asia region, the establishment of the regional headquarters is pivotal in driving the Group's long-term business growth across this region, as well as improving operational efficiencies.

The regional headquarters will be the nerve centre of all ICG business operations and future growth in the Central Asia region. It will be responsible for coordinating and driving forward the Group's business in this region, including providing strategic directions for growth, management consultancy services, as well as relevant technical consulting activities.

Central Asia Headquarters

IMCCMC Cement Plant

CEMENT SEGMENT

Since making our foray into the Central Asia region in 2017, we have been continuously increasing our cement production capacity in this region each year. We now own and operate a cement plant and a grinding station in Tajikistan, and a cement plant in Kazakhstan, with a combined annual cement production capacity of 3.0 million metric tonnes.

During the year in review, we continued to make great strides in building our cement production capacity to support the Group's long-term growth in this region:

(i) in September 2021, International Cement Korday Pte. Ltd., a wholly-owned subsidiary of the Company, entered into a joint venture to construct a cement plant in the Korday district, Jambyl region in Kazakhstan. This joint venture will be implemented through Korcem LLP, a 87.5% owned subsidiary of the Group; and

(ii) in November 2021, Sharcem LLP, a newly incorporated 60% owned subsidiary of the Company, acquired cement-related assets located at Jarminsky district in the East Kazakhstan region, for a cash consideration of approximately 7.1 billion Kazakhstan Tenge (S$22.3 million).

We are heartened that we will be partnering with Mr Nurzhan Shakirov ("Mr Shakirov"), who is also the local partner of our existing Alacem plant, to build and operate these two new cement plants. Over the years, we have forged a strong partnership with Mr Shakirov, who has worked closely with us in growing our cement operations in Kazakhstan. With our accumulated capabilities and experience in the cement industry in Central Asia, as well as Mr Shakirov's extensive local expertise in Kazakhstan, we are confident that both of these new projects will be another successful collaboration.

With the addition of these two new cement plants, the Group will nearly double our total annual cement production capacity from 3.0 million to 5.5 million, positioning us well for further growth.

Moving forward, even as the macro environment remains challenging, we will continue to cautiously pursue growth opportunities in the Central Asia region through both construction and acquisitions of cement plants where demand for cement continues to stay strong.

Alacem Cement Plant

KAZAKHSTAN

Alacem Cement Plant

Our operations in Kazakhstan currently consist of a cement plant, located in Sary-Ozek in the Almaty region, which commenced commercial sales in the third quarter of 2020 and has an annual production capacity of 1.2 million metric tonnes. The plant produces cement under the Alacem brand and supplies cement to the domestic market, specifically the Almaty and Taldykorgan areas, as well as the Horgos port near the Kazakh-Chinese border.

It is owned and operated through one of the joint ventures with our local partner, Mr Shakirov, and is the Group's largest investment in Central Asia to date, with a construction cost of approximately US$130.0 million (S$175.7 million), including other ancillary facilities.

Buoyed by the strong demand for construction materials in Kazakhstan, our operations at the Alacem plant performed remarkably well since the commencement of sales and generated S$67.2 million in sales in FY2021.

During the year, operations at the Alacem plant gained traction, and sales had increased, spurred by the Kazakh government's continued focus on infrastructure development. We were also able to capture a significant local market share due to the high-quality cement produced by the plant. With the Alacem brand name gaining prominence in Kazakhstan, we are well-positioned to capture a larger market share in Kazakhstan in the year ahead.

The Alacem plant was temporarily shut down for a few days in early January 2022 during the nationwide unrest in Kazakhstan to keep our employees safe and protect our plant. We restarted operations at the plant when the situation stabilised.

Sharcem Cement Plant

To further strengthen our presence in Kazakhstan, in November 2021, we acquired a cement plant in Jarminsky district in the East Kazakhstan region, the Sharcem plant, for a purchase consideration of approximately 7.1 billion Kazakhstan Tenge (S$22.3 million). The Sharcem plant, with an annual production capacity of 1.0 million metric tonnes, is also owned and operated through a joint venture with Mr Shakirov, our local partner of the Alacem plant.

Upgrading works for this newly-acquired plant, which will cost approximately US$29.0 million (S$39.2 million), commenced during the year and operations is expected to start by mid of 2022.

Strategically located in the east of Kazakhstan, the Sharcem plant will enable the Group to reach out to a broader market in Kazakhstan.

Korcem Cement Plant

Following the successful collaboration on the Alacem and Sharcem cement plants, in September 2021, we entered into another partnership with Mr Shakirov to build a new cement plant in the Korday district, Jambyl region in Kazakhstan, the Korcem plant, through Korcem LLP, an 87.5% owned subsidiary of the Group.

Under the joint venture, the Group will lead and manage the construction of the plant, while Mr Shakirov will provide the land for the construction of the plant, land-use rights, exploration and mining rights for the limestone quarry, as well as assist in obtaining all necessary licenses and permits to operate the plant.

With a construction cost of approximately US$153.0 million (S$206.8 million), the Korcem plant will comprise, specifically, a dry process cement clinker production line with a daily production of 3,500 metric tonnes of clinkers. Construction started in the last quarter of 2021 and is expected to be completed by mid-2023. Upon completion, the Korcem plant will have an annual cement production capacity of 1.5 million metric tonnes and will contribute towards increasing the Group's market share within the domestic market.

Strategically located in the neighbouring region of our existing Alacem plant in the south-eastern part of Kazakhstan with direct export routes to Kyrgyzstan, the Korcem plant will complement the Group's existing operations in this part of the country.


Alacem Cement Plant


Sharcem Cement Plant


Artist's impression of Korcem Cement Plant


Sharcem Cement Plant

TAJIKISTAN

IMCCMC Cement Plant and MC Grinding Station

Our operations in Tajikistan are located in the Khatlon region, consisting of a cement plant located in the Yovon district which has an annual production capacity of 1.2 million metric tonnes, and a grinding station in Kolkhozabad which has an annual production capacity of 0.6 million metric tonnes. Our Tajikistan operations produce cement under the Mohir brand name, which is then sold domestically and to the primary export market of Afghanistan.

During the year, sales at Tajikistan's operations dropped due to a slowdown in the local construction activities as a result of the COVID-19 pandemic. In addition, sales of cement to our primary export market, Afghanistan, were impacted by the withdrawal of the United States troops and the Taliban takeover.

Moving forward, we plan to focus on domestic sales, which we expect to remain strong with the Tajikistan government's commitment towards the continued construction and redevelopment of local infrastructure to stimulate the economy.

President of Tajikistan, Emomali Rahmon's visit to the MC grinding station

MC Grinding Station

MC Grinding Station Control Room

IMCCMC Cement Plant

OTHERS SEGMENT

In addition to growing our cement business, we are looking to broaden our product offerings in the Central Asia region to include drywall (gypsum plasterboard).

The Group plans to invest US$23.0 million (S$31.1 million) to build a drywall (gypsum plasterboard) production line within our IMCCMC cement plant, with an anticipated annual production capacity of 30.0 million square metres of drywall. Despite a delay brought on by the pandemic, we continued to make headway with the construction of the drywall production line during the year. Construction began in the last quarter of 2021 and is scheduled to be completed by end of 2022.

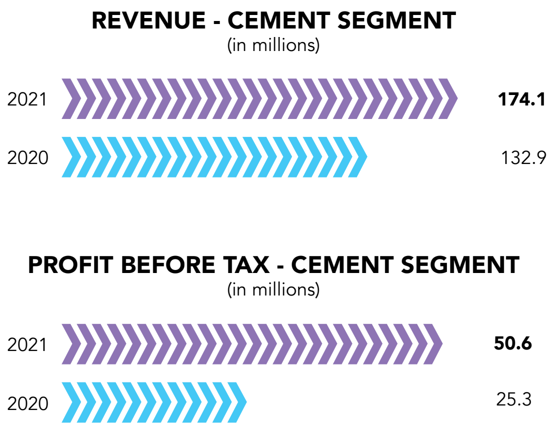
The drywall business will enhance our product offerings within the construction sector and provide the Group with a new revenue stream. Tapping into our existing distribution network in Tajikistan, we are well-positioned to grow this new business segment and meet the local demand for building materials.

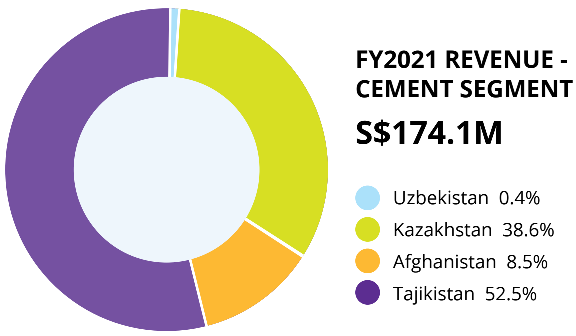
Review of Operations

The cement segment accounted for 95.9% of revenue in FY2021 as compared to 93.9% in FY2020.

Revenue from the cement segment increased by 30.9% to S$174.1 million in FY2021 largely due to the commencement of sales from the Alacem cement plant in Kazakhstan, which generated S$67.2 million in sales in FY2021. However, the increase was partially offset by a decline in revenue from the Group's Tajikistan operations due to a slowdown in local construction activities as a result of the COVID-19 pandemic. The gross profit margin for the Group's cement operations in Kazakhstan was higher than its operations in Tajikistan due to the lower cost of raw materials in Kazakhstan. As a result, the division's profit before tax rose by 100.3% to S$50.6 million.

Geographically, the increase in revenue was mainly attributable to an increase in revenue contribution from Kazakhstan of S$54.7 million, which was partially offset by a drop in revenue contribution from Tajikistan, Afghanistan, and Uzbekistan of S$7.0 million, S$4.0 million, and S$2.5 million respectively.






Bedok South Horizon project


Aluminium windows


Warehouse in Singapore

ALUMINIUM SEGMENT

In 2021, the Group continued to secure public-sector residential projects within Singapore, which are expected to be completed progressively over the next 3 to 5 years. As at 31 December 2021, the Group had an order book of approximately S$16.2 million, including variation orders.

The implementation of safe management measures to curb the spread of the virus in Singapore has led to a slowdown in construction activities. As our aluminium business is closely related to construction activities, its operations and performance were adversely impacted during the year. The aluminium segment was also constrained by manpower shortage due to the strict border restrictions imposed in Singapore on foreign labour. In Malaysia, multiple phases of movement restrictions imposed throughout the year caused a significant slowdown in production in our fabrication factory, which resulted in a delay in the delivery of cast-in window frames from Malaysia to Singapore.

Despite the many challenges we faced, we continued to work closely with our main contractors on the delays in deliveries and executing our projects on hand. Some of the projects completed during the year include the supply of aluminium windows for local public sector housing projects such as Bedok South Horizon at Bedok South and Tampines GreenVerge at Tampines Avenue 9.

Meanwhile, to mitigate the financial impact of not just the prolonged COVID-19 situation but the tough business environment, we will work towards conserving our cash flow by implementing cost-containment measures in our procurement and payment services.

Overall, we expect the operating environment to remain challenging with the ever-evolving COVID-19 pandemic, manpower shortage, and pressure on margins stemming from rising material and labour costs.

Review of Operations

The aluminium segment accounted for 4.1% of revenue in FY2021 as compared to 6.1% in FY2020.

Revenue from the aluminium segment fell by 15.2% to S$7.4 million in FY2021 mainly due to a slowdown in construction activities in Singapore. Loss before tax widened to S$3.6 million from S$1.3 million the year before, as a result of a significant increase in raw material and labour costs.

FINANCIAL PERFORMANCE

International Cement Group Ltd. and its subsidiaries (collectively the "Group") posted a revenue of S$181.4 million in the financial year ended 31 December 2021 ("FY2021"), up 28.1% from S$141.6 million the year before. This was due to an increase in revenue from the cement segment of S$41.1 million, or 30.9%, following the commencement of sales at its Alacem cement plant in Kazakhstan during the second half of 2020, which generated S$67.2 million in sales in FY2021. However, the overall increase was partially offset by a decline in revenue from the Group's Tajikistan cement operations and aluminium segment of S$13.5 million and S$1.3 million respectively, due to a slowdown in local construction activities in Tajikistan and Singapore as a result of the COVID-19 pandemic.

Gross profit rose by 32.2% to S$74.8 million in FY2021, while gross profit margin held steady at 41.2% in FY2021, up 1.2 percentage points from 40.0% the year before, thanks to the higher profit margin achieved by the Alacem cement plant as it benefited from the lower cost of raw materials in Kazakhstan. This was, however, eroded by the gross loss from the aluminium segment due to a significant surge in raw material and labour costs.

Other income fell 62.8% to S$1.5 million in FY2021 in the absence of a one-off refund of land premium from JTC in March 2020 for the return of land amounting to S$2.6 million.

Selling and distribution expenses increased by 31.2% to S$3.5 million due to distribution costs incurred for the delivery of cement from the Alacem cement plant in Kazakhstan to customers.

Administrative expenses increased by 15.7% to S$17.8 million in FY2021 primarily due to the commencement of operations of the Alacem cement plant in Kazakhstan during the second half of 2020.

The Group recorded a reversal of loss allowance on trade and other receivables and contract assets of S$0.1 million, compared to S$0.2 million a year ago due to an improvement in the collection and aging of the trade and other receivables in the aluminium segment during the second half of 2021.

IMCCMC Cement Plant

Operations and Financial Review (Cont'd)


IMCCMC Cement Plant


IMCCMC Cement Plant


Alacem Cement Plant


Alacem Cement Plant Laboratory

Other expenses went down by 71.7% to S$3.6 million from S$12.7 million a year ago. This mainly comprised foreign exchange losses of S$2.3 million arising from the revaluation of amounts owing to the Engineering, Procurement and Construction ("EPC") contractor and intercompany loans denominated in US Dollar ("USD") and Chinese Yuan ("CNY") as a result of a 4% depreciation of the Kazakhstani Tenge ("KZT") against the USD and CNY during the year (FY2020: 10%).

Finance costs comprised: (i) interest expense of S$3.7 million on the outstanding payables to the EPC contractor for the construction of the cement plant in Kazakhstan which are interest-bearing at 8.4% per annum; and (ii) unwinding of discount on the present value of the interest-free loans from non-controlling interest and major shareholders amounting to S$1.1 million. These interest-free loans are from a non-controlling interest of the Group's subsidiaries in Tajikistan, Dastoni Mohir LLC, for the construction of the grinding station in Tajikistan, and the major shareholders, Victory Gate Ventures Limited and Mr Ma Zhaoyang, for the construction of a new cement plant in Kazakhstan, as well as acquisition of cement-related assets for a cement plant in Kazakhstan and cost incurred for the upgrading works. The increase of 24.1% in finance costs to S$4.8 million was mainly due to capitalisation of finance costs arising from the outstanding payables to EPC contractor during the period of construction in the first quarter of 2020.

Tax expense of S$9.3 million included: (i) withholding tax paid on dividends declared by subsidiaries of S$3.6 million; (ii) deferred tax expense arising from temporary differences of S$1.1 million; and (iii) current tax expense of S$4.6 million. Current tax expense rose to S$4.6 million in FY2021 due to the expiry of the five-year tax holiday for the Group's subsidiary, International Manufacturing Company Chzhungtsai Mohir Cement LLC, in December 2020.

As a result, the net profit attributable to shareholders increased by 200.0% from S$8.8 million in FY2020 to S$26.4 million in FY2021.

Financial Position

As at 31 December 2021, the Group's net assets was S$224.3 million, which translated into a net asset value per share of 3.91 Singapore cents, compared with 3.36 Singapore cents a year ago.

Non-current assets

Non-current assets rose by 15.7% to S$323.0 million largely due to an increase in property, plant and equipment, intangible assets, and non-current trade and other receivables.

Property, plant and equipment grew by 17.0% to S$279.4 million mainly due to: (i) additions of S$54.0 million arising from the acquisition of cement-related assets for a cement plant in Kazakhstan and cost incurred for the upgrading works, construction of additional facilities for an existing cement plant in Kazakhstan, and construction of a new cement plant in Kazakhstan; and (ii) currency translation gain of S$2.2 million mainly arising from the appreciation of Tajikistani Somoni ("TJS") against Singapore Dollar ("SGD") by 2.2%. This increase was partially offset by depreciation charge of S$14.6 million, impairment loss of S$0.8 million, and disposals/write-offs of S$0.2 million.

Intangible assets and goodwill comprised subsoil rights, goodwill arising from the acquisition of the cement plant in Tajikistan in 2017, and an electricity licence. The increase in intangible assets and goodwill of 2.2% to S$39.7 million was due to a currency translation gain of S$0.9 million arising from the appreciation of TJS against SGD, and the acquisition of an electricity licence with the relevant authorities in Kazakhstan in September 2021 in order to purchase electricity directly from electric power stations amounting to S$2.4 million, which was partially offset by amortisation of S$2.5 million.

Non-current trade and other receivables of S$2.6 million consisted of deposits and prepayments for the construction of additional facilities of an existing cement plant in Kazakhstan.

Current assets

Current assets grew by 20.3% to S$70.2 million mainly due to an increase in inventories, current trade and other receivables, and cash and cash equivalents.

Inventories rose by 29.2% to S$27.2 million due to stocking up of raw materials in preparation for full production during the winter season in anticipation of higher cement sales in 2022 and purchase of spares and consumables for overhaul, repairs and maintenance during the first quarter of 2022.

Alacem Cement Plant

Current trade and other receivables mainly comprised: (i) trade receivables of S$2.0 million, (ii) tax-related receivables of S$10.0 million, and (iii) other receivables, deposits, and prepayments of S$17.3 million. The increase in current trade and other receivables of 14.9% to S$29.4 million was mainly due to an increase in deposits and prepayments of S$6.6 million for the construction of additional facilities in an existing cement plant in Kazakhstan and a gypsum plasterboard plant in Tajikistan.

Non-current liabilities

Non-current liabilities rose by 39.7% to S$73.2 million mainly due to an increase in long-term loans and borrowings and deferred tax liabilities, which was partially offset by a decrease in long-term other payables.

Long-term loans and borrowings comprised interest-free loans from major shareholders, Victory Gate Ventures Limited and Mr Ma Zhaoyang, for the construction of a cement plant in Kazakhstan, as well as the acquisition of cement-related assets for another cement plant in Kazakhstan and its related upgrading works. These loans are due between 2023 to 2024. The increase in long-term loans and borrowings of 162.4% to S$36.7 million was largely due to additional loans obtained from the major shareholders for the acquisition of cement-related assets in Kazakhstan and its related upgrading works, which was partially offset by the full repayment of an interest-free loan of S$1.2 million from Dastoni Mohir LLC, a non-controlling interest of the Group's subsidiaries in Tajikistan, for the construction of the grinding station in Tajikistan.

Long-term other payables of S$25.9 million mainly comprised amounts owing to EPC contractor for the construction of a cement plant in Kazakhstan under a deferred payment arrangement which are due between 2022 to 2024.

Deferred tax liabilities remained relatively consistent at S$10.6 million and comprised provisions for withholding taxes of S$4.1 million on unremitted profits of overseas subsidiaries and temporary differences of S$6.5 million mainly arising from property, plant and equipment, and intangible assets.

Current liabilities

Current liabilities increased slightly by 3.5% to S$47.4 million mainly due to an increase in trade and other payables, which was partially offset by a decrease in contract liabilities.

Short-term trade and other payables comprised: (i) trade payables and accrued operating expenses of S$12.7 million; (ii) retention monies of S$0.4 million; (iii) payables for purchase of property, plant and equipment of S$16.2 million; (iv) dividends payable to non-controlling interest of S$6.1 million; (v) lease liabilities of S$0.6 million; (vi) tax-related payables of S$5.2 million; and (vii) other payables of S$3.2 million. Short-term trade and other payables increased by 4.9% to S$44.4 million, mainly attributable to an increase in dividends payable to non-controlling interest and payables for property, plant and equipment for the upgrading works on an existing cement plant in Kazakhstan, offset by a decrease in tax-related payables.

Contract liabilities of S$2.5 million comprised advances received from customers.

Cash Flow

The Group's cash and cash equivalents increased from S$10.1 million as at 31 December 2020 to S$12.4 million as at 31 December 2021, mainly due to cash flows from operating activities of S$52.0 million and interest-free loans from major shareholders of S$24.4 million for the acquisition of cement-related assets and its related upgrading works. These were partially offset by:

(i) acquisition of property, plant and equipment of S$58.5 million for a cement plant in Kazakhstan and cost incurred for the upgrading works, construction of additional facilities for an existing cement plant in Kazakhstan, and construction of a new cement plant in Kazakhstan;

(ii) acquisition of intangible assets of S$2.5 million in relation to an electricity license with the relevant authorities in Kazakhstan to purchase electricity directly from electric power stations;

(iii) dividends paid to Dastoni Mohir LLC, a non-controlling interest of the Group's subsidiaries in Tajikistan, of S$6.3 million;

(iv) repayment of loans from Dastoni Mohir LLC, a non-controlling interest, of S$2.0 million;

(v) withholding tax paid on dividends declared by the Tajikistan subsidiary of S$3.6 million; and

(vi) interest paid on the amounts owing to the EPC contractor for the construction of a cement plant in Kazakhstan of S$1.3 million.

Corporate Social Responsibility

Road repairs in Tajikistan

Sponsorship for the Kerbulak District Volleyball Federation team

Donation to University Students in Tajikistan

In addition to pursuing sustainable business development and growth, we are committed to giving back to our local communities. In FY2021, we actively engaged in numerous corporate social responsibility ("CSR") initiatives across the Group.

In Tajikistan, we donated 1,500 metric tonnes of cement worth 1.08 million Tajikistan Somoni ("TJS") (S$128,000) to the Tajikistan government and local administrations of the Khatlon region. The donated cement went towards several local infrastructure improvements projects within Tajikistan that aim to improve the lives of the local residents. These included road repairs and upgrading local amenities such as fire protection facilities. Additionally, we contributed TJS 0.44 million (S$52,000) to the local government to build a road along the entrance of our grinding station in Kolkhozabad.

We strive to make a difference in the lives of the less privileged in the communities where our business operates. We contributed TJS 1.5 million (S$178,000) towards setting up a university bursary to improve access to education for the underprivileged. Donations to 66 students were made during the year to ease the financial burden of their educational expenses. In addition, through our employee union fund, we provided monetary aid to 350 employees in need.

We also continued our annual tradition of donating to the Kurgan Nursing Home, contributing TJS 0.2 million (S$24,000) this year to improve the living conditions of the nursing home to provide a better quality of life for its elderly residents.

As we continue to build our presence in Kazakhstan, we remain committed to building relationships with the local community, donating 1.03 million Kazakhstan Tenge ("KZT") (S$3,000) in cash contributions and other in-kind donations. To support the development of sports in Kazakhstan, we sponsored the Kerbulak District Volleyball Federation team's participation in state and national competitions, including the players' sports attire, as well as the national game, "Kokpar", organised by the Kazakh youth. Our social initiatives during the year include festive visits and gifts donation to local disabled children and centenarians of Sary-Ozek.

In the coming year, we will continue to actively pursue meaningful CSR activities and extend our help to our community wherever possible. We believe that such initiatives allow us to give back to society while providing our employees with meaningful opportunities to connect with the communities around them.

Corporate Information

BOARD OF DIRECTORS

Ma Zhaoyang
Chairman

Zhang Zengtao
Non-Independent Non-Executive Director

Chng Beng Hua
Executive Director

Guok Chin Huat Samuel
Lead Independent Director

Ng Kian Guan
Independent Director

Wong Chee Meng Lawrence
Independent Director

Wong Loke Tan
Independent Director

AUDIT COMMITTEE

Wong Loke Tan
Chairman

Guok Chin Huat Samuel

Ng Kian Guan

Wong Chee Meng Lawrence

NOMINATING COMMITTEE

Guok Chin Huat Samuel
Chairman

Wong Chee Meng Lawrence

Wong Loke Tan

REMUNERATION COMMITTEE

Ng Kian Guan
Chairman

Guok Chin Huat Samuel

Wong Chee Meng Lawrence

COMPANY SECRETARIES

Ang Siew Koon

Lee Zhen Jesica

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Singapore 079027
Tel: (65) 6486 7858
Fax: (65) 6486 7851

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
Singapore

(Partner In-Charge:
Ms Tan Yek Lee Doreen,
with effect from financial year ended 31 December 2019)

16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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Corporate Governance Report

The Board of Directors (the "Board") of the Company believes that good corporate governance is essential to the long-term sustainability of the Company's business and performance. The Company is committed to maintaining a high standard of corporate governance within the Group to ensure transparency, accountability and protection of shareholders' interest.

This Corporate Governance Report (the "Report") describes the Company's corporate governance practices and sets out the manner in which the Company has applied the principles and the extent of compliance with the guidelines as set out in the revised Code of Corporate Governance 2018 (the "Code"), and where applicable, the Listing Manual of the SGX-ST (the "Listing Manual"). In the opinion of the Board, the Company has generally complied with the guidelines as set out in the Code during the financial year ended 31 December 2021 ("FY2021"). Where there are any deviations from the Code, appropriate explanations have been provided in this Report.

A. BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. The Board oversees the Group's overall policies, strategies, key operational initiatives, performance and measurement, internal control and risk management. Each Director acts in good faith and in the best interest of the Company. They contribute their own expertise, skills, knowledge and experience to the Board for the benefit of the shareholders.

The Board has a list of reserved matters that requires the approval of the Board. The reserved matters include the following:

- The Group's annual budget;
- Change in capital structure;
- Major funding;
- Acquisitions and disposal of assets;
- Mergers and joint ventures;
- Half and full year results announcement;
- Interested person transactions of a material nature;
- Appointment of Directors and key executives;
- Remuneration of the Executive Directors ("EDs") and key executives;
- Payment of interim dividend;
- Recommendation to the shareholders on the payment of Non-Executive Directors' fees, re-election of Directors, appointment and re-appointment of external auditors, payment of final dividend;
- Material announcements; and
- Corporate governance practices.

The Company has also established a delegation authority matrix for operations, capital expenditure, procurement of goods and entering into agreements/contracts and transactions which are not in the ordinary course of business.

All Board members are expected to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where there are circumstances in which a Director has a conflict of interest or it appears that the Director might have a conflict of interest in relation to any matter, the Director concerned will recuse himself from participating in the discussion and decision of the matter. Such compliance will be recorded in the minutes of meeting or the Board resolutions.

All the Board and Board Committee meetings as well as the AGM are scheduled in advance of each year in consultation with the Directors. For FY2021, the Board met two times to deliberate and approve the financial results and announcements for the half and full financial year, and other matters requiring the Board's approval.

In addition to the scheduled meetings to review the half and full year financial results, ad-hoc Board meetings are also convened as and when they are deemed necessary in between the scheduled meetings. There is a provision under Regulation 114 of the Company's Constitution for the Directors to convene meetings by way of tele-conference, video conference or other similar means. When a meeting is not possible, timely communication with members of the Board is achieved through electronic means and the circulation of written resolutions for approval by the relevant members of the Board.

To assist in the execution of its responsibilities and in the discharge of its oversight functions, the Board is supported by three Board Committees, namely the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit Committee ("AC"). Each committee has its own set of written Terms of Reference which clearly spells out the objectives, duties, powers, responsibilities as well as qualifications for committee membership.

The attendance of each Board member at the meetings of the Board, Board Committees and the Shareholders' meetings of the Company in FY2021 was as follows:

Name of Directors	Board	AC	NC	RC	AGM
Ma Zhaoyang	2/2	-	0/1	-	1/1
Zhang Zengtao	2/2	-	-	-	1/1
Chng Beng Hua	2/2	-	-	-	1/1
Kan Ah Chye @ Kan Poh Thong [(1)]	1/1	1/1	1/1	1/1	1/1
Lisa Sam Hui Min (Lisa Cen Huimin) [(1)]	1/1	1/1	1/1	1/1	1/1
Guok Chin Huat Samuel	2/2	2/2	1/1	1/1	1/1
Wong Loke Tan	2/2	2/2	-	1/1	1/1
Wong Chee Meng Lawrence [(2)]	1/1	1/1	-	-	-
Ng Kian Guan [(3)]	1/1	1/1	-	-	-

[(1)] Messrs Kan Ah Chye @ Kan Poh Thong and Lisa Sam Hui Min retired at the AGM held on 26 April 2021.
[(2)] Mr Wong Chee Meng Lawrence was appointed as an Independent Director on 26 April 2021.
[(3)] Mr Ng Kian Guan was appointed as an Independent Director on 25 June 2021.

All Directors are required to declare their board appointments. When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding multiple board appointments for some of the Directors, all the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company. Please refer to Principle 4 below for further disclosure in relation to multiple board representations.

Rule 210(5) of the Listing Manual requires any director who has no prior experience as a director of a listed company to undergo training in the roles and responsibilities of a listed company director. Two new Independent Directors were appointed in FY2021. Mr Wong Chee Meng Lawrence and Mr Ng Kian Guan were appointed on 26 April 2021 and 25 June 2021 respectively. The newly appointed Directors were provided with a formal appointment letter setting out the Director's duties and obligations.

Under the Listing Manual, if the new Director has not served on any public listed company, he/she will have to attend the basic course for new Directors conducted by the Singapore Institute of Directors (the "Basic Course"). Mr Wong Chee Meng Lawrence has prior experience serving on the Board of listed companies and therefore he is exempted from attending the Basic Course. Mr Ng Kian Guan does not have prior experience serving on the Board of listed companies. However, given that he possesses an Executive Diploma in Directorship jointly awarded by the Singapore Management University and the Singapore Institute of Directors, the Board opined that he has the required knowledge of the duties and responsibilities of acting as a Director on the board of listed companies. Hence, Mr Ng is not required to attend the Basic Course.

The newly appointed Directors were provided with minutes of the Board and Board Committees' meetings for the past one year, the Company's Constitution, Terms of Reference of the Board Committees as well as the Company's policies to equip them with the relevant information and knowledge to make contributions and exercise judgement for decision making on matters pertaining to the Company. They had also received appropriate induction briefings that include information on the Group's structure, strategic objectives, policies and governance practices, and an overview of the business activities of the Group.

All Directors were given opportunities to visit the Group's local and overseas operational facilities to have an understanding of the operations and to get to know the members of the local and overseas management team. However, due to the COVID-19 pandemic and travel restrictions, visits to operations based overseas had been deferred.

The Directors are encouraged to attend trainings and participate in seminars to continuously upgrade themselves at the cost of the Company if the courses are relevant to their performance as a Director of the Company.

During the financial year under review, all the Directors were updated by the Company Secretary at the Board or Board Committees' Meetings or via emails on the changes in the Listing Manual, the Companies Act or the Code which the Directors should be made aware of. The Directors, especially those who are members of the AC, were also updated on any changes in the financial reporting standards by the external auditors at the AC meetings.

Management endeavors to provide the Board with complete, adequate and timely information on Board affairs and issues that require Board's attention and decision prior to the Board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities. As a general rule, Board papers are sent to Directors one week in advance in order for Directors to be adequately prepared for the meeting. As and when there are important matters that require the Directors' attention, the information will be furnished to the Directors as soon as practicable.

All Directors have independent access to the Group's senior management and the Company Secretary. Information requested by the Directors are provided in a timely manner, and queries attended to promptly.

The Company Secretary and her assistants provide secretarial support to the Board which includes attendance at Board and Board Committee meetings, ensuring that meeting procedures are followed and that the relevant rules and regulations of the Companies Act, the Code and the Listing Manual which are applicable to the Company are adhered to. The Company Secretary assists the Chairman of the Board and the Board Committees in the development of the meeting agendas for the various Board and Board Committees' meetings. The Company Secretary and her assistants attended all the Board and Board Committees' meetings in FY2021.

Pursuant to the Company's Constitution, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

If the Directors need independent professional advice to fulfill their duties, such advice will be obtained from the professional entity approved by the Board and the cost of such professional advice will be borne by the Company.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

The Board comprises seven Directors, four of whom are independent. The Board has a strong level of independence and diversity of thought as Independent Directors make up a majority of the Board.

Ma Zhaoyang
– Executive Director and Board Chairman

Zhang Zengtao
– Non-Independent Non-Executive Director

Chng Beng Hua
– Executive Director

Guok Chin Huat Samuel
– Lead Independent Director [1]

Wong Loke Tan
– Independent Director

Wong Chee Meng Lawrence
– Independent Director [2]

Ng Kian Guan
– Independent Director [3]

Kan Ah Chye @ Kan Poh Thong
(Retired on 26 April 2021)

Lisa Sam Hui Min (Lisa Cen Huimin)
(Retired on 26 April 2021)

(1) Appointed as Lead Independent Director with effect from 26 April 2021.
(2) Appointed as Independent Director on 26 April 2021.
(3) Appointed as Independent Director on 25 June 2021.

The independence of each Independent Director is assessed at least annually by the NC and as and when situation calls for it. All the Independent Directors are required to declare and confirm his/her independence via the Form on Declaration of Independence. For the financial year under review, all the Independent Directors confirmed that they did not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interest of the Company.

Aside from the declaration of independence by the Independent Directors, the NC will deliberate and determine whether a Director is independent taking into consideration other factors including whether that Director is able to exercise independent judgement and whether he/she has any relationships which are likely to affect his/her independent judgement and character.

The existence of any of the following relationships or circumstances will deem the Director as not independent:

(a) the Director who is and has been employed by the Company or any of its related corporations for the current or any of the past three financial years;

(b) the Director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC;

(c) the Director who has been a Director on the Board for an aggregate period of more than nine years (whether before or after listing) and whose continue appointment as an Independent Director has not been sought and approved in separate resolutions by:

(i) all shareholders; or

(ii) all shareholders excluding shareholders who also serve as the Directors or Chief Executive Officer ("CEO") and associates of such Directors and CEOs;

(d) the Director:

(i) who, in the current or immediate past financial year, is or was; or

(ii) whose immediate family member, in the current or immediate past financial year, is or was,

a 5% shareholder of, or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant;

(e) the Director who is a 5% shareholder or an immediate family member of a 5% shareholder of the Company; or

(f) the Director who is or has been directly associated with a 5% shareholder of the Company, in the current or immediate past financial year.

For FY2021, the NC is of the view that none of the Independent Directors who were considered independent had any of the above relationships or circumstances. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs.

The Company recognises the importance and benefits of having a diverse Board to enhance the quality of its performance. The Company has not adopted a board diversity policy in FY2021. The Terms of Reference of the NC includes consideration of candidates from a wide range of backgrounds, their merits and against objective criteria with due regard for the benefits of diversity on the Board, including gender, skills, knowledge, experience and diversity. The Board currently comprises individuals who are suitably qualified with the necessary mix of expertise, experience and knowledge ranging from legal, accounting and finance expertise to individuals with the industry knowledge relevant to the Group's business.

For the Board composition in FY2021, the NC reviewed and was satisfied that the Board has a good balance of Directors who come from diverse backgrounds and have extensive industry knowledge, skills and/or business, financial, accounting and management experience. The Directors were able to engage in constructive debates, very vocal in expressing their opinions on the subjects under discussion at the meetings and there was no groupthink. Profiles of the Directors are set out in the "Board of Directors" section in this Annual Report.

The Non-Executive Directors met regularly without the presence of Management, albeit informally. Any issues raised at such informal meetings would be brought to the Board for discussion, where appropriate.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the Management and no one individual has unfettered powers of decision making.

Mr Ma Zhaoyang is the Executive Chairman of the Board. Mr Ma is responsible for leading the Board and ensuring the effective functioning of the Board. The Chairman provides leadership role by promoting an open environment of openness and debate and ensures that sufficient time and resources is allocated to the Board members for discussion.

The position of CEO is vacant as at the date of this report. Mr Cao Jianshun ("Mr Cao") was appointed as the Deputy CEO on 8 March 2019 and has no family relationship with the Executive Chairman. Mr Cao is responsible for the Group's cement operations. The roles of the Chairman and CEO and/or Deputy CEO are separate and their responsibilities are clearly defined to ensure a check and balance of power and authority.

The Chairman is also responsible to ensure effective communication with shareholders, encourage constructive relationship between the Board and Management, as well as between the Board members, and promote high standards of corporate governance.

The Board is of the view that there is a sufficiently strong independent element on the Board to enable independent exercise of objective judgement on affairs and operations of the Group by members of the Board. As the Board Chairman is not an Independent Director, the Board has appointed Mr Guok Chin Huat Samuel as the Lead Independent Director. Shareholders with concerns may contact the Lead Independent Director directly, when contact through the normal channel via the Chairman has failed to provide a satisfactory resolution or when such contact is inappropriate.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC, regulated by a set of written terms of reference endorsed by the Board, comprises a majority of Independent Directors including its Chairman:

Guok Chin Huat Samuel
– Chairman, Lead Independent Director [1]

Wong Chee Meng Lawrence
– Member, Independent Director [2]

Wong Loke Tan
– Member, Independent Director [3]

Lisa Sam Hui Min (Lisa Cen Huimin)
(Retired as ID and stepped down as Chairman on 26 April 2021)

Kan Ah Chye @ Kan Poh Thong
(Retired as ID and stepped down as a NC member on 26 April 2021)

Ma Zhaoyang
– Member, Non-Independent, Executive Director (Stepped down as a NC member on 26 April 2021)

(1) Appointed as Chairman of the NC with effect from 26 April 2021.
(2) Appointed as a NC member with effect from 26 April 2021.
(3) Appointed as a NC member with effect from 25 June 2021.

The functions of the NC include, amongst others:

(a) reviewing and recommending:

   (i) the Board succession plans of the Directors, in particular the Chairman and CEO, (including Independent Directors) taking into consideration each Director's contribution and performance;
   (ii) the development of a process for evaluation of the performance of the Board of Directors, the Board Committees and Directors;
   (iii) the review of training and professional development programmes for the Board of Directors; and
   (iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable);

(b) reviewing annually the composition of the Board to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities;

(c) determining annually whether a Director is independent in accordance with the Code and any other salient factors;

(d) reviewing and deciding whether a Director is able to and has been adequately carrying out his duties as a Director;

(e) reviewing and approving of any new employment of related persons and the proposed terms of their employment; and

(f) evaluating the performance and effectiveness of the Board as a whole.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of his or her re-election as Director.

The search and nomination process for new Directors, if any, will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates. Based on the profile submitted, the NC will meet with the candidate for a chat to have a better understanding of the candidate. The NC will consider amongst others, the qualification, experience and qualities of the candidate and the requirement of the Board at that point in time. This is to ensure that the Board comprises members with different expertise and perspectives having come from different backgrounds, for a more balanced Board.

The NC meets at least once a year. One-third of the Board is to retire by rotation and subject themselves to re-election. The Constitution of the Company provides that one-third of the Directors who have served the longest since their most recent election (or, if their number is not a multiple of three, the number nearest to but not less than one-third) must retire from office at the AGM. The retiring Directors are eligible to offer themselves for re-election at the AGM.

Pursuant to Regulation 102 of the Constitution of the Company, Mr Ma Zhaoyang ("Mr Ma") and Mr Zhang Zengtao ("Mr Zhang") are due to retire at the forthcoming AGM. Both Mr Ma and Mr Zhang, being eligible, have offered themselves for re-election.

Pursuant to Regulation 106 of the Constitution of the Company, the Directors who were newly appointed since the last AGM will have to vacate their office at the close of the forthcoming AGM. The retiring Directors, being eligible, may offer themselves for re-election. Mr Ng Kian Guan was appointed on 25 June 2021. Being eligible, he has offered himself for re-election.

The NC, having considered the attendance and participation of the Directors at the Board and Board Committee meetings, in particular, their contribution to the business and operations of the Company, has recommended their re-election. The Board has concurred with the NC's recommendation. Each member of the NC had abstained from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of his or her re-election as Director.

As an individual Director's ability to commit time to the Group's affair is essential, the NC has determined that the maximum number of listed company board representations which any Director of the Company may hold is five. The NC noted that, all Directors had complied with this guideline in FY2021.

The Board would generally avoid approving the appointment of alternate directors unless in exceptional cases of medical emergency. There was no alternate director on the Board in FY2021.

Profile of the Directors, detailing their qualifications, directorships in other listed companies, their appointment to the Board and the date of their last re-election can be found on pages 10 to 11 of this Annual Report.

Principle 5: Board Performance

> The Board undertakes a formal annual assessment of its effectiveness as a whole, and that each of its board committees and individual directors.

The Board acknowledges the importance of a formal assessment of Board performance. It has adopted a formal system of evaluating Board performance with the use of evaluation forms to assess the effectiveness, efficiency and functioning of the Board and Board Committees and the contribution by each Director. All Directors are required to complete the evaluation questionnaire annually. The Company Secretary compiles the Directors' responses in the evaluation forms and prepares a consolidated report. The report is reviewed at the NC meeting and then reported to the Board.

The evaluation of the Board's performance as a whole deals with matters on Board composition, information flow to the Board, Board procedures and Board accountability. The criteria for the evaluation of individual Director include amongst others, attendance at meetings, Directors' duties and know-how and interaction with fellow Directors. The Board Committees' evaluation deals with the efficiency and effectiveness of each committee in assisting the Board. Finally, the evaluation of the Board covers the Board contribution to the testing and development of strategy, ensuring effective risk management, the Board's response to problems and crisis etc.

The evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice. The performance evaluation for FY2021 for the Board was conducted in February 2022 and the results were presented to the NC for discussion. The NC was satisfied that the Board had been effective as a whole and that each and every Director had contributed to the effective functioning of the Board and the Board Committees. In addition, the NC was also satisfied that sufficient time and attention had been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors had multiple board representations.

B. REMUNERATION MATTERS

Principle 6: Procedures for developing remuneration policies

> The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.

The RC, regulated by a set of written terms of reference endorsed by the Board, comprises a majority of Independent Directors including its Chairman:

Ng Kian Guan
– Chairman, Independent Director (1)

Guok Chin Huat Samuel
– Member, Lead Independent Director (Stepped down as RC Chairman on 25 June 2021 and remains as a member of the RC)

Wong Chee Meng Lawrence
– Member, Independent Director (2)

Kan Ah Chye @ Kan Poh Thong
– Member, Independent Director (Retired as ID and stepped down as a RC member on 26 April 2021)

Lisa Sam Hui Min (Lisa Cen Huimin)
– Member, Independent Director (Retired as ID and stepped down as a RC member on 26 April 2021)

Wong Loke Tan
– Member, Independent Director (Stepped down as a RC member on 25 June 2021)

(1) Appointed as an ID and RC Chairman with effect from 25 June 2021.
(2) Appointed as a RC member with effect from 25 June 2021.

The RC has adopted written terms of reference defining its membership, administration and duties. Duties and responsibilities of the RC include:

(a) reviewing and recommending to the Board, in consultation with the Chairman of the Board, a remuneration policy framework and guidelines for remuneration of the Board and the CEO and other persons having the authority and responsibility for planning, directing and controlling the activities of the Company ("key management personnel"). The RC's recommendations should be submitted for endorsement by the Board;

(b) determining specific remuneration packages for each of the Directors and key management personnel ("KMP") covering all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind, and submitting such determination to the Board for approval. In so doing, the RC should take into consideration the following:

(i) a significant and appropriate proportion of EDs and KMP's remuneration should be structured so as to link rewards to corporate and individual performance;

(ii) such performance-related remuneration should be aligned with the interests of shareholders and promote the long-term success of the Company. It should also take into account the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks;

(iii) remuneration of Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of such Directors; and

(iv) Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised;

(c) seeking expert advice inside and/or outside the Company on remuneration of all Directors, if necessary, and ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

(d) reviewing the Company's obligations arising in the event of termination of the EDs and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, and aim to be fair and avoid rewarding poor performance;

(e) recommending targets and measures for assessing the performance of each of the EDs and KMP, for endorsement by the Board;

(f) where long-term incentives schemes have been implemented by the Company, reviewing whether EDs and KMP should be eligible for benefits under the long-term incentives schemes;

(g) periodically considering and reviewing remuneration packages in order to maintain their attractiveness, so as to retain and motivate the Directors and KMP; and

(h) considering the implementation of schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of shareholders.

The RC reviews and recommends the remuneration of EDs and KMP. The remuneration policy adopted comprises a fixed and variable component. The fixed component is in the form of base salary while the variable component is in the form of performance bonus which is determined based on performance of the Group and the individual.

The RC, where necessary, may seek advice from external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMP. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2021.

Each member of the RC or any Director abstains from voting on any resolution or participating in any deliberation in respect of his/her remuneration package and matters in which he/she has an interest.

Principle 7: Level and mix of remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.

The role of the RC is to review and recommend to the Board, in consultation with the Chairman of the Board, a framework of remuneration for the Directors and key executives of the Group, and to determine specific remuneration packages for each ED. The RC's objective is to establish and maintain an appropriate and competitive level of remuneration to attract, retain and motivate Directors and key executives. The Independent Directors receive Directors' fees in accordance with their level of contribution, taking into account factors such as effort and time spent and responsibilities of the Directors.

The remuneration for EDs and KMP comprises salaries and discretionary bonuses. Salaries are reviewed annually by the RC and adjustments are made to reflect performance, contribution, changes in responsibilities (if any) and/or by reference to market/sector trends. In addition to salary, EDs and KMP are eligible to receive discretionary bonuses which are determined based on individual performance; the Group's performance for each financial year against key performance indicators on revenue and profit targets; and other factors such as market conditions. The amount of discretionary bonuses are reviewed and approved by the RC. The Company does not have any long-term incentive scheme(s) including employee share schemes such as employee share option schemes or performance share plans in place.

Non-Executive Directors (including Independent Non-Executive Directors) and members of the Board Committees (other than Executive Director(s)) are entitled to annual fees that are approved by Shareholders at the annual general meeting prior to payment. Such annual fees are determined based on the level of skills, responsibilities and commitments required of each Non-Executive Director. The Company is aware of the need for transparency. However, taking into consideration the competitive business environment in which it operates and the sensitivity and confidentiality nature of such disclosure, the Board is of the opinion that full disclosure of the Directors' remuneration may have a negative impact on the Company.

A breakdown showing the level and mix of each individual Director's remuneration (in bands of S$250,000) for FY2021 is disclosed in the table below:

Name of Director	Remuneration Band	Salary %	Bonus %	Directors' Fees [4] S$	Additional Directors' Fees [4] S$	Total %
Ma Zhaoyang	S$500,000 – S$749,999	86	14	-	-	100
Chng Beng Hua	S$250,000 – S$499,999	86	14	-	-	100
Zhang Zengtao	S$0 – S$249,999	-	-	45,000	7,500	100
Kan Ah Chye @ Kan Poh Thong [1]		-	-	16,111	-	100
Lisa Sam Hui Min (Lisa Cen Huimin) [1]		-	-	14,500	-	100
Guok Chin Huat Samuel		-	-	48,403	8,500	100
Wong Loke Tan		-	-	45,000	7,500	100
Wong Chee Meng Lawrence [2]		-	-	30,625	5,500	100
Ng Kian Guan [3]		-	-	23,250	4,000	100

(1) Messrs Kan Ah Chye @ Kan Poh Thong and Lisa Sam Hui Min retired at the AGM held on 26 April 2021.
(2) Mr Wong Chee Meng Lawrence was appointed as an Independent Director on 26 April 2021.
(3) Mr Ng Kian Guan was appointed as an Independent Director on 25 June 2021.
(4) During the last AGM held on 26 April 2021, the Shareholders had approved the payment of Directors' fees for FY2021 in an amount of S$230,000. In view of the significant increase in activities of the Group during the year which resulted in additional hours spent by the Independent Directors and the Non-Independent Non-Executive Director, the RC proposed, and the Board concurred with the payment of additional Directors' fees of S$26,000 for FY2021 in recognition of their contribution. The proposed additional Directors' fees will be subject to shareholders' approval at the forthcoming AGM scheduled to be held on 28 April 2022.

The remuneration of each individual Director is disclosed, on a named basis, in bands of S$250,000 with a breakdown in percentage term of the remuneration earned through base/fixed salary, variable or performance-related bonuses/allowances. There were no stock option, share based incentive and other long-term incentives.

The RC had recommended an amount of S$230,000 as Directors' fees to be paid to the Independent Directors and the Non-Executive Non-Independent Director for the financial year ending 31 December 2022. The Board had concurred with the RC's recommendation and this resolution has been tabled for shareholders' approval at the Company's forthcoming AGM. Each of the RC members had abstained from deliberating and voting on his or her own remuneration.

Remuneration Bands of top five key executives (who are not Directors) [1]

Name of Key Executive	Remuneration Band	Salary %	Bonus %	Total
Cao Jianshun	S$250,000 – S$499,999	91	9	100
Lee Zhen Jesica		85	15	100
Zhao Yuanyuan	S$0 – S$250,000	86	14	100
Chng Tze Sian Milton		86	14	100

(1) The Group has appointed four key executives. Profile of the key executives can be found on page 12 of this Annual Report.

Details of the employee's remuneration who is an immediate family member of the Director and CEO have been disclosed in the Remuneration Band of top five executives.

For FY2021, the aggregate total remuneration paid to the top five KMP amounted to S$959,000.

For FY2021, there were no termination, retirement and post-employment benefits granted to Directors and the top five KMP (who are not Directors or the CEO).

Remuneration of employees who are immediate family member of a Director or CEO

The table below shows the remuneration of the executives who are immediate family members of the Directors or the CEO, whose remuneration exceeds S$100,000 for FY2021:

Name	Relationship	Position	Remuneration Band
Chng Tze Sian Milton	Son of Mr Chng Beng Hua	Assistant General Manager (Corporate Affairs)	S$150,001 to S$200,000

C. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interest of the Company and its shareholders.

Risk Management

The Board had assessed and decided not to establish a separate Board Risk Committee to carry out its responsibility of helping the Board in the overseeing of the Group's risk management framework and policies. Instead, this responsibility is assumed by the AC. The AC assists the Board in providing oversight of risk management in the Company. The AC is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls, including financial, operational, compliance including sanctions-related risks, and IT controls and report to the Board its observations on the matters as it considers necessary and makes recommendations to the Board.

The Company had engaged an external consultant to assist Management in the setting up of the Enterprise Risk Management ("ERM") system and framework. The ERM framework helps with the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The ERM is reviewed annually by the AC, and Management reports to the Board the key risks indicators and how the risks are addressed.

The ERM system and framework established is embedded in the internal control systems of the Group.

Internal Controls

The Board recognises the importance of maintaining a sound system of internal controls to safeguard the shareholders' interest and investments and the Group's assets. The Board recognises that no cost-effective internal control system will preclude all errors and irregularities, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has internal control systems and processes which it considers to be sufficient having regard to the size of the Group and the complexity of its operations. The Board has also received assurance from:

(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements for FY2021 give a true and fair view of the Company's operations and finances; and

(b) the CEO and other KMP who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems are effective in addressing key financial, operational, compliance including sanctions-related risks, and information technology risks.

Based on the internal controls established and maintained by the Group, work performed by the external and internal auditors, reviews performed by Management, various Board Committees and the Board, and the assurance from the CEO and the CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls addressing key financial, operational, compliance including sanctions-related risks, information technology controls and risk management systems were adequate and effective as at 31 December 2021. The Group will review its internal control systems and processes on an on-going basis and make further improvements when necessary.

The Group does not have business operations or business activities in a jurisdiction which is subject to sanctions-related law or regulation, or, due to changes in sanctions law, becomes a sanctioned nation. The Board and the AC will continue to monitor and ensure timely disclosure to SGX and other relevant authorities if there is any material changes to the risk of the Group.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

The AC comprises the following Directors, all of whom are non-executive and a majority of whom, including the Chairman of the AC are independent:

Wong Loke Tan
– Chairman, Independent Director [1]

Guok Chin Huat Samuel
– Member, Lead Independent Director

Wong Chee Meng Lawrence
– Member, Independent Director [2]

Ng Kian Guan
– Member, Independent Director [3]

Kan Ah Chye @ Kan Poh Thong
– Chairman, Independent Director (Retired as ID and AC Chairman on 26 April 2021)

Lisa Sam Hui Min (Lisa Cen Huimin)
– Member, Independent Director (Retired as ID and AC Chairman on 26 April 2021)

[1] Appointed as AC Chairman with effect from 26 April 2021.
[2] Appointed as an AC member with effect from 26 April 2021.
[3] Appointed as an AC member with effect from 25 June 2021.

The duties and responsibilities of the AC under the written terms and reference defining its membership, administration and duties include:

(a) reviewing with the external and internal auditors the audit plan, their evaluation of the system of internal accounting controls, their audit report and findings, and their letter to management and management's response;

(b) obtaining assurance from the CEO and CFO that the financial records have been properly maintained and give a true and fair view of the Group's operations and finances;

(c) reviewing the financial statements of the Company including half and full year results before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

(d) reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the external auditors also provide a substantial volume of non-audit services to the Company, the AC would keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

(e) reviewing the internal control procedures and ensure co-ordination between the external auditors and Management, and review the assistance given by Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss in the absence of Management at least annually;

(f) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;

(g) overseeing the Group Whistle Blowing Policy and ensuring that the Group publicly discloses and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns and report such significant matters to the Board;

(h) reviewing the independence and objectivity of the external auditors annually;

(i) considering the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors;

(j) approving the internal control procedures for interested person transactions to ensure that they are carried out on arm's length basis and on normal commercial terms, and reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

(k) reviewing potential conflicts of interest, if any;

(l) undertaking such other reviews and projects as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(m) generally undertaking such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time;

(n) assessing the adequacy and effectiveness of the internal controls addressing the financial, operational, compliance including sanctions-related risks, information technology and risk management;

(o) ensuring timely and accurate disclosures to SGX and other relevant authorities;

(p) monitoring the Company's risk of becoming subject to, or violating, any sanctions law, assessing whether there is a need to obtain independent legal advice or appointment of a compliance advisor in relation to sanctions-related risks applicable to the Group and continuous monitoring of the validity of the information provided to shareholders and SGX;

(q) procuring the external auditors to review and provide recommendations on the Group's cash management procedures, including reviews relating to anti-money laundering controls on the Company's sources of financing of acquisitions and the Group's customers and suppliers, on an annual basis;

(r) on an ongoing basis, monitoring, reviewing and ensuring the implementation of the external and internal auditors' recommendations on internal controls of the Group, including anti-money laundering;

(s) commissioning the external auditors to carry out a pre-deal anti-money laundering due diligence on the source of funds for any transactions classified under Rules 1014 and 1015 of the Listing Manual;

(t) ensuring that upon completion of the internal controls audit, appropriate disclosure will be made via the SGXNET on any material, price sensitive internal control weakness and any follow up to be taken by the Board; and

(u) reviewing the effectiveness of the risk management systems of the Group, overseeing the Group's risk exposure and risk appetite, formulating and executing the Group's risk assessment and mitigation strategies.

None of the AC members were former partners or directors of the Company's external auditors or hold any financial interest in the external auditors. The AC provides oversight and assists the Board in discharging its statutory and other responsibilities relating to the financial reporting risk and the adequacy and effectiveness of the Group's internal control, risk management and compliance systems. The AC reports to the Board on the results of the audits undertaken by the external and internal auditors, the adequacy and effectiveness of the internal control and risk management.

The internal auditors report directly to the AC on all internal audit matters. The AC will review the internal audit plan to ensure that the scope is adequate and all internal audit findings and recommendations are submitted to the AC for deliberation. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. A risk-based internal audit plan, which sets out the areas to be audited by the internal auditors, was reviewed and approved by the AC, before the commencement of the audit work to assess the adequacy and effectiveness of internal controls, regarding areas which are of significant or higher risks to the Group's business activities. The AC reviews the adequacy and effectiveness of the internal audit function at least on an annual basis, and as and when the situation calls for it.

The AC meets with the external and internal auditors at least once a year without the presence of Management to review the adequacy of audit arrangements on the scope, quality and observations of the external and internal audits, and the independence and objectivity of the external auditors. The last private session with the external and internal auditors was held in February 2022.

The internal audit function of the Group for FY2021 was carried out by BDO Advisory Pte Ltd, an independent firm, whom the AC opined that it was adequately resourced, including having the appropriate personnel with relevant experience and qualification to perform the assignment for the Company. The outsourced internal audit team is headed by a partner who has more than 25 years of experience in audit and advisory services. He holds Bachelor of Accountancy Degree (Honours) from Nanyang Technological University, Singapore, and is a Chartered Accountant of Institute of Singapore Chartered Accountants ("ISCA") and Certified Internal Auditor of the Institute of Internal Auditors ("IIA"). The AC is satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals. The internal audit function follows a global internal audit methodology, which references to the International Standards for the Professional Practice of Internal Auditing, as set by The Institute of Internal Auditors.

The Company has appointed a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit. KPMG LLP was appointed as the Company's external auditors. Ms Tan Yek Lee Doreen is the audit engagement partner in-charge of the audit of the Company since the financial year ended 31 December 2019.

The AC had reviewed the non-audit services performed by the external auditors for FY2021 and was of the opinion that the provision of such services had not affected the independence of the external auditors. The external auditors had affirmed their independence in this respect.

The aggregate amount of fees paid/payable by the Group to the Company's external auditors were as follows:

	FY2021 S$'000
Audit Services	652
Non-Audit Services	37
	689

The AC has recommended the re-appointment of KPMG LLP as the Company's external auditors for the financial year ending 31 December 2022 for shareholders' approval at the forthcoming AGM of the Company.

The Company has appointed KPMG LLP Singapore as the auditors of all subsidiaries in Singapore, except for those under liquidation or strike-off as at 31 December 2021.

Other member firms of KPMG International are appointed as auditors of significant foreign-incorporated subsidiaries.

Both the AC and Board had reviewed the appointment of different auditors for the subsidiaries and were satisfied that the appointment of different auditors had not compromised the standard and effectiveness of the audit of the Company and the Group.

The Company also confirmed that foreign-incorporated subsidiaries which were audited by auditors other than KPMG LLP were not significant subsidiaries as defined in the Listing Manual.

The Company has complied with Rule 712 and Rule 715 or 716 in relation to its auditors.

In addition, the AC reviewed interested person transactions in accordance with Chapter 9 of the Listing Manual to satisfy itself that the terms of the transactions are on an arm's length basis.

The Company has put in place a whistle-blowing policy which sets out the procedure for a whistle-blower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. The Company has committed to ensure that the identity of the whistleblower and the investigation reports and records would be kept confidential. The Company is also committed to ensure the protection of the whistleblower against detrimental or unfair treatment.

The Company has designated the AC as the independent function to investigate whistleblowing reports made in good faith. The AC may also obtain expert professional advice whenever there is a need to consult externally, at the expense of the Company.

The AC is responsible for the oversight and monitoring of the whistleblowing policy. There were no whistleblowing reports received in FY2021.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Engagement

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected.

The Company is committed to provide shareholders with adequate, timely and sufficient information relating to changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares. The Company will ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders will be informed of rules, including voting procedures that govern general meetings of shareholders. Shareholders are given the opportunity to participate in the question and answer session.

The Board (including the Chairman of the respective Board Committees), Management, as well as the external auditors will attend the Company's AGM to address any questions that the shareholders may have.

The Company will generally avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

The Company allows all individual and corporate shareholders to appoint up to two proxies to attend general meetings and vote on their behalf. For corporations which provide nominee and custodial services and the Central Provident Fund ("CPF") Board, they are allowed to appoint more than two proxies to attend the general meetings.

The Company will also prepare minutes of general meetings that include substantial comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and will make such minutes available to shareholders by posting the minutes on the Company's website.

All the resolutions put to the vote at the forthcoming AGM will be voted on by poll and the detailed results of the poll will be announced via SGXNET. Polling may be conducted in manual or electronic form. In determining which polling mode to take, the Company will take into consideration the turnout at general meetings and the relevant costs involved for each polling mode.

In FY2021, due to the COVID-19 pandemic, the FY2020 AGM was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). The notice of AGM and proxy form were published on SGXNet and Company's website within the stipulated timeline. Registration procedures to attend the AGM and submission of proxy forms were explained in the notice of AGM and proxy forms. Shareholders who wish to vote appointed the Chairman of the meeting as their proxy to vote on their behalf. Shareholders were also given the opportunity to submit queries pertaining to the Annual Reports, and in particular, the Audited Financial Statements in advance of the AGM. The response to the queries raised were published on the SGXNet one business day before the AGM.

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared will take into consideration the Group's profit growth, cash position, cash flows generated from operations, projected capital requirements for business growth and other factors as the Board deems appropriate. The Board does not recommend and payment of dividends for FY2021 as the Board deems it appropriate to conserve cash for reinvesting its earnings for new projects in the cement business.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Directors regard general meetings of the shareholders as an opportunity to communicate directly with shareholders and encourage greater shareholder participation. Shareholders have the opportunity to participate effectively in and to vote at general meetings of shareholders to ensure a high level of accountability and to stay informed of the Group's plan.

The Board ensures that shareholders are informed of all major developments that impact the Group. The Company ensures timely and adequate disclosure of information on material matters required by the Listing Manual through announcements via the SGXNet. The Company does not practice selective disclosure of material information. The Company currently does not have a formalised written investor relations policy but has in place designated investor relations personnel to advice on the appropriate disclosure requirements and regularly conveys pertinent information to shareholders to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Information is communicated to shareholders on a timely basis through SGXNET and other information channels, including a well-maintained and updated corporate website. All materials on the financial results, annual reports, minutes of general meetings and press releases are available on the Company's website. The Company also provides Company's email address on the corporate website through which shareholders may contact the Company with their questions.

Principle 13: Managing Stakeholders Relationships

The Board adopts an inclusive approach by considering and balancing the needs and interest of material stakeholders, as part of its overall responsibility to ensure that the best interest of the Company are served.

The Company values transparent and timely communication with the stakeholders. To ensure that stakeholders are kept informed of the Group's developments and performance, timely and adequate disclosures are made to the public via the SGXNET in compliance with SGX-ST guidelines. Shareholders and investors can contact the Company or access information on the Company at its website at https://internationalcementgroup.com/ which provides the information on the Company, Board of Directors, management team, corporate structure, announcements, stock information, press release and financial results as released by the Company on SGXNet.

SUSTAINABILITY REPORTING

The Company considers relevant environmental, social, and governance ("ESG") risks and opportunities to strengthen business sustainability. The Company will publish its Sustainability Report ("Sustainability Report") before 31 May 2022 which will be publicly accessible through the Company's website as well as on SGXNet. It should be read in conjunction with the Annual Report presented here.

ADDITIONAL INFORMATION

E. DEALING IN SECURITIES

The Company has adopted an internal compliance code that meets the requirement of Rule 1207(19) of the Listing Manual with respect to dealings in securities by Directors and key executives of the Group. In FY2021, Directors and key executives who had access to price-sensitive, financial or confidential information were prohibited to deal in the Company's shares during the period commencing one month before the half and full year announcement, as the case may be, and ending on the date of announcement of such financial results.

The Directors and key executives of the Group are also required to observe insider trading laws at all times even when dealing in securities within permitted trading period. In addition, the Directors and key executives of the Group are discouraged from dealing in the Company's securities on short term considerations.

F. INTERESTED PERSON TRANSACTIONS

The AC and Board reviewed all interested party transactions for FY2021 and was satisfied that the aggregate value of the transactions is below the threshold level as set out in the SGX-ST's Listing Manual and do not require announcement or shareholders' approval.

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S$100,000)
Mr Juraev Rajab Davlatovich [1] - provision of transportation services to subsidiaries	Controlling shareholder of non-controlling interests of subsidiary of the Group	S$3,596,000	NA

Note:

(1) Interested person transactions are with companies which are wholly owned by Mr Juraev Rajab Davlatovich, who is a Tajikistan national and the owner of Dastoni Mohir LLC, a corporation established in Tajikistan which holds 35% participation interest in the Group's subsidiary, International Manufacturing Company Chzhungtsai Mohir Cement LLC.

G. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Board or controlling shareholders during the financial year that is required to be disclosed under Rule 1207(8) of the Listing Manual.

H. USE OF PROCEEDS

On 3 June 2019, the Company issued and allotted 70,916,430 new ordinary shares in the capital of the Company under the confirmed tranche pursuant to a conditional placement agreement dated 9 May 2019 for an issue price for each placement share of S$0.045 (the "Placement") amounting to S$3,191,000. On 21 June 2019, the Company was informed by the SGX-ST that the SGX-ST was not satisfied that the source of funds for the Placement originating from the placee and that the placement was funded by undisclosed sources. The approval in-principle granted on 21 May 2019 by the SGX-ST for the listing and quotation of placement shares had lapsed and the SGX-ST would not allow the listing of the 70,916,430 Placement shares to proceed. Accordingly, these shares were not listed on the SGX-ST. The Company is still in discussions with the placee on the 70,916,430 Placement shares.

As at 31 December 2021, the Group had not utilised the proceeds from the Placement.

Major Properties Held by the Group

As at 31 December 2021

Owned by	Location & description of property	Tenure	Land area (sq. metres)	Built-up (sq. metres)
Compact Bricks Sdn. Bhd.	Land and aluminium factory located at PTD 32680, HSD 64234, Mukim of Bukit Batu, Kulai, Johor, Malaysia	21 years till 30/10/2042	40,464	17,030
Ratus Projek Sdn Bhd	MLO 9009, HS (D) 15955, Mukim of Plentong, District of Johor Bahru, Johor, Malaysia	Freehold	2,841	–
International Manufacturing Company Chzhungtsai Mohir Cement LLC	Land and building located at 19 Promzona Street, Dakhana Town, Yovon District, Khatlon Region, Tajikistan	Freehold	247,950	11,344
Mohir Cement LLC	Land and building located at Industrial Zone, Village Council of Madaniyat Village, Jaloliddin Balkhi District, Khatlon Region, Tajikistan	Freehold	60,770	5,220
Alacem LLP	Land and building located at No. 1, Kyzylzhar Shosse, Kerbulak District, Almaty Oblast, Kazakhstan	Freehold	400,000	10,184
Sharcem LLP	Land and building located at No. 20, Zhanazhol Street, Konyrbiik Village, Karasu Rural District, Zharma District, East Kazakhstan Region, Kazakhstan	Freehold	170,600	5,550

Directors' Statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

(a) the financial statements set out on pages 49 to 111 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Ma Zhaoyang	
Zhang Zengtao	
Chng Beng Hua	
Guok Chin Huat Samuel	
Wong Loke Tan	
Wong Chee Meng Lawrence	(Appointed on 26 April 2021)
Ng Kian Guan	(Appointed on 25 June 2021)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of the directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	**Holdings at beginning of the financial year/ date of appointment**	**Holdings at end of the financial year**
The Company		
Ma Zhaoyang		
Ordinary shares		
- deemed interests	4,617,500,000	1,467,500,000
Zhang Zengtao		
Ordinary shares		
- interests held	217,500,000	217,500,000
- deemed interests	4,500,000,000	3,150,000,000
Chng Beng Hua		
Ordinary shares		
- interests held	14,500,000	14,500,000
- deemed interests	5,000,000	5,000,000
Ng Kian Guan		
Ordinary shares		
- interests held	10,000,000	10,000,000

Directors' interests (Cont'd)

By virtue of Section 7 of the Act, Ma Zhaoyang and Zhang Zengtao were deemed to have interests in the subsidiaries of the Company at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2022.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Wong Loke Tan	(Chairman), Independent, Non-Executive Director
Guok Chin Huat Samuel	Lead Independent, Non-Executive Director
Ng Kian Guan	Independent, Non-Executive Director
Wong Chee Meng Lawrence	Independent, Non-Executive Director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held two meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system. The Audit Committee reviewed the assistance provided by the Company's officers to the external and internal auditors. The half-yearly financial information and annual financial statements of the Group and the Company were reviewed by the Audit Committee prior to submission to the directors of the Company for adoption. The Audit Committee also reviewed the interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing the auditors for the Company and its subsidiaries, the Company has complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Chng Beng Hua
Director

Wong Loke Tan
Director

30 March 2022

Independent Auditors' Report

Members of the Company
International Cement Group Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of International Cement Group Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 111.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *"Auditors' responsibilities for the audit of the financial statements"* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE KEY AUDIT MATTER	HOW WAS THE MATTER ADDRESSED IN OUR AUDIT
Impairment assessment of goodwill and subsoil rights *(Refer to Notes 3.9(ii) and 5 to the financial statements)*	
The Group's assets include significant amounts of goodwill and subsoil rights, which are allocated to the cash generating unit ("CGU") of International Manufacturing Company Chzhungtsai Mohir Cement LLC and its operating subsidiary. These intangible assets are tested for impairment annually by estimating the recoverable amount of the CGU. The estimation of recoverable amount involves significant assumptions in relation to the estimated future cash flows derived which are subject to market and regulatory developments. The cash flows are sensitive to key assumptions relating to forecasted revenue growth rates, forecasted profit margins, terminal growth rates and discount rates.	Our key procedures include the below, amongst others: • Discussed with management and evaluated their determination of CGU. • Reviewed the key assumptions relating to the estimated future cash flows, by considering discussions with management and considering historical performance against budgets. We also compared the terminal growth rate and discount rates to available industry data. • Considered the disclosures in describing the inherent degree of estimation uncertainty and key assumptions applied.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Financial Highlights, Corporate Structure, Chairman's Message, Board of Directors, Key Executives, Operations and Financial Review, Corporate Social Responsibility, Corporate Information, Corporate Governance Report, Major Properties Held by the Group, Directors' Statement and Shareholding Statistics prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

Auditors' responsibilities for the audit of the financial statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Tan Yek Lee Doreen.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 March 2022

Statements of Financial Position

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current assets					
Property, plant and equipment	4	279,423	238,746	627	796
Intangible assets and goodwill	5	39,700	38,851	–	–
Investment properties		128	125	–	–
Subsidiaries	6	–	–	178,522	185,453
Trade and other receivables	7	2,627	–	65,833	38,313
Contract assets	16	1,028	1,348	–	–
Deferred tax assets	15	129	38	–	–
		323,035	279,108	244,982	224,562
Current assets					
Inventories	8	27,237	21,082	–	–
Trade and other receivables	7	29,352	25,537	40	98
Contract assets	16	1,174	1,230	–	–
Cash and cash equivalents	9	12,390	10,105	47	142
		70,153	57,954	87	240
Assets held for sale		–	361	–	–
		70,153	58,315	87	240
Total assets		393,188	337,423	245,069	224,802
Equity attributable to owners of the Company					
Share capital	10	276,824	276,824	198,647	198,647
Capital reserve	11	4,544	2,517	4,140	2,113
Revaluation reserve	11	–	156	–	–
Currency translation reserve	11	(33,899)	(37,036)	–	–
Accumulated losses	11	(23,211)	(49,717)	(26,776)	(18,820)
		224,258	192,744	176,011	181,940
Non-controlling interests	12	48,294	46,485	–	–
Total equity		272,552	239,229	176,011	181,940
Non-current liabilities					
Loans and borrowings	13	36,738	14,001	59,269	35,629
Trade and other payables	14	25,876	28,203	379	513
Provisions		28	112	15	14
Deferred tax liabilities	15	10,581	10,089	–	–
		73,223	52,405	59,663	36,156
Current liabilities					
Trade and other payables	14	44,435	42,366	9,395	6,706
Contract liabilities	16	2,472	3,390	–	–
Provisions		506	33	–	–
		47,413	45,789	9,395	6,706
Total liabilities		120,636	98,194	69,058	42,862
Total equity and liabilities		393,188	337,423	245,069	224,802

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Revenue	16	181,429	141,626
Cost of sales		(106,629)	(85,026)
Gross profit		74,800	56,600
Other income		1,519	4,085
Selling and distribution expenses		(3,520)	(2,682)
Administrative expenses		(17,816)	(15,395)
Reversal of loss allowance on trade and other receivables and contract assets		100	187
Other expenses		(3,585)	(12,731)
Results from operating activities		51,498	30,064
Finance income	17	36	43
Finance costs	17	(4,811)	(3,878)
Net finance costs		(4,775)	(3,835)
Profit before tax	18	46,723	26,229
Tax expense	19	(9,339)	(7,335)
Profit for the year		37,384	18,894
Profit attributable to:			
Owners of the Company		26,350	8,788
Non-controlling interests		11,034	10,106
Profit for the year		37,384	18,894
Earnings per share (cents)			
Basic earnings per share	20	0.46	0.15
Diluted earnings per share	20	0.46	0.15

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Profit for the year		37,384	18,894
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Deficit on revaluation of property, plant and equipment	4	–	(26)
Tax on deficit on revaluation of property, plant and equipment		–	6
		–	(20)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations		–	(1,257)
Foreign currency translation differences – foreign operations		3,703	(30,431)
		3,703	(31,688)
Other comprehensive income for the year, net of tax		3,703	(31,708)
Total comprehensive income for the year		41,087	(12,814)
Total comprehensive income attributable to:			
Owners of the Company		29,487	(13,413)
Non-controlling interests		11,600	599
Total comprehensive income for the year		41,087	(12,814)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

	Note	Share capital $'000	Capital reserve $'000
At 1 January 2020		276,824	1,437
Total comprehensive income for the year			
Profit for the year		–	–
Other comprehensive income			
Deficit on revaluation on property, plant and equipment	4	–	–
Tax on deficit on revaluation on property, plant and equipment		–	–
Realisation of revaluation reserve		–	–
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations		–	–
Foreign currency translation differences – foreign operations		–	–
Total other comprehensive income		–	–
Total comprehensive income for the year		–	–
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Dividends declared to non-controlling interest	11	–	–
Fair value adjustments on loans from major shareholders	13	–	1,080
Fair value adjustments on loan from non-controlling interest	13	–	–
Total contributions by and distributions to owners		–	1,080
Total transactions with owners		–	1,080
At 31 December 2020		276,824	2,517
At 1 January 2021		276,824	2,517
Total comprehensive income for the year			
Profit for the year		–	–
Other comprehensive income			
Realisation of revaluation reserve		–	–
Foreign currency translation differences – foreign operations		–	–
Total other comprehensive income		–	–
Total comprehensive income for the year		–	–
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Dividends declared to non-controlling interest	11	–	–
Fair value adjustments on loans from major shareholders	13	–	2,027
Fair value adjustments on loan from non-controlling interest	13	–	–
Total contributions by and distributions to owners		–	2,027
Changes in ownership interests in subsidiaries			
Acquisition of subsidiaries with non-controlling interests		–	–
Incorporation of subsidiaries with non-controlling interests		–	–
Total changes in ownership interests in subsidiaries		–	–
Total transactions with owners		–	2,027
At 31 December 2021		276,824	4,544

The accompanying notes form an integral part of these financial statements.

	Revaluation reserve $'000	Currency translation reserve $'000	Accumulated losses $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
	357	(14,855)	(58,686)	205,077	58,855	263,932
	–	–	8,788	8,788	10,106	18,894
	(26)	–	–	(26)	–	(26)
	6	–	–	6	–	6
	(181)	–	181	–	–	–
	–	(1,100)	–	(1,100)	(157)	(1,257)
	–	(21,081)	–	(21,081)	(9,350)	(30,431)
	(201)	(22,181)	181	(22,201)	(9,507)	(31,708)
	(201)	(22,181)	8,969	(13,413)	599	(12,814)
	–	–	–	–	(11,546)	(11,546)
	–	–	–	1,080	–	1,080
	–	–	–	–	(1,423)	(1,423)
	–	–	–	1,080	(12,969)	(11,889)
	–	–	–	1,080	(12,969)	(11,889)
	156	(37,036)	(49,717)	192,744	46,485	239,229
	156	(37,036)	(49,717)	192,744	46,485	239,229
	–	–	26,350	26,350	11,034	37,384
	(156)	–	156	–	–	–
	–	3,137	–	3,137	566	3,703
	(156)	3,137	156	3,137	566	3,703
	(156)	3,137	26,506	29,487	11,600	41,087
	–	–	–	–	(11,330)	(11,330)
	–	–	–	2,027	–	2,027
	–	–	–	–	(774)	(774)
	–	–	–	2,027	(12,104)	(10,077)
	–	–	–	–	(8)	(8)
	–	–	–	–	2,321	2,321
	–	–	–	–	2,313	2,313
	–	–	–	2,027	(9,791)	(7,764)
	–	(33,899)	(23,211)	224,258	48,294	272,552

Consolidated Statement of Cash Flows

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Profit for the year		37,384	18,894
Adjustments for:			
Amortisation of intangible assets	18	2,511	2,821
Bad debts written off/(recovered)	18	119	(4)
Change in fair value of investment properties	18	–	64
Depreciation of property, plant and equipment	18	14,573	10,740
Finance costs	17	4,811	3,878
Finance income	17	(36)	(43)
Gain on disposal of property, plant and equipment	18	(11)	(80)
Impairment loss on property, plant and equipment	18	825	247
Provision for onerous contracts	18	395	–
Reversal of provision for inventories obsolescence	18	(5)	(64)
Reversal of loss allowance on trade and other receivables and contract assets		(100)	(187)
Reversal of provision for warranties	18	(4)	(11)
Unrealised exchange loss	18	2,054	9,830
Write off of other payables	18	(540)	–
(Reversal)/write down of inventories to net realisable value	18	(169)	25
Write off of property, plant and equipment	18	140	578
Tax expense	19	9,339	7,335
		71,286	54,023
Changes in:			
- inventories		(5,659)	(3,838)
- contract assets		382	697
- trade and other receivables		(10,673)	81
- contract liabilities		(965)	2,682
- trade and other payables		2,217	(3,692)
Cash generated from operations		56,588	49,953
Tax paid		(4,629)	(48)
Net cash from operating activities		51,959	49,905
Cash flows from investing activities			
Acquisition of property, plant and equipment		(58,480)	(26,101)
Acquisition of intangible assets		(2,507)	(135)
Deposits pledged		(49)	–
Interest received		36	27
Proceeds from disposal of assets held for sale		360	–
Proceeds from disposal of property, plant and equipment		33	91
Net cash used in investing activities		(60,607)	(26,118)
Cash flows from financing activities			
Dividends paid to non-controlling interest		(6,254)	(16,136)
Withholding tax paid on dividends declared by a subsidiary	19	(3,626)	(4,180)
Interest paid	13	(1,276)	(1,665)
Payment of lease liabilities	13	(409)	(407)
Proceeds from loans from major shareholders	13	24,361	–
Repayment of loan from non-controlling interest	13	(2,020)	(3,375)
Net cash from/(used in) financing activities		10,776	(25,763)
Net increase/(decrease) in cash and cash equivalents		2,128	(1,976)
Cash and cash equivalents at beginning of the year		10,047	12,345
Effect of exchange rate fluctuations on cash held		108	(322)
Cash and cash equivalents at end of the year	9	12,283	10,047

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 March 2022.

1. Domicile and activities

International Cement Group Ltd. (the "Company") is incorporated in Singapore. The address of the Company's registered office is 100 Tras Street, #18-01 100 AM, Singapore 079027.

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is primarily involved in: (i) the production, sale and/or distribution of cement and related products; (ii) the undertaking of aluminium architectural contracts and engineering works and sub-contracting of building construction projects, manufacture of aluminium extrusions and supply of all such related products; and (iii) investment holding.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Notes 4 and 5 – Impairment of non-financial assets

The Group determines whether there are any indicators of impairment for all non-financial assets, except goodwill, at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

This requires an estimation of the fair value or value in use of the Group's individual assets or cash-generating units. Estimating the fair value requires the Group to estimate the amount for which the asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from each asset or cash-generating unit and also to determine a suitable discount rate in order to derive the present value of those cash flows. The expected cash flows in an emerging market environment can be inherently judgemental, and subject to political and regulatory risks and economic impact of the COVID-19 pandemic.

2. Basis of preparation (Cont'd)

2.4 Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Note 6 – Impairment of subsidiaries

The Company assesses at each balance sheet date whether there is any objective evidence that the Company's investments in subsidiaries are impaired. This assessment takes into account the operating performance of the subsidiaries, changes in the technological, market, economic or legal environment in which the subsidiaries operate and changes to the market interest and foreign exchange rates.

Notes 7 and 22 – Allowance for doubtful receivables and contract assets

The Group maintains an allowance for doubtful receivables and contract assets when the borrower is unlikely to pay its credit obligations to the Group in full. Judgement is involved in determining whether credit risk of a financial asset has increased significantly since initial recognition and estimations are involved when determining expected credit losses. Management specifically analyses accounts receivables and contract assets and its historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms to evaluate the adequacy of the allowance for doubtful debts. When estimating expected credit losses, the Group uses historical experience and informed credit assessment, and also takes into consideration forward-looking information.

The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's allowance for doubtful receivables and contract assets would increase the Group's recorded expenses and decrease assets.

Note 8 – Allowance for inventory obsolescence

A review is made periodically on inventory for excess inventory, obsolescence and net realisable value below cost and an allowance is recorded against the inventory balance for any such decline in value. These reviews require management to estimate future demand for the Group's products. Possible changes in these estimates could result in revisions to the valuation of inventory. An increase in the Group's allowance for inventory obsolescence would increase the Group's recorded cost of sales and decrease current assets.

Note 18 – Provision for liquidated damages and onerous contracts

Provision for liquidated damages and onerous contracts on uncompleted construction contracts is dependent on estimating the total outcome of the construction contract. In making these estimates, management has relied on the expertise of quantity surveyors to determine the progress of the construction and also on past experience of completed projects. The provisions recognised, if any, represents management's best estimate of the expected future costs required. Those estimates and assumptions deal with uncertainties such as: variations to the original contract terms, and changes to timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed and updated based on the facts and circumstances available at the time. An increase in the Group's provision for liquidated damages and onerous contracts would increase the Group's recorded cost of sales and increase current liabilities.

Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, there were no specific significant judgements made by management.

2. Basis of preparation (Cont'd)

2.4 Use of estimates and judgements (Cont'd)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – property, plant and equipment; and
- Note 22 – financial instruments.

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations to SFRS(I) for the first time for the annual period beginning on 1 January 2021:

- *COVID-19 Related Rent Concessions (Amendments to SFRS(I) 16)*
- *Interest Rate Benchmark Reform - Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary, and are recorded as part of 'accumulated losses' in equity.

3. Significant accounting policies (Cont'd)

3.1 Basis of consolidation (Cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iv) Acquisitions from entities under common control

Business combinations that involve entities under common control are excluded from the scope of SFRS(I) 3. Where the Company is a newly formed entity that becomes the new parent of another entity in the Group and:

- the Company issues equity instruments as consideration in the restructuring;
- there is no change in the Group's assets or liabilities as a result of the restructuring; and
- there is no change in the interest of the shareholders, either absolute or relative, as a result of the restructuring,

the Company has elected to measure the investment in the subsidiary at cost which is determined as its share of total equity shown in the separate financial statements at the date of the restructuring.

(v) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis depending on whether foreign currency movements are in a net gain or net loss position. Foreign currency gains and losses are recorded in 'other income' and 'other expenses' respectively, in profit or loss.

3. Significant accounting policies (Cont'd)

3.2 Foreign currency (Cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ("OCI"). However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of that monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the currency translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

For interest-free loans with related parties, the difference between the fair value and face value of the loans represents transactions with owners in the Group's financial statements.

The difference between the fair value and face value of the loans to/from subsidiaries represents a contribution from the Company/a return of investment to the Company, and is recognised as additional investment/against the cost of investment in the subsidiaries in the Company's separate financial statements.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

***(ii) Classification and subsequent measurement* (Cont'd)**

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

The difference between the new and old fair value of loan from non-controlling interest arising from significant modifications to the cash outflows, i.e. modification gain/loss will be accounted for as adjustments to transactions with non-controlling interest in the Group's financial statements.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Modifications to interest-free loans to subsidiaries resulting in derecognition of financial assets are accounted for as adjustments to deemed return of investment in the subsidiaries in the Company's separate financial statements.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Modifications to interest-free loans from related parties resulting in derecognition of financial liabilities are accounted for as adjustments to transactions with owners representing a return of investment in the Company in the Group's financial statements.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

3. Significant accounting policies (Cont'd)

3.3 Financial instruments (Cont'd)

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses except for certain leasehold properties, which are measured at revalued amounts.

The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are carried out by independent professional valuers regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair value at the reporting date.

When property, plant and equipment are revalued, the Group has elected to eliminate any accumulated depreciation at the date of the revaluation against the cost of the property, plant and equipment so that the revised cost of the property, plant and equipment at the date of revaluation equals the relevant revalued amount.

Any increase in the revaluation amount is credited to OCI and presented within equity, in revaluation reserve unless it offsets a previous decrease in value of the same asset that was recognised in the profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred to accumulated losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset are those borrowing costs that would have been avoided if the expenditure on the asset had not been made. When the Group borrows funds specifically for the purpose of obtaining a particular asset, the borrowing costs that directly relate to that asset can be readily identified, including foreign exchange gains or losses. Foreign exchange losses of borrowings which are not in the respective Group entities' functional currency can be capitalised in the asset to the extent that they are regarded as an adjustment to interest costs, i.e. the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred for foreign currency borrowings. The Group determines the amount of foreign exchange differences based on either interest rates on similar borrowings in the Group entity's functional currency, or forward currency rates at the inception of the loan. The amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expense that would have been incurred had the Group entity borrowed in its functional currency.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

3. Significant accounting policies (Cont'd)

3.4 Property, plant and equipment (Cont'd)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold properties	over the lease term
• Freehold building	4 to 50 years (2020: 10 to 50 years)
• Plant and machinery	4 to 23 years
• Furniture and fittings	2 to 10 years
• Motor vehicles	5 to 20 years
• Computers	2 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Computer software, subsoil rights and licences are accounted for as intangible assets with finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

3. Significant accounting policies (Cont'd)

3.5 Intangible assets and goodwill (Cont'd)

(iv) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

• Computer software	2 to 10 years
• Subsoil rights	5 to 12 years
• Licence	20 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in revaluation reserve is transferred to accumulated losses.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. Significant accounting policies (Cont'd)

3.7 Leases (Cont'd)

(i) As a lessee (Cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'trade and other payables' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including plant and machinery. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

3. Significant accounting policies (Cont'd)

3.7 Leases (Cont'd)

(ii) As a lessor (Cont'd)

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks or rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The write down of inventories to net realisable value is included in 'cost of sales' in profit or loss.

3.9 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised costs; and
- contract assets.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

3. Significant accounting policies (Cont'd)

3.9 Impairment (Cont'd)

(i) Non-derivative financial assets and contract assets (Cont'd)

General approach (Cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. Significant accounting policies (Cont'd)

3.9 Impairment (Cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Non-current assets held for sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale (held for distribution) are generally measured at the lower of their carrying amount and fair value less costs to sell (fair value less costs to distribute).

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to financial assets, deferred tax assets, employee benefit assets and investment properties, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Investment properties and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

3. Significant accounting policies (Cont'd)

3.11 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Restoration costs

Restoration costs relate to the cost of dismantling and removing assets and restoring the premises to its original condition as stipulated in the lease agreements. The Group expects to incur the liability upon termination of the leases.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.13 Revenue

Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

3. Significant accounting policies (Cont'd)

3.13 Revenue (Cont'd)

Goods and services sold (Cont'd)

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.14 Government grants

Government grants are recognised initially as grant receivables and deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.15 Finance income and finance costs

Finance income comprises interest income on cash and cash equivalents and other interest income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs mainly comprise interest expense on lease liabilities, payables to the Engineering, Procurement and Construction ("EPC") contractor, unwinding of discount in relation to the present value of loans from related parties and other interest expense, and are recognised in profit or loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.16 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

3. Significant accounting policies (Cont'd)

3.16 Income tax (Cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3. Significant accounting policies (Cont'd)

3.19 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position:

- *SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)*
- *Reference to Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Annual Improvements to SFRS(I)s 2018 – 2020*
- *Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)*

4. Property, plant and equipment

	Leasehold properties $'000 Valuation	Leasehold properties $'000 Cost	Freehold land $'000 Cost
Group			
Cost/valuation			
At 1 January 2020	536	1,440	–
Additions	–	718	–
Disposals/write-offs	–	(258)	–
Deficit on revaluation	(26)	–	–
Elimination of accumulated depreciation against gross carrying amount at date of revaluation	(282)	–	–
Reclassification	(226)	229	–
Translation differences on consolidation	(2)	(23)	–
At 31 December 2020	–	2,106	–
At 1 January 2021	–	2,106	–
Additions	–	3	508
Disposals/write-offs	–	(11)	–
Reclassification	–	–	–
Translation differences on consolidation	–	(6)	(3)
At 31 December 2021	–	2,092	505
Group			
Accumulated depreciation and impairment losses			
At 1 January 2020	–	879	–
Depreciation for the year	282	256	–
Disposals/write-offs	–	(2)	–
Impairment losses	–	16	–
Elimination of accumulated depreciation against gross carrying amount at date of revaluation	(282)	–	–
Reclassification	–	–	–
Translation differences on consolidation	–	(8)	–
At 31 December 2020	–	1,141	–
At 1 January 2021	–	1,141	–
Depreciation for the year	–	176	–
Disposals/write-offs	–	–	–
Impairment losses	–	4	–
Reclassification	–	–	–
Translation differences on consolidation	–	1	–
At 31 December 2021	–	1,322	–
Carrying amounts			
At 1 January 2020	536	561	–
At 31 December 2020	–	965	–
At 31 December 2021	–	770	505

	Freehold building $'000 Cost	Plant and machinery $'000 Cost	Furniture and fittings $'000 Cost	Motor vehicles $'000 Cost	Computers $'000 Cost	Construction-in-progress $'000 Cost	Total $'000 Cost
	107,880	156,460	1,050	3,523	975	12,690	284,554
	171	4,476	112	383	53	19,605	25,518
	–	(824)	(46)	(372)	(42)	(5)	(1,547)
	–	–	–	–	–	–	(26)
	–	–	–	–	–	–	(282)
	8,573	11,972	16	67	31	(20,662)	–
	(18,372)	(20,221)	(40)	(430)	(77)	(1,253)	(40,418)
	98,252	151,863	1,092	3,171	940	10,375	267,799
	98,252	151,863	1,092	3,171	940	10,375	267,799
	776	3,838	74	3,606	85	45,140	54,030
	–	(462)	(21)	(223)	(32)	–	(749)
	851	8,849	201	2,554	10	(12,465)	–
	2,250	550	2	17	9	(234)	2,585
	102,129	164,638	1,348	9,125	1,012	42,816	323,665
	4,553	11,589	827	1,291	662	2,265	22,066
	2,848	7,419	51	318	94	–	11,268
	–	(251)	(43)	(361)	(42)	–	(699)
	–	–	–	–	–	231	247
	–	–	–	–	–	–	(282)
	2	17	–	(19)	–	–	–
	(1,397)	(1,967)	(14)	(129)	(34)	2	(3,547)
	6,006	16,807	821	1,100	680	2,498	29,053
	6,006	16,807	821	1,100	680	2,498	29,053
	2,538	10,550	88	1,171	87	–	14,610
	–	(327)	(16)	(212)	(32)	–	(587)
	–	–	15	–	23	783	825
	–	74	–	(74)	–	–	–
	192	181	1	8	3	(45)	341
	8,736	27,285	909	1,993	761	3,236	44,242
	103,327	144,871	223	2,232	313	10,425	262,488
	92,246	135,056	271	2,071	260	7,877	238,746
	93,393	137,353	439	7,132	251	39,580	279,423

4. Property, plant and equipment (Cont'd)

	Leasehold property $'000	Furniture and fittings $'000	Motor vehicles $'000	Computers $'000	Total $'000
Company					
Cost					
At 1 January 2020	537	15	–	6	558
Additions	576	94	199	–	869
Disposals/write-offs	(253)	(2)	–	–	(255)
At 31 December 2020	860	107	199	6	1,172
At 1 January 2021	860	107	199	6	1,172
Additions	–	5	–	1	6
At 31 December 2021	860	112	199	7	1,178
Accumulated depreciation					
At 1 January 2020	157	4	–	1	162
Depreciation for the year	165	8	40	2	215
Disposals/write-offs	–	(1)	–	–	(1)
At 31 December 2020	322	11	40	3	376
At 1 January 2021	322	11	40	3	376
Depreciation for the year	111	22	40	2	175
At 31 December 2021	433	33	80	5	551
Carrying amounts					
At 1 January 2020	380	11	–	5	396
At 31 December 2020	538	96	159	3	796
At 31 December 2021	427	79	119	2	627

As at 31 December 2021, property, plant and equipment includes right-of-use assets amounting to: (i) $735,000 and $427,000 (2020: $917,000 and $538,000) relating to leasehold properties of the Group and Company respectively; and (ii) $119,000 (2020: $159,000) relating to motor vehicles of the Group and Company.

The Group's and Company's leasehold properties include provision for restoration costs of $93,000 (2020: $95,000) and $15,000 (2020: $14,000) respectively.

Depreciation charge

The depreciation charge for the year included in the financial statements was as follows:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Charged to profit or loss	14,573	10,740	175	215
Capitalised to construction-in-progress	37	528	–	–
	14,610	11,268	175	215

4. Property, plant and equipment (Cont'd)

Property, plant and equipment under construction

Construction-in-progress mainly relates to:

- freehold land used for a construction project that had been shelved by the Group indefinitely and its related construction costs;
- construction of additional facilities in a cement plant in Kazakhstan;
- cement-related assets and cost incurred for upgrading works for a cement plant in Kazakhstan; and
- construction of a new cement plant in Kazakhstan

(2020: a freehold land used for a construction project that had been shelved by the Group indefinitely and its related construction costs, and construction of additional facilities in a cement plant in Kazakhstan).

Security

As at 31 December 2021, property, plant and equipment of the Group with a net carrying amount of $103,989,000 (2020: $101,170,000) was pledged to the EPC contractor to secure a deferred payment arrangement for the construction of a cement plant (see Note 14).

Impairment loss

Leasehold properties, furniture and fittings, and computers

As impairment indicators were identified for the plant and equipment in the loss-making aluminium segment as at 31 December 2021, the Group performed an impairment assessment to determine the recoverable amount of these plant and equipment. The recoverable amount was estimated using fair value less costs to sell. As the recoverable amount was lower than the carrying amount of the CGU, an impairment loss of $42,000 was recognised (2020: $16,000).

Construction-in-progress

As there were impairment indicators of the freehold land used for a construction project classified under 'construction-in-progress', the Group performed an impairment assessment to determine the recoverable amount of this freehold land and its related construction costs. The recoverable amount has been determined based on fair value less costs to sell. The fair value (under Level 3 of the fair value hierarchy) was determined based on an offer from a third party subsequent to the year end (2020: determined by VPC Alliance (JB) Sdn. Bhd., a firm of independent professional valuers with recognised qualifications (under Level 2 of the fair value hierarchy)). As at 31 December 2021, the recoverable amount of the freehold land and its related construction costs was determined to be lower than that of its carrying amount. As such, an impairment loss amounting to $783,000 (2020: $231,000) was recorded.

5. Intangible assets and goodwill

	Computer software $'000	Subsoil rights* $'000	Goodwill^ $'000	Licence# $'000	Total $'000
Group					
Cost					
At 1 January 2020	223	34,515	20,527	–	55,265
Additions	2	133	–	–	135
Translation differences on consolidation	(35)	(5,437)	(3,222)	–	(8,694)
At 31 December 2020	190	29,211	17,305	–	46,706
At 1 January 2021	190	29,211	17,305	–	46,706
Additions	3	81	–	–	84
Acquisition of assets (Note 24)	–	–	–	2,423	2,423
Translation differences on consolidation	4	661	388	–	1,053
At 31 December 2021	197	29,953	17,693	2,423	50,266
Accumulated amortisation					
At 1 January 2020	24	6,392	–	–	6,416
Amortisation for the year	18	2,803	–	–	2,821
Translation differences on consolidation	(6)	(1,376)	–	–	(1,382)
At 31 December 2020	36	7,819	–	–	7,855
At 1 January 2021	36	7,819	–	–	7,855
Amortisation for the year	27	2,484	–	–	2,511
Translation differences on consolidation	1	199	–	–	200
At 31 December 2021	64	10,502	–	–	10,566
Carrying amounts					
At 1 January 2020	199	28,123	20,527	–	48,849
At 31 December 2020	154	21,392	17,305	–	38,851
At 31 December 2021	133	19,451	17,693	2,423	39,700

* *Subsoil rights mainly relate to the Group's subsoil use contracts and licences with the relevant authorities in Tajikistan to extract limestone, clay and siltstone.*

^ *Goodwill arose from the Group's acquisition of 100% interest in a subsidiary, HYD Tajikistan Investment Pte. Ltd., in 2017.*

\# *This relates to the Group's licence to carry out activities for the purchase and further sale of electricity to consumers (Note 24).*

5. Intangible assets and goodwill (Cont'd)

Impairment testing for CGU containing goodwill

For purposes of impairment testing, goodwill has been allocated to the Group's CGU of International Manufacturing Company Chzhungtsai Mohir Cement LLC and its operating subsidiary.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the cement industry and have been based on historical data from internal sources.

	2021 %	2020 %
Forecasted revenue growth rate	(0.1)	1.2
Forecasted gross profit margin	41.0	44.8
Pre-tax discount rate	20.2	28.7
Terminal growth rate	6.5	5.7

In estimating the forecasted revenue growth rate, management took into account the estimated sales volume and price growth for the next 5 years, as well as the production capacity of the cement plant in Tajikistan.

Forecasted gross profit margin was based on historical information.

The forecasted revenue growth and forecasted gross profit are inherently judgemental, and subject to political and regulatory risks in an emerging market environment.

The discount rate was estimated based on the historical industry average weighted-average cost of capital. The cash flow projections included specific estimates for 5 years and a terminal growth rate thereafter. A long-term growth rate into perpetuity has been determined as the long-term inflation rate of the country in which the CGU operates, consistent with the assumptions that a market participant would make.

The estimated recoverable amount of the CGU exceeded its carrying amount as at 31 December 2021 and 2020. As such, no impairment loss on goodwill was recognised.

6. Subsidiaries

	Company	
	2021 $'000	2020 $'000
Unquoted equity shares, at cost	195,456	195,456
Deemed investment	5,173	5,173
Deemed return of investment	(4,963)	(3,005)
Impairment losses	(17,144)	(12,171)
	178,522	185,453

Deemed investment relates to the difference between the fair value and face value of the loans to an indirect subsidiary at initial recognition (Note 7).

Deemed return of investment relates to the difference between the fair value and face value of the loans from a subsidiary at initial recognition (Note 13).

6. Subsidiaries (Cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Group effective ownership interest	
		2021	2020
		%	%
Held by the Company			
International Cement Holdings Pte. Ltd. [(1)]	Singapore	100	100
Compact Metal Industries Pte. Ltd. [(1)]	Singapore	100	100
Held by subsidiaries			
Held by International Cement Holdings Pte. Ltd.			
HYD Tajikistan Investment Pte. Ltd. [(1)]	Singapore	100	100
International Cement Kazakhstan Pte. Ltd. [(1)]	Singapore	100	100
International Cement Korday Pte. Ltd. [(1)]	Singapore	100	100
International Cement Shar Pte. Ltd. [(1)]	Singapore	100	–
International Cement Tatarstan Pte. Ltd. [(1)]	Singapore	100	100
International Cement Investment Management LLP	Kazakhstan	100	–
Cement Manufacturing International (Mauritius)	Mauritius	90	90
International Cement Namibia Ltd. [(4)]	Mauritius	100	100
Held by International Cement Kazakhstan Pte. Ltd.			
Alacem LLP [(2)]	Kazakhstan	87.5	87.5
Held by International Cement Korday Pte. Ltd.			
Korcem LLP	Kazakhstan	87.5	–
Held by International Cement Shar Pte. Ltd.			
Sharcem LLP [(2)]	Kazakhstan	60	–
Held by Sharcem LLP			
Shygys Zharyq LLC	Kazakhstan	60	–

6. **Subsidiaries (Cont'd)**

Name of subsidiaries	Principal place of business/ Country of incorporation	Group effective ownership interest 2021 %	2020 %
Held by HYD Tajikistan Investment Pte. Ltd.			
International Manufacturing Company Chzhungtsai Mohir Cement LLC [(2)]	Tajikistan	65	65
Mohir Investment LLC	Tajikistan	65	–
Held by International Manufacturing Company Chzhungtsai Mohir Cement LLC			
Mohir Cement LLC [(2)]	Tajikistan	65	65
Mohir Plus LLC [(6)]	Tajikistan	65	65
Khujand Mohir Cement LLC [(6)]	Tajikistan	51	51
Held by Compact Metal Industries Pte. Ltd.			
AEL Enviro (Asia) Pte. Ltd. [(5)]	Singapore	100	100
Aluform Marketing Pte Ltd [(6)]	Singapore	100	100
Compact Metal Ind. Pte. Ltd. [(6)]	Singapore	100	100
Compact Metal Industries Sdn. Bhd. [(2)]	Malaysia	100	100
FacadeMaster Pte Ltd [(6)]	Singapore	100	100
FacadeMaster Sdn. Bhd. [(3)]	Malaysia	100	100
Integrate Private Limited [(1)]	Singapore	100	100
Ratus Projek Sdn Bhd	Malaysia	100	100
Selaco Aluminium Berhad [(2)]	Malaysia	98.2	98.2
Held by Compact Metal Industries Sdn. Bhd.			
Compact Bricks Sdn. Bhd.	Malaysia	100	100
Held by Integrate Private Limited			
Integrate Marketing Pte Ltd [(4)]	Singapore	100	100

(1) Audited by KPMG LLP, Singapore.
(2) Audited by other member firms of KPMG International.
(3) In the process of liquidation.
(4) In the process of striking off.
(5) Liquidated subsequent to the year end.
(6) Struck off/de-registered subsequent to the year end.

Impairment loss

As impairment indicators were identified for a subsidiary as at 31 December 2021, the recoverable amount of this subsidiary was estimated using fair value less costs to sell. As the recoverable amount was lower than the carrying amount of one CGU, an impairment loss of $4,973,000 was recognised in 2021 (2020: $nil).

7. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables	5,497	5,774	–	–
Accrued receivables	22	13	–	–
Allowance for doubtful receivables	(3,506)	(3,682)	–	–
	2,013	2,105	–	–
Tax-related receivables	10,043	17,355	–	–
Other receivables	7,456	2,724	–	4
Allowance for doubtful receivables	(125)	(125)	–	–
	17,374	19,954	–	4
Non-trade amounts due from indirect subsidiaries	–	–	140	114
Loans to indirect subsidiaries	–	–	65,693	38,225
	19,387	22,059	65,833	38,343
Deposits	160	292	32	58
Prepayments	12,432	3,186	8	10
	31,979	25,537	65,873	38,411
Non-current	2,627	–	65,833	38,313
Current	29,352	25,537	40	98
	31,979	25,537	65,873	38,411

Non-trade amounts due from indirect subsidiaries are unsecured, interest-free and repayable on demand. As at 31 December 2021, $140,000 (2020: $84,000) was assessed to be collectible after 12 months from the reporting date, therefore this balance was classified as 'non-current' in the statement of financial position.

Loans to indirect subsidiaries are unsecured, interest-free and due between 2022 and 2024 (2020: 2022 and 2023). The difference between the fair value and face value of the loans at initial recognition, where applicable, was recognised as an additional investment in the indirect subsidiary in the Company's separate financial statements (Note 6).

(i) For loans that are due in 2022, the carrying amount and face value are $40,057,000 and $41,768,000 respectively (2020: $36,984,000 and $40,349,000 respectively).

(ii) For the loan that is due in 2023, the carrying amount and face value are $1,306,000 and $1,352,000 respectively (2020: $1,241,000 and $1,322,000 respectively). This loan was provided by the Company to an indirect subsidiary in 2020 and the difference between the fair value and face value of the loan at initial recognition of $118,000 was recognised as deemed investment in subsidiary in the Company's separate financial statements (Note 6).

(iii) For the loan that is due in 2024 with carrying amount and face value of $24,330,000, it was provided by the Company to another indirect subsidiary during the year and the Company has the right to demand for payment before the due date.

As at 31 December 2021, as the loans that are due in 2022 and 2024 were assessed to be collectible after 12 months from the reporting date, they were classified as 'non-current' in the Company's separate financial statements.

Prepayments mainly pertained to advance payments made to suppliers for the acquisition of property, plant and equipment.

The Group's and the Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in Note 22.

8. Inventories

	Group	
	2021	2020
	$'000	$'000
Raw materials and consumables	11,409	10,127
Work-in-progress	6,579	3,706
Finished goods	1,894	1,717
Spares	8,131	6,337
	28,013	21,887
Allowance for inventories obsolescence	(776)	(805)
	27,237	21,082

In 2021, inventories of $44,200,000 (2020: $38,225,000) were recognised as an expense during the year and included in 'cost of sales'.

The Group recognises allowance on obsolete inventories when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items and is established when these inventory items are no longer marketable. Obsolete inventory items, when identified, are written off to profit or loss. In addition to an allowance for specifically identified obsolete inventory, allowance is also estimated based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence as at each reporting date. The Group reviews the condition of its inventories on a regular basis.

9. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash at bank and in hand	12,283	10,047	47	142
Fixed deposits	107	58	–	–
Cash and cash equivalents in the statements of financial position	12,390	10,105	47	142
Deposits pledged	(107)	(58)		
Cash and cash equivalents in the consolidated statement of cash flows	12,283	10,047		

The weighted average effective interest rate per annum relating to cash and cash equivalents at the reporting date for the Group is 0.1% (2020: 0.1%).

The Group's fixed deposits of $107,000 (2020: $58,000) are pledged with financial institutions as securities for banker guarantees.

10. Share capital

	Company No. of shares	
	2021	2020
Fully paid ordinary shares, with no par value		
In issue at 1 January and 31 December	5,734,732,849	5,734,732,849

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Shares issued for cash

On 3 June 2019, the Company issued and allotted 70,916,430 new ordinary shares in the capital of the Company under the confirmed tranche pursuant to a conditional placement agreement dated 9 May 2019 for an issue price for each placement share of $0.045 (the "Placement") amounting to $3,191,000. On 21 June 2019, the Company was informed by the SGX-ST that the SGX-ST was not satisfied that the source of funds for the Placement originating from the placee and that the placement was funded by undisclosed sources. The approval in-principle granted on 21 May 2019 by the SGX-ST for the listing and quotation of placement shares had lapsed and the SGX-ST would not allow the listing of the 70,916,430 Placement shares to proceed. Accordingly, these shares were not listed on the SGX-ST. The Company is still in discussions with the placee on the 70,916,430 Placement shares.

11. Reserves

Capital reserve

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Group's share of accumulated profits of its subsidiaries capitalised in a bonus issue of shares		404	404	–	–
Fair value adjustment arising from loans from major shareholders	13	4,140	2,113	4,140	2,113
		4,544	2,517	4,140	2,113

Revaluation reserve

The revaluation reserve relates to the revaluation of leasehold properties which were classified as 'assets held for sale' as at 31 December 2020. During the year, these assets were disposed. Accordingly, the revaluation reserve was transferred to 'accumulated losses'.

Currency translation reserve

The currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company and foreign currency differences on monetary items which form part of the Group's net investment in foreign operations.

Accumulated losses

As at 31 December 2021, included in the Group's accumulated losses was an amount of $1,482,000 (2020: $1,271,000) relating to statutory reserve. According to the relevant Tajikistan's regulation, subsidiaries in Tajikistan are required to make an annual allocation of a minimum amount of 5% of each entity's net profit to the statutory reserve until the reserve balance reaches 15% of each entity's charter capital. The transfer to this reserve must be made before the distribution of dividends to its equity owners.

11. Reserves (Cont'd)

Dividends

The following dividends were declared by the Group:

	Group	
	2021	2020
	$'000	$'000
Declared by a subsidiary to non-controlling interest	11,330	11,546

12. Non-controlling interests

The following subsidiaries have non-controlling interests ("NCI") that are material to the Group.

Name of subsidiaries	Principal place of business/Country of incorporation	Operating segment	Effective ownership interest held by NCI	
			2021	2020
			%	%
IMCCMC and its subsidiaries ("IMCCMC Group")	Tajikistan	Cement	35	35
Alacem LLP ("Alacem")	Kazakhstan	Cement	12.5	12.5
Sharcem LLP and its subsidiary ("Sharcem Group")	Kazakhstan	Cement	40	–
Mohir Investment LLC ("Mohir Investment")	Tajikistan	Others	35	–

12. Non-controlling interests (Cont'd)

The following summarised financial information for the above subsidiaries is prepared in accordance with SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

	IMCCMC Group $'000	Alacem $'000	Sharcem Group $'000	Mohir Investment $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2021							
Revenue	106,862	67,189	–	–			
Profit/(loss) for the year	27,846	14,676	(1,277)	(55)			
Other comprehensive income	1,478	(74)	7	149			
Total comprehensive income	29,324	14,602	(1,270)	94			
Attributable to NCI:							
Profit/(loss) for the year	9,746	1,835	(511)	(19)	(17)	–	11,034
Other comprehensive income	517	(9)	3	52	3	–	566
Total comprehensive income	10,263	1,826	(508)	33	(14)	–	11,600
Non-current assets	152,302	106,714	39,281	381			
Current assets	21,896	18,081	13,794	6,406			
Non-current liabilities	(13,434)	(112,332)	–	–			
Current liabilities	(28,223)	(11,923)	(54,342)	(65)			
Net assets/(liabilities)	132,541	540	(1,267)	6,722			
Net assets/(liabilities) attributable to NCI	46,389	68	(507)	2,353	(9)	–	48,294
Cash flows from/(used in) operating activities	39,285	30,184	(12,916)	(46)			
Cash flows used in investing activities	(3,734)	(22,088)	(28,475)	(4,196)			
Cash flows used in financing activities (dividends to NCI: $6,254,000)	(11,900)	(1,270)	–	–			
Net increase/(decrease) in cash and cash equivalents	23,651	6,826	(41,391)	(4,242)			

12. Non-controlling interests (Cont'd)

	IMCCMC Group $'000	Alacem $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2020					
Revenue	120,375	12,548			
Profit/(loss) for the year	32,134	(9,080)			
Other comprehensive income	(26,753)	(1,142)			
Total comprehensive income	5,381	(10,222)			
Attributable to NCI:					
Profit/(loss) for the year	11,247	(1,135)	(6)	–	10,106
Other comprehensive income	(9,364)	(143)	–	–	(9,507)
Total comprehensive income	1,883	(1,278)	(6)	–	599
Non-current assets	156,819	101,218			
Current assets	36,681	10,537			
Non-current liabilities	(19,713)	(111,253)			
Current liabilities	(35,985)	(14,566)			
Net assets	137,802	(14,064)			
Net assets/(liabilities) attributable to NCI	48,231	(1,758)	12	–	46,485
Cash flows from operating activities	48,479	(647)			
Cash flows used in investing activities	(7,387)	(18,506)			
Cash flows used in financing activities (dividends to NCI: $16,136,000)	(23,691)	(1,659)			
Net increase/(decrease) in cash and cash equivalents	17,401	(20,812)			

13. Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Non-current liabilities				
Loans from major shareholders	36,738	12,815	36,738	12,815
Loan from non-controlling interest	–	1,186	–	–
Loans from subsidiary	–	–	22,531	22,814
	36,738	14,001	59,269	35,629

Interest-free loans from major shareholders were measured at fair value at initial recognition and the difference between the fair value and face value of the loans was recognised in 'capital reserve', representing a contribution from owners of the Company (Note 11). During the year, the Group and Company obtained new loans from major shareholders with face value of $24,361,000. In 2020, loans from major shareholders which were due in 2021, were extended by 2 years to 2023. The difference between the fair value and face value of the loans at initial recognition of $2,027,000 (2020: $1,080,000) was recognised in 'capital reserve', representing a contribution from owners of the Company (Note 11).

Interest-free loan from non-controlling interest, was measured at fair value at initial recognition and the difference between the fair value and face value of the loan was accounted for as adjustments to transactions with non-controlling interest in the Group's financial statements. During the year, the Group made early full repayment amounting to $2,020,000 (2020: partial repayment of $3,375,000). This significant modification to the cash outflows of the loan resulted in a modification loss of $774,000 (2020: $1,423,000) accounted for as adjustments to transactions with non-controlling interest in the Group's financial statements.

Interest-free loans from a subsidiary were measured at fair value at initial recognition and the difference between the fair value and face value of the loans was recognised against the cost of investment in the subsidiary in the Company's separate financial statements (Note 6). During the year, certain loans from a subsidiary which were due in 2022, were extended by 3 years to 2025. The difference between the new and old fair value amounts, amounting to $1,958,000 (2020: $nil), was recognised against the cost of investment in the subsidiary in the Company's separate financial statements (Note 6).

Information about the Group's and the Company's exposure to interest rate, currency and liquidity risks related to loans and borrowings are disclosed in Note 22.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	2021 Face value $'000	2021 Carrying amount $'000	2020 Face value $'000	2020 Carrying amount $'000
Group							
Loans from major shareholders	CNY, USD	–	2023 – 2024 (2020: 2023)	39,178	36,738	14,168	12,815
Loan from non-controlling interest	TJS	–	2023	–	–	2,031	1,186
				39,178	36,738	16,199	14,001
Company							
Loans from major shareholders	CNY, USD	–	2023 – 2024 (2020: 2023)	39,178	36,738	14,168	12,815
Loans from subsidiary	CNY, USD	–	2023 – 2025 (2020: 2022 – 2023)	25,570	22,531	24,859	22,814
				64,748	59,269	39,027	35,629

13. Loans and borrowings (Cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			
	Loans from major shareholders $'000	**Loan from non-controlling interest $'000**	**Lease liabilities (Note 14) $'000**	**Total $'000**
Group				
At 1 January 2020	12,484	2,873	1,016	16,373
Changes from financing cash flows				
Interest paid*	–	–	(46)	(46)
Payment of lease liabilities	–	–	(407)	(407)
Repayment of loan from non-controlling interest	–	(3,375)	–	(3,375)
Total changes from financing cash flows	–	(3,375)	(453)	(3,828)
Other changes				
Liability-related				
Interest expense	793	526	37	1,356
Fair value adjustments	(1,080)	1,423	–	343
New leases	–	–	699	699
Early termination of leases	–	–	(283)	(283)
	(287)	1,949	453	2,115
Effect of changes in foreign exchange rates	618	(261)	4	361
At 31 December 2020	12,815	1,186	1,020	15,021
At 1 January 2021	12,815	1,186	1,020	15,021
Changes from financing cash flows				
Interest paid*	–	–	(27)	(27)
Payment of lease liabilities	–	–	(409)	(409)
Proceeds from loans from major shareholders	24,361	–	–	24,361
Repayment of loan from non-controlling interest	–	(2,020)	–	(2,020)
Total changes from financing cash flows	24,361	(2,020)	(436)	21,905
Other changes				
Liability-related				
Interest expense	988	74	27	1,089
Fair value adjustments	(2,027)	774	–	(1,253)
New leases	–	–	3	3
	(1,039)	848	30	(161)
Effect of changes in foreign exchange rates	601	(14)	–	587
At 31 December 2021	36,738	–	614	37,352

* *Interest paid in the consolidated statement of cash flows includes interest paid to EPC contractor under a deferred payment arrangement (Note 14) of $1,249,000 (2020: $1,619,000).*

14. Trade and other payables

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade payables	10,556	12,749	–	–
Retention monies	404	385	–	–
Accrued operating expenses	2,186	1,688	395	339
Payables for purchase of property, plant and equipment	42,072	37,005	–	–
Non-trade amounts due to non-controlling interest	6,097	1,052	–	–
Non-trade amounts due to subsidiaries	–	–	8,789	6,199
Lease liabilities	614	1,020	513	644
Value-added/Goods and Services tax payable	3,905	14,188	–	–
Withholding tax payable on dividends	1,317	1,194	–	–
Other payables	3,160	1,288	77	37
	70,311	70,569	9,774	7,219
Non-current	25,876	28,203	379	513
Current	44,435	42,366	9,395	6,706
	70,311	70,569	9,774	7,219

Retention monies relate to amounts withheld by the Group until the successful completion of the project works. These amounts are only payable upon completion of the construction contracts and after the defects liability period. Retention monies of $36,000 (2020: $95,000) are classified as non-current liabilities.

As at the reporting date, payables for purchase of property, plant and equipment amounting to $28,982,000 (2020: $33,937,000) are interest-bearing at 8.4% (2020: 8.4%) per annum and due from 2022 to 2024 (2020: 2021 to 2023). They are secured by way of property, plant and equipment with a net carrying amount of $103,989,000 (2020: $101,170,000) (see Note 4) as part of a deferred payment arrangement with the EPC contractor for the construction of a cement plant. Payables for purchase of property, plant and equipment of $25,437,000 (2020: $27,496,000) are classified as non-current liabilities.

Non-trade amounts due to non-controlling interest relate to dividends payable.

Non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

As at the reporting date, the Group's and Company's lease liabilities have face value of $649,000 and $547,000 (2020: $1,085,000 and $696,000) respectively, at nominal interest rate of 2.7% to 4.7% and 2.8% to 2.9% (2020: 2.7% to 5.2% and 2.8% to 2.9%) respectively and mature between 2022 to 2025 and 2023 to 2025 (2020: 2021 to 2025 and 2023 to 2025) respectively.

The Group's and the Company's exposure to interest rate, currency and liquidity risks related to trade and other payables are disclosed in Note 22.

15. Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Group				
Property, plant and equipment	(49)	(79)	4,134	2,532
Intangible assets	–	–	2,568	2,828
Undistributed profits of subsidiaries	–	–	4,085	4,892
Other items	(151)	(149)	–	27
Tax losses carried forward	(135)	–	–	–
Deferred tax (assets)/liabilities	(335)	(228)	10,787	10,279
Set off of tax	206	190	(206)	(190)
Net deferred tax (assets)/liabilities	(129)	(38)	10,581	10,089

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

	At 1 January 2020 $'000	Recognised in profit or loss (Note 19) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	At 31 December 2020 $'000	Recognised in profit or loss (Note 19) $'000	Exchange differences $'000	At 31 December 2021 $'000
Group								
Property, plant and equipment	665	2,194	(6)	(400)	2,453	2,471	(839)	4,085
Intangible assets	3,711	(361)	–	(522)	2,828	(319)	59	2,568
Undistributed profits of subsidiaries	5,054	488	–	(650)	4,892	(924)	117	4,085
Other items	282	18	–	(422)	(122)	(8)	(21)	(151)
Tax losses carried forward	(825)	776	–	49	–	(136)	1	(135)
	8,887	3,115	(6)	(1,945)	10,051	1,084	(683)	10,452

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	Group	
	2021 $'000	2020 $'000
Deductible temporary differences	4,367	4,482
Unutilised capital allowances	4,778	4,812
Unutilised tax losses	50,200	48,707
	59,345	58,001

The comparatives have been changed to reflect the revised deductible temporary differences and unutilised tax losses after the tax authorities finalised the tax status of certain outstanding years of assessment.

The unutilised tax losses and capital allowances are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The tax losses do not expire under current tax legislation.

16. Revenue

	Group 2021 $'000	Group 2020 $'000
Construction contracts	5,293	6,385
Sale of goods	176,136	135,241
	181,429	141,626

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Aluminium segment – Construction contracts

Nature of goods or services	The Group supplies and installs aluminium and glazing works for main contractors in the building construction industry. This integrated service is provided based on specifically negotiated contracts with customers.
When revenue is recognised	The Group has assessed that these construction contracts qualify for over time revenue recognition as the Group's performance in the agreements does not create an asset with an alternative use to the Group due to contractual restrictions and the Group has enforceable rights to payment for performance completed till date. The stage of completion is measured by reference to the survey of works performed.
Significant payment terms	Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified construction milestones. If the value of the construction services rendered exceeds the survey of works performed, a contract asset is recognised. Progress payment claims are made monthly based on the actual value of work done on site. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.
Obligations for warranties	All contracts with customers come with assurance-type warranties of 1 to 10 years, under which customers are able to request for replacement or rectification of any defective products.

The Group accounts for contract modifications as continuation of the original contract and recognises as a cumulative adjustment to revenue at the date of modification as these contract modifications do not add distinct goods or services.

16. **Revenue (Cont'd)**

Aluminium segment – Sale of goods

Nature of goods or services	The Group manufactures and sells aluminium related building materials such as aluminium extrusions, aluminium panels and associated architectural aluminium feature products.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Payment is due within 30 to 90 days when goods are delivered to the customers. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

Cement segment – Sale of goods

Nature of goods or services	The Group manufactures and sells cement and cement related materials such as concrete bricks and culvert pipes.
When revenue is recognised	Revenue is recognised when goods are delivered to customers and all criteria for acceptance have been satisfied. For sale of goods where there are no written contracts with customers, revenue is only recognised when consideration is received.
Significant payment terms	Payment is due within 15 to 90 days when goods are delivered to the customers. For some customers, prepayment for goods is required before delivery of goods. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

16. Revenue (Cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 21).

	Aluminium		Cement		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets								
Singapore	7,371	7,294	–	–	–	–	7,371	7,294
Malaysia	7	11	–	–	–	–	7	11
Australia	–	1,398	–	–	–	–	–	1,398
Afghanistan	–	–	14,781	18,748	–	–	14,781	18,748
Kazakhstan	–	–	67,189	12,548	–	–	67,189	12,548
Tajikistan	–	–	91,340	98,371	–	–	91,340	98,371
Uzbekistan	–	–	741	3,256	–	–	741	3,256
	7,378	8,703	174,051	132,923	–	–	181,429	141,626
Major products/service line								
Construction contracts	5,293	6,385	–	–	–	–	5,293	6,385
Sale of goods	2,085	2,318	174,051	132,923	–	–	176,136	135,241
	7,378	8,703	174,051	132,923	–	–	181,429	141,626
Timing of revenue recognition								
Products and services transferred over time	5,293	6,385	–	–	–	–	5,293	6,385
Products transferred at a point in time	2,085	2,318	174,051	132,923	–	–	176,136	135,241
	7,378	8,703	174,051	132,923	–	–	181,429	141,626

Contract balances

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	Group	
	2021	2020
	$'000	$'000
Trade receivables	1,991	2,092
Contract assets	2,202	2,578
Contract liabilities	(2,472)	(3,390)

Contract assets relate to:

(i) retention sums which are withheld by main contractors from the Group until the successful completion of the project works and are only payable upon completion of the construction contracts and after the defects liability period; and

(ii) the Group's rights to consideration for work completed on construction contracts but not billed at the reporting date.

16. Revenue (Cont'd)

Contract balances (Cont'd)

These are transferred to trade receivables when the rights become unconditional, which usually occurs when the Group invoices the customers.

Contract liabilities relate to advance consideration received from customers.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Contract assets		Contract liabilities	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Group				
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	–	3,390	152
Increases due to cash received, excluding amounts recognised as revenue during the year	–	–	(2,472)	(3,390)
Contract assets reclassified to trade receivables	(1,287)	(2,001)	–	–
Changes in measurement of progress	905	1,258	–	–
Reversal of impairment loss on contract assets	6	47	–	–

Transaction price allocated to the remaining performance obligations

No disclosures relating to transaction price allocated to the remaining performance obligations as the Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

17. Finance income and finance costs

	Note	Group	
		2021	2020
		$'000	$'000
Finance income			
Interest income on cash and cash equivalents		36	27
Others		–	16
		36	43
Finance costs			
Interest expense on:			
- lease liabilities	13	(27)	(37)
- payables to EPC contractor (Note 14)		(3,718)	(2,521)
Unwinding of discount in relation to the present value of loans from major shareholders	13	(988)	(793)
Unwinding of discount in relation to the present value of loan from non-controlling interest	13	(74)	(526)
Others		(4)	(1)
		(4,811)	(3,878)
Net finance costs recognised in profit or loss		(4,775)	(3,835)

18. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	Group 2021 $'000	2020 $'000
Audit fees paid to:			
- auditors of the Company		288	256
- other member firms of KPMG International		364	303
- other auditors		3	21
Audit-related fees paid to:			
- other auditors		–	2
Non-audit fees paid to:			
- auditors of the Company		28	21
- other member firms of KPMG International		9	4
- other auditors		16	6
Other income:			
- gain on disposal of property, plant and equipment		(11)	(80)
- government grant income		(153)	(756)
- refund of land premium from authorities		–	(2,649)
- rental income		(146)	(165)
- write off of other payables		(540)	–
Amortisation of intangible assets	5	2,511	2,821
Bad debts written off/(recovered)		119	(4)
Change in fair value of investment properties		–	64
Contributions to defined contribution plans, included in staff and related costs		665	681
Depreciation of property, plant and equipment	4	14,573	10,740
Foreign exchange loss, included in 'other expenses'			
- realised		208	925
- unrealised		2,054	9,830
Impairment loss on property, plant and equipment	4	825	247
Provision for onerous contracts		395	–
Reversal of provision for inventories obsolescence		(5)	(64)
Reversal of provision for warranties		(4)	(11)
Staff and related costs		11,083	9,071
(Reversal)/write down of inventories to net realisable value		(169)	25
Write off of property, plant and equipment		140	578

19. Tax expense

	Note	Group 2021 $'000	Group 2020 $'000
Current tax expense			
Current year		4,450	41
Under/(over) provision in respect of prior years		179	(1)
		4,629	40
Deferred tax expense			
Origination and reversal of temporary differences		2,229	1,838
(Over)/under provision in respect of prior years		(1,145)	1,277
	15	1,084	3,115
Withholding tax paid on dividends declared by subsidiaries		3,626	4,180
Tax expense		9,339	7,335

Reconciliation of effective tax rate

	2021 $'000	2020 $'000
Profit before tax	46,723	26,229
Tax using Singapore tax rate of 17% (2020: 17%)	7,943	4,459
Effect of different tax rates in foreign jurisdictions	(1,051)	(2,291)
Tax exempt income	(247)	(587)
Non-deductible expenses	1,868	1,631
Current year benefits of deferred tax assets not recognised	302	329
Recognition of tax effect of previously unrecognised tax losses	(52)	(4)
Tax incentives*	(2,305)	(2,146)
Withholding tax paid on dividends declared by subsidiaries	3,626	4,180
Deferred tax liabilities recognised on undistributed profits of subsidiaries	221	488
(Over)/under provision in respect of prior years	(966)	1,276
	9,339	7,335

* *Pursuant to the investment agreements signed with authorities in Tajikistan and Kazakhstan, the Group's subsidiaries, Mohir Cement LLC and Alacem LLP, are under a five-year tax holiday and ten-year tax holiday ending on 24 June 2024 and 31 December 2029 respectively. The tax holiday for International Manufacturing Company Chzhungtsai Mohir Cement LLC ended on 16 December 2020.*

20. Earnings per share

Basic and diluted earnings per share

The calculations of basic and diluted earnings per share for the years ended 31 December 2021 and 2020 were based on following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding:

Profit attributable to ordinary shareholders

	Group	
	2021	**2020**
	$'000	**$'000**
Profit for the year, representing profit attributable to ordinary shareholders	26,350	8,788

Weighted average number of ordinary shares

		Group	
	Note	**2021**	**2020**
		'000	**'000**
Issued ordinary shares at 1 January and 31 December	10	5,734,733	5,734,733

21. Operating segments

In 2021, the Group has two (2020: two) reportable segments, as described below, which are the Group's strategic business units. These strategic business units offer different products and services, and are managed separately because they require different expertise and marketing strategies. For each of the strategic business units, the Group's Executive Chairman (2020: Group's Executive Chairman) (the Chief Operating Decision Maker) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments for 2021:

- Aluminium division: undertaking of aluminium architectural contracts and engineering works and sub-contracting of building construction projects, manufacture of aluminium extrusions and supply of all such related products; and
- Cement division: production, sales and/or distribution of cement.

Other operations mainly include:

- Investment holding division: investment in land and buildings for either development or capital appreciation purposes; and
- Building materials division: production, sales and/or distribution of gypsum plasterboards and related products.

None of these segments under other operations meets any of the quantitative thresholds for determining reportable segments in 2021 or 2020.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment profit/(loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

21. Operating segments (Cont'd)

Information about reportable segments

	Aluminium		Cement		Others		Total	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Group								
External revenues	7,378	8,703	174,051	132,923	–	–	181,429	141,626
Finance income	–	3	36	40	–	–	36	43
Finance costs	(13)	(26)	(4,798)	(3,852)	–	–	(4,811)	(3,878)
Depreciation of property, plant and equipment	(109)	(377)	(14,464)	(10,363)	–	–	(14,573)	(10,740)
Amortisation of intangible assets	–	–	(2,511)	(2,821)	–	–	(2,511)	(2,821)
Reportable segment (loss)/ profit before tax	(3,559)	(1,282)	50,609	25,263	(327)	2,248	46,723	26,229
Other non-cash items:								
- Impairment loss on property, plant and equipment	(42)	(16)	–	–	(783)	(231)	(825)	(247)
- Provision for onerous contracts	(395)	–	–	–	–	–	(395)	–
- Reversal of/(loss allowance) on trade and other receivables and contract assets	132	(45)	(32)	232	–	–	100	187
- Unrealised exchange (loss)/ gain	(167)	78	(1,874)	(9,911)	(13)	3	(2,054)	(9,830)
- Write off of other payables	–	–	–	–	540	–	540	–
Reportable segment assets	8,050	12,337	377,844	323,761	7,294	1,325	393,188	337,423
Capital expenditure	300	149	55,860	25,504	377	–	56,537	25,653
Reportable segment liabilities	3,197	3,198	117,373	94,447	66	549	120,636	98,194

21. Operating segments (Cont'd)

Reconciliations of reportable segment profit or loss and liabilities to SFRS(I)s measures

There are no reconciling items to be presented for consolidated total revenue, profit or loss before tax, assets and revenue of reportable segments and no adjustments to be presented for other material non-cash items to SFRS(I) s measures.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	2021		2020	
	Revenue $'000	**Non-current assets* $'000**	**Revenue $'000**	**Non-current assets* $'000**
Singapore	7,371	1,741	7,294	2,294
Malaysia	7	830	11	1,472
Australia	–	–	1,398	–
Afghanistan	14,781	–	18,748	–
Kazakhstan	67,189	148,202	12,548	101,218
Tajikistan	91,340	172,262	98,371	174,124
Uzbekistan	741	–	3,256	–
	181,429	323,035	141,626	279,108

* *Non-current assets exclude financial instruments.*

Major customers

Revenue from one customer from the cement segment represented approximately $27,302,000 of the Group's total revenue. In 2020, there were no major customers representing more than 10% of the Group's total revenue.

22. Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's operations and the risks faced by the Group.

22. Financial instruments (Cont'd)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, other receivables and cash and cash equivalents.

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2021 $'000	2020 $'000
Reversal of loss allowance on trade and other receivables and contract assets	100	187

Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 16.

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. In monitoring credit risk, customers are grouped according to their credit characteristics, including their geographical location, industry, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

Exposure to credit risk

The exposure to credit risk for trade and other receivables (excluding prepayments and deposits) and contract assets at the reporting date by segment was as follows:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Aluminium	3,545	4,748	–	–
Cement	18,044	19,889	–	–
Subsidiaries	–	–	65,833	38,343
	21,589	24,637	65,833	38,343

Concentration of credit risk relating to trade and other receivables and contract assets is limited due to the Group's many varied customers and the Company's subsidiaries.

Expected credit loss assessment for customers (trade receivables and contract assets)

The Group uses an allowance matrix to measure the lifetime ECLs of trade receivables and contract assets. Loss rates are calculated using the 'provision matrix' method based on actual credit loss experience over the past three years. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

22. Financial instruments (Cont'd)

Credit risk (Cont'd)

Trade and other receivables and contract assets (Cont'd)

Expected credit loss assessment for other receivables (excluding prepayments and deposits)

Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its other receivables have low credit risk based on actual credit loss experience with the counterparties. The amount of the allowance on other receivables is immaterial.

Expected credit loss assessment for non-trade amounts due from and loans to indirect subsidiaries

The Company measures credit risk of its subsidiaries by assessing the risk of default by each subsidiary during the exposure period. For subsidiaries where risk of default is deemed to be insignificant, impairment loss will not be recognised on these balances. For subsidiaries where there is a significant increase in credit risk since initial grant of the balances, management will assess the cash shortfalls which may be irrecoverable and will provide for these cash shortfalls in full.

The risk of default is deemed to be insignificant for non-trade amounts due from and loans to indirect subsidiaries as at 31 December 2021 and 2020, therefore impairment loss has not been recognised on these balances.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables (excluding prepayments and deposits) and contract assets:

	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Group				
31 December 2021				
Current (not past due)	< 1%	20,868	(59)	No
Past due 1 – 30 days	5%	428	(23)	No
Past due 31 – 120 days	14%	330	(47)	Yes
Past due more than 120 days	97%	3,631	(3,539)	Yes
		25,257	(3,668)	
31 December 2020				
Current (not past due)	< 1%	23,614	(67)	No
Past due 1 – 30 days	4%	539	(23)	No
Past due 31 – 120 days	21%	455	(94)	Yes
Past due more than 120 days	95%	3,881	(3,668)	Yes
		28,489	(3,852)	
Company				
31 December 2021				
Current (not past due)	–	65,833	–	No
31 December 2020				
Current (not past due)	–	38,343	–	No

22. Financial instruments (Cont'd)

Credit risk (Cont'd)

Trade and other receivables and contract assets (Cont'd)

Movements in allowance for impairment in respect of trade and other receivables (excluding prepayments and deposits) and contract assets

The movement in the allowance for impairment in respect of trade and other receivables (excluding prepayments and deposits) and contract assets during the year was as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
At 1 January	3,852	4,161
Impairment loss reversed	(100)	(187)
Amounts utilised	(82)	(46)
Translation differences on consolidation	(2)	(76)
At 31 December	3,668	3,852

In 2021 and 2020, the reversal of loss allowance at the Group level was due to improvement in collection from customers. As a result, the weighted average loss rate for the 'past due 31 – 120 days' (2020: 'current (not past due)') age bracket decreased during the year.

Based on the Group's and the Company's monitoring of credit risk, the Group and the Company believe that, apart from the above, no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade and other receivables and contract assets.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $12,390,000 (2020: $10,105,000) and $47,000 (2020: $142,000) respectively as at 31 December 2021, which represent their maximum credit exposures on these assets. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Company is exposed to liquidity risk as the Company's current liabilities exceeded its current assets. Management has plans to fund requirements through advances from subsidiaries.

22. Financial instruments (Cont'd)

Liquidity risk (Cont'd)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting arrangements.

		Cash flows		
	Carrying amounts $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 1 to 5 years $'000**
Group				
31 December 2021				
Non-derivative financial liabilities				
Loans from major shareholders	36,738	(39,178)	–	(39,178)
Trade and other payables	70,311	(74,792)	(45,968)	(28,824)
	107,049	(113,970)	(45,968)	(68,002)
31 December 2020				
Non-derivative financial liabilities				
Loans from major shareholders	12,815	(14,168)	–	(14,168)
Loan from non-controlling interest	1,186	(2,031)	–	(2,031)
Trade and other payables	70,569	(74,295)	(43,042)	(31,253)
	84,570	(90,494)	(43,042)	(47,452)
Company				
31 December 2021				
Non-derivative financial liabilities				
Loans from major shareholders	36,738	(39,178)	–	(39,178)
Loans from subsidiary	22,531	(25,570)	–	(25,570)
Trade and other payables	9,774	(9,808)	(9,409)	(399)
	69,043	(74,556)	(9,409)	(65,147)
31 December 2020				
Non-derivative financial liabilities				
Loans from major shareholders	12,815	(14,168)	–	(14,168)
Loans from subsidiary	22,814	(24,859)	–	(24,859)
Trade and other payables	7,219	(7,271)	(6,723)	(548)
	42,848	(46,298)	(6,723)	(39,575)

The maturity analysis shows the contractual undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, payables and borrowings, including inter-company balances, that are denominated in a currency other than the respective functional currencies of Group entities. The functional currencies of Group entities are primarily the Singapore dollar, Tajikistan Somoni ("TJS") and Kazakhstan Tenge. The Group does not enter into hedging instruments to manage its foreign currency risk.

22. Financial instruments (Cont'd)

Market risk (Cont'd)

Currency risk (Cont'd)

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, payables and borrowings, including inter-company balances, that are denominated in a currency other than the respective functional currencies of Group entities. The functional currencies of Group entities are primarily the Singapore dollar, Tajikistan Somoni ("TJS") and Kazakhstan Tenge. The Group does not enter into hedging instruments to manage its foreign currency risk.

The Group is exposed to currency risk on financial instruments that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk is primarily denominated in United States dollar ("USD"), TJS and Chinese Yuan ("CNY").

The summary of quantitative data about the Group's and the Company's exposure to foreign currencies as reported to the management of the Group is as follows:

	2021			2020		
	USD $'000	**TJS $'000**	**CNY $'000**	**USD $'000**	**TJS $'000**	**CNY $'000**
Group						
Trade and other receivables*	95,651	9,580	16,897	62,738	11,414	16,825
Cash and cash equivalents	8,015	–	1,267	4,459	–	2,008
Trade and other payables*	(142,894)	–	(18,731)	(93,218)	–	(21,090)
Loans and borrowings	(22,583)	–	(14,155)	–	–	(12,815)
Net statement of financial position exposure	(61,811)	9,580	(14,722)	(26,021)	11,414	(15,072)
Company						
Trade and other receivables*	45,415	–	20,278	19,793	–	18,432
Cash and cash equivalents	14	–	–	12	–	–
Loans and borrowings*	(39,790)	–	(19,479)	(17,303)	–	(18,326)
	5,639	–	799	2,502	–	106

* *Including inter-company balances.*

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the functional currencies of the Company and its subsidiaries against the USD, TJS and CNY at 31 December would have increased/(decreased) profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit before tax		Company Profit before tax	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
USD (10% strengthening)	6,181	2,602	(564)	(250)
TJS (10% strengthening)	(958)	(1,141)	–	–
CNY (10% strengthening)	1,472	1,507	(80)	(11)

A 10% weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

22. Financial instruments (Cont'd)

Market risk (Cont'd)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group does not use any derivative financial instruments to hedge its interest rate risk.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's and Company's interest-earning/bearing financial instruments was as follows:

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Fixed rate instruments					
Fixed deposits	9	107	58	–	–
Lease liabilities		(74)	(98)	(74)	(98)
Payables for purchase of property, plant and equipment	14	(28,982)	(33,937)	–	–
		(28,949)	(33,977)	(74)	(98)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group is not exposed to significant risks arising from variable rate instruments.

Capital management

The Group's capital management is to ensure its ability to continue as a going concern in order to provide an adequate return to its shareholders and economic benefits for its stakeholders. Capital consists of share capital, reserves and accumulated losses.

The Group manages its capital structure and makes adjustments to it in consideration of many factors including changes in economic conditions, availability of comparatively advantageous financing strategies, cost of financing and impact of changes in the Group's liquidity and funding needs pertaining to its business activities.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except for subsidiaries in Tajikistan where companies are required to make an annual allocation of their annual profit to the statutory reserve up to 15% of share capital (see Note 11).

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

22. Financial instruments (Cont'd)

Accounting classifications and fair values (Cont'd)

	Note	Carrying amount			Fair value
		Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 2 $'000
Group					
31 December 2021					
Financial assets not measured at fair value					
Trade and other receivables	7	19,387	–	19,387	
Cash and cash equivalents	9	12,390	–	12,390	
		31,777	–	31,777	
Financial liabilities not measured at fair value					
Loans from major shareholders	13	–	(36,738)	(36,738)	(36,747)
Trade and other payables	14	–	(70,311)	(70,311)	(71,075)
		–	(107,049)	(107,049)	
31 December 2020					
Financial assets not measured at fair value					
Trade and other receivables	7	22,059	–	22,059	
Cash and cash equivalents	9	10,105	–	10,105	
		32,164	–	32,164	
Financial liabilities not measured at fair value					
Loans from major shareholders	13	–	(12,815)	(12,815)	(12,815)
Loan from non-controlling interest	13	–	(1,186)	(1,186)	(1,186)
Trade and other payables	14	–	(70,569)	(70,569)	(71,671)
		–	(84,570)	(84,570)	
Company					
31 December 2021					
Financial assets not measured at fair value					
Trade and other receivables	7	65,833	–	65,833	66,005
Cash and cash equivalents	9	47	–	47	
		65,880	–	65,880	
Financial liabilities not measured at fair value					
Loans from major shareholders	13	–	(36,738)	(36,738)	(36,747)
Loans from subsidiary	13	–	(22,531)	(22,531)	(22,530)
Trade and other payables	14	–	(9,774)	(9,774)	(9,774)
		–	(69,043)	(69,043)	
31 December 2020					
Financial assets not measured at fair value					
Trade and other receivables	7	38,343	–	38,343	38,824
Cash and cash equivalents	9	142	–	142	
		38,485	–	38,485	
Financial liabilities not measured at fair value					
Loans from major shareholders	13	–	(12,815)	(12,815)	(12,815)
Loans from subsidiary	13	–	(22,814)	(22,814)	(23,281)
Trade and other payables	14	–	(7,219)	(7,219)	(7,233)
		–	(42,848)	(42,848)	

22. Financial instruments (Cont'd)

Accounting classifications and fair values (Cont'd)

Measurement of fair values

Type	Valuation technique
Non-current trade and other receivables, non-current loans and borrowings and non-current other payables	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The carrying amount of the loan to an indirect subsidiary where the Company has the right to demand for payment before the due date is assumed to approximate its fair value.
Other financial assets and liabilities	The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

23. Leases

Leases as lessee (SFRS(I) 16)

The Group and Company lease properties (warehouse, factory and office facilities) and motor vehicles. The Group and Company entered into a hire purchase agreement for the purchase of a motor vehicle and repayment is over a period of 5 years. The leases for warehouse, factory and office facilities run for a period of 2 to 3 years. For the factory and office facilities, there is an option to renew the factory and office facilities leases after that date and the Group and Company are restricted from entering into any sub-lease arrangements. The Group estimated that the potential future lease payments, should it exercise the option to renew, would result in an increase in lease liabilities of $787,000.

The Group also leases properties, plant and machinery, and motor vehicles with contract terms for one year which is deemed to be short-term leases. The Group has elected not to recognised right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group and Company are lessees is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

	Leasehold properties $'000	Motor vehicles $'000	Total $'000
Group			
At 1 January 2020	519	–	519
Additions	709	199	908
Disposals	(256)	–	(256)
Impairment loss	(16)	–	(16)
Reclassification from property, plant at equipment at fair value	226	–	226
Depreciation charge for the year	(256)	(40)	(296)
Translation differences on consolidation	(9)	–	(9)
At 31 December 2020	917	159	1,076

23. Leases (Cont'd)

Leases as lessee (SFRS(I) 16) (Cont'd)

Right-of-use assets (Cont'd)

	Leasehold properties $'000	Motor vehicles $'000	Total $'000
Group			
At 1 January 2021	917	159	1,076
Additions	3	–	3
Impairment loss	(4)	–	(4)
Depreciation charge for the year	(175)	(40)	(215)
Translation differences on consolidation	(6)	–	(6)
At 31 December 2021	735	119	854
Company			
At 1 January 2020	380	–	380
Additions	576	199	775
Disposals	(253)	–	(253)
Depreciation charge for the year	(165)	(40)	(205)
At 31 December 2020	538	159	697
At 1 January 2021	538	159	697
Depreciation charge for the year	(111)	(40)	(151)
At 31 December 2021	427	119	546

	Group	
	2021 $'000	2020 $'000
Amount recognised in profit or loss		
Interest on lease liabilities	27	37
Expenses relating to short-term leases	310	338
Amount recognised in statement of cash flows		
Total cash outflow for leases	746	791

Leases as lessor

The Group leases out its industrial property classified as investment property. The Group has classified this lease as an operating lease, as it does not transfer substantially all of the risk and rewards incidental to the ownership of the asset. The lease runs for a period of 10 years.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2021 $'000	2020 $'000
Operating leases		
Within one year	146	143
Between one and two years	146	143
Between two and three years	146	143
Between three and four years	146	143
Between four and five years	146	143
More than five years	378	512
	1,108	1,227

24. Acquisition of subsidiary

On 14 September 2021, the Group acquired Shygys Zharyq LLC though a subsidiary, Sharcem LLP. The assets in Shygys Zharyq LLC largely consist of a licence to carry out activities for the purchase and further sale of electricity to consumers without substantive processes.

The Group applied the concentration test and the acquisition of Shygys Zharyq LLC was assessed and accounted for as an acquisition of assets in the financial statements.

The total consideration, fully paid in cash, at the acquisition date for the acquisition of Shygys Zharyq LLC was $2,421,000.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Note	$'000
Intangible assets	5	2,423
Trade and other payables		(2)
Total identifiable net assets		2,421
Total cash consideration		2,421

25. Capital commitments

	Group	
	2021 $'000	2020 $'000
Capital expenditure contracted to construct additional facilities of a cement plant in Kazakhstan and upgrading works for another cement plant in Kazakhstan (2020: construct additional facilities in a cement plant in Kazakhstan) but not recognised in the financial statements, to be incurred within the next 12 months from the reporting date	23,910	13,282

26. Contingent liabilities

Certain subsidiaries of the Group are involved in certain legal and regulatory matters in Tajikistan and Kazakhstan as at 31 December 2021 and 2020. Due to the nature and status of these matters and also in view of the uncertainty of the outcome, the Group believes that the amount of exposure cannot currently be determinable. Accordingly, no provisions nor impairment for property, plant and equipment, or provision for restoration cost, where applicable, has been recorded.

27. Related parties

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	Transaction value		Balance outstanding	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Sale of goods				
Non-controlling interest	–	714	5	5
Purchase of services				
Non-controlling interest	(3,596)	(4,489)	(156)	(77)
Purchase of property, plant and equipment				
Non-controlling interest	–	(120)	–	–

All outstanding balances with related parties are to be settled in cash within credit terms. None of the balances are secured.

Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling activities of the Group. The directors of the Company and members of the management team of the Group are considered to be key management personnel.

Key management personnel compensation

Key management personnel compensation comprised:

	Group	
	2021 $'000	2020 $'000
Short-term employee benefits	2,185	2,013
Contributions to defined contribution plans	79	64
	2,264	2,077

Shareholding Statistics

As at 16 March 2022

Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share
No. of issued and paid-up shares	:	5,734,732,849

ANALYSIS OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	270	3.84	12,587	0.00
100 - 1,000	2,662	37.86	1,090,281	0.02
1,001 - 10,000	1,919	27.30	8,364,555	0.15
10,001 - 1,000,000	2,068	29.41	288,060,481	5.02
1,000,001 AND ABOVE	112	1.59	5,437,204,945	94.81
	7,031	**100.00**	**5,734,732,849**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES HELD	%
1	UOB KAY HIAN PTE LTD	3,009,007,500	52.47
2	CITIBANK NOMINEES SINGAPORE PTE LTD	631,204,450	11.01
3	HSBC (SINGAPORE) NOMINEES PTE LTD	364,793,800	6.36
4	DBSN SERVICES PTE LTD	249,923,900	4.36
5	ZHANG ZENGTAO	217,500,000	3.79
6	DBS NOMINEES PRIVATE LIMITED	202,603,012	3.53
7	SL CAPITAL VENTURES PTE LTD	108,000,000	1.88
8	BUCKLEY CAPITAL PTE LTD	106,793,200	1.86
9	PHILLIP SECURITIES PTE LTD	85,476,115	1.49
10	WU XINGHUI	70,916,430	1.24
11	RAFFLES NOMINEES (PTE) LIMITED	21,785,282	0.38
12	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	20,311,200	0.35
13	IFAST FINANCIAL PTE LTD	17,736,000	0.31
14	SIM LEE HOON	15,750,000	0.28
15	CHNG BENG HUA	14,500,000	0.25
16	OCBC SECURITIES PRIVATE LTD	11,303,700	0.20
17	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	11,215,309	0.20
18	MAYBANK SECURITIES PTE LTD	10,923,428	0.19
19	TIGER BROKERS (SINGAPORE) PTE. LTD.	10,790,900	0.19
20	ABN AMRO CLEARING BANK N.V.	10,469,800	0.18
		5,191,004,026	**90.52**

REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 16 MARCH 2022

	Direct interest No. of shares	% of total issued shares (1)	Deemed interest No. of shares	% of total issued shares (1)
Victory Gate Ventures Limited (2)	-	-	3,150,000,000	54.93
Zhang Zengtao (3)	217,500,000	3.79	3,150,000,000	54.93
Ma Zhaoyang (4)	-	-	1,467,500,000	25.59

Notes:

1. As a percentage of the issued share capital of the Company comprising 5,734,732,849 shares.

2. Victory Gate Ventures Limited's ("VGVL") interest in 3,150,000,000 shares were held under the name of nominees – Citibank Nominees Singapore Pte Ltd, DBSN Services Pte Ltd, HSBC (Singapore) Nominees Pte Ltd and UOB Kay Hian Pte Ltd.

3. Zhang Zengtao holds 100% shares in VGVL and is therefore deemed to be interested in the shares held by VGVL by virtue of Section 7(4) of the Act.

4. Ma Zhaoyang's deemed interest in the 1,467,500,000 Shares were held under the name of nominees – Citibank Nominees Singapore Pte Ltd, DBSN Services Pte Ltd, HSBC (Singapore) Nominees Pte Ltd and UOB Kay Hian Pte Ltd.

PERCENTAGE OF SHAREHOLDING IN THE HANDS OF PUBLIC

As at 16 March 2022, 15.17% of the issued share capital of the Company was held in the hands of the public (based on the information available to the Company). The Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Disclosure Of Information On Directors Seeking Re-Election And Appointment

Mr Ma Zhaoyang, Mr Zhang Zengtao and Mr Ng Kian Guan are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 April 2022 ("AGM") ("Retiring Directors").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR MA ZHAOYANG	MR ZHANG ZENGTAO	MR NG KIAN GUAN
Date of appointment as Director of International Cement Group Ltd.	05 November 2015	05 November 2015	25 June 2021
Date of last re-appointment	22 April 2020	22 April 2020	NA
Age	54	39	65
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Mr Ma is familiar with the cement manufacturing business as he has been a non-executive director of another cement manufacturing company listed on the Hong Kong Stock Exchange since 2010. His knowledge in the cement business and his contacts in this field of business are invaluable to the Company. The Board opined that Mr Ma had carried out his duties satisfactorily in FY2021 and that his knowledge, experience and expertise are still required to contribute to the Group and diversity of the Board. The Board recommended his re-election.	Mr Zhang has been in the cement industry for the past 14 years, taking on different roles over the years in the cement manufacturing business. The Board opined that Mr Zhang has contributed positively to the Company and the Group in FY2021, offering his knowledge, experience and expertise from the operational perspective of the cement business and diversity of the Board. The Board recommended his re-election.	Mr Ng has over 30 years of experience in banking and finance with strong expertise in Corporate Banking, Risk Management, Remedial Management, and Group Credit Management. The Board is of the view that Mr Ng Kian Guan has the relevant professional qualification and working experience to continue to contribute to the diversity of the Board and the Company. The Board recommended his re-election.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Ma has oversight of the Group's operations and performance.	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Board Chairman	Non-Independent Non-Executive Director	Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee

	MR MA ZHAOYANG	MR ZHANG ZENGTAO	MR NG KIAN GUAN
Academic qualifications / professional qualifications	1. Doctorate Degree in Management 2. Master Degree in Management from the Northwestern Polytechnic University (Shaanxi, China)	1. Master of Business Administration from Xi'an Jiaotong University	1. Bachelor of Business Administration - National University of Singapore 2. Diploma of Investment Analysis - Singapore Securities Research Institute 3. Advanced Bank Management Program - Asian Institute of Management 4. Asian Banking Management Program - Insead Euro-Asia Centre 5. Certificate in Real Estate Agency - Singapore Institute of Surveyor and Valuers 6. Pacific Rim Bankers Program - University of Washington 7. Advanced Management Program, 55th AMP - University of Pennsylvania, The Wharton Business School 8. Executive Diploma in Directorship - SMU and SID
Working experience and occupation(s) during the past 10 years	Executive Director and Chairman, International Cement Group Ltd. - March 2019 to present Executive Director and Chairman, Compact Metal Industries Ltd. - November 2014 to March 2019 Associate Professor, Northwestern Polytechnic University (Shaanxi, China) - January 1996 to February 2019	Non-Independent Non-Executive Director of International Cement Group Ltd. - March 2019 to present Chief Executive Officer, Compact Metal Industries Ltd. - January 2019 to March 2019 Managing Director, Compact Metal Industries Ltd. - November 2014 to December 2018 General Manager, Yaobai Special Cement Co., Ltd. - 2010 to 2014	Deputy CEO, Maybank Singapore - August 2014 to June 2021 Head, Corporate Office, Maybank Singapore - September 2011 to December 2018
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 1,467,500,000 ordinary shares	Direct interest: 217,500,000 ordinary shares Indirect interest: 3,150,000,000 ordinary shares	Direct interest: 10,000,000 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	NIL	NIL	NIL

Disclosure Of Information On Directors Seeking Re-Election And Appointment (Cont'd)

	MR MA ZHAOYANG	MR ZHANG ZENGTAO	MR NG KIAN GUAN
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* including Directorships# Past (for the last 5 years)	1. Shaanxi Quanchuangke Industrial and Trading Co. Ltd. 2. Victory Gate Ventures Limited 3. International Cement Holdings Pte. Ltd. ("ICH") 4. International Cement Investment Pte. Ltd. (amalgamated with ICH) 5. International Cement Korday Pte. Ltd. 6. International Cement Shar Pte. Ltd.	1. AEL Enviro (Asia) Pte. Ltd. (liquidated in 2022) 2. International Cement Holdings Pte. Ltd. ("ICH") 3. International Cement Investment Pte. Ltd. (amalgamated with ICH) 4. International Cement Kazakhstan Pte. Ltd.	1. Maybank Nominees Pte. Ltd.
Present	1. West China Cement Limited 2. Golden Stone Capital Limited 3. Golden Stone Hong Kong Holding Limited 4. Shun Mei Limited 5. Red Day Limited 6. Techno Faith Investments Limited 7. Compact Metal Industries Pte. Ltd. 8. HYD Tajikistan Investment Pte. Ltd. 9. International Cement Kazakhstan Pte. Ltd. 10. International Cement Tatarstan Pte. Ltd.	1. Victory Gate Ventures Limited 2. Compact Metal Industries Pte. Ltd. 3. International Manufacturing Company Chzhungtsai Mohir Cement LLC	NIL

* "Principal Commitments" has the same meaning as defined in the Code.

These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9).

	MR MA ZHAOYANG	MR ZHANG ZENGTAO	MR NG KIAN GUAN
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c) Whether there is any unsatisfied judgment against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Disclosure Of Information On Directors Seeking Re-Election And Appointment (Cont'd)

	MR MA ZHAOYANG	MR ZHANG ZENGTAO	MR NG KIAN GUAN
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

	MR MA ZHAOYANG	MR ZHANG ZENGTAO	MR NG KIAN GUAN
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Disclosure Of Information On Directors Seeking Re-Election And Appointment (Cont'd)

	MR MA ZHAOYANG	MR ZHANG ZENGTAO	MR NG KIAN GUAN
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	NA	NA	NA

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of International Cement Group Ltd. (the "**Company**") will be held by electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on Thursday, 28 April 2022 at 2.00 pm to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 and the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Ma Zhaoyang, a Director who is retiring pursuant to Regulation 102 of the Constitution of the Company. **(Resolution 2)**

3. To re-elect Mr Zhang Zengtao, a Director who is retiring pursuant to Regulation 102 of the Constitution of the Company. **(Resolution 3)**

4. To re-elect Mr Ng Kian Guan, a Director who is retiring pursuant to Regulation 106 of the Constitution of the Company. **(Resolution 4)**

   Mr Ng Kian Guan is considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). If re-elected, Mr Ng will remain as the Chairman of the Remuneration Committee and a member of the Audit Committee.

5. To approve payment of Directors' fees of S$230,000 for the financial year ending 31 December 2022 and to authorise the Directors of the Company an option to pay the said fees quarterly in arrears (2021: S$230,000). **(Resolution 5)**

6. To approve the payment of additional Directors' fees to the Independent Directors and Non-Executive Director of S$26,000 for the financial year ended 31 December 2021. **(Resolution 6)**
   [see explanatory note 1]

7. To re-appoint KPMG LLP as auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration. **(Resolution 7)**

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

9. Authority to Issue Shares **(Resolution 8)**

   "That pursuant to Section 161 of the Companies Act 1967, and the Listing Manual of SGX-ST, authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,

   at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares (excluding treasury shares), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares) in the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares) shall be the Company's total number of issued shares (excluding treasury shares) at the time this resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities;
(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."
[see explanatory note 2]

BY ORDER OF THE BOARD

Ang Siew Koon
Lee Zhen Jesica
Company Secretaries

06 April 2022

Singapore

Explanatory Notes:

1. The shareholders had approved the payment of Directors' fee for the financial year ended 31 December 2021 in an amount of S$230,000. Due to a significant increase in activities of the Group during the year which resulted in additional time spent by the Independent Directors and the Non-Independent Non-Executive Director, an additional Directors' fee amounting to S$26,000 is recommended for shareholders' approval.

2. Resolution 8, if passed, will authorise and empower the Directors of the Company from the date of the above AGM until the next AGM to issue shares in the capital of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

   For the purpose of Resolution 8, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Important Notice to Shareholders Regarding the Conduct of the Company's AGM

Pursuant to Part 4 of the Covid-19 (Temporary Measures) Act 2020 and the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, a member of the Company will not be able to attend the Meeting in person. A member of the Company (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. This proxy form has been made available on SGXNET and the Company's corporate website at https://internationalcementgroup.com. A printed copy of this proxy form will **NOT** be despatched to members.

Shareholders should note the following procedures and/or instructions to participate in the AGM via LIVE WEBCAST or AUDIO ONLY MEANS:

1. Proxy Voting

Voting at the AGM is by proxy ONLY. Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the AGM as your proxy to vote on your behalf by completing the proxy form attached to the Notice of AGM or download it from the Company's announcement on SGXNet or from the Company's corporate website at https://internationalcementgroup.com. Shareholders should specifically indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions set out in the Notice of AGM. Shareholders must submit the completed and signed proxy form appointing the Chairman of the AGM as proxy (i) **by email to** gpe@mncsingapore.com; or (ii) **by post to the registered address of the Company at 100 Tras Street, #18-01 100 AM, Singapore 079027, by 2.00 p.m. on 25 April 2022** (being not less than seventy-two (72) hours before the time fixed for the AGM). Any incomplete proxy form will be rejected by the Company.

For CPF and SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by email to** gpe@mncsingapore.com **or post to the registered address of the Company at 100 Tras Street, #18-01 100 AM, Singapore 079027** at least seven (7) working days before the AGM.

2. Shareholders' Questions and Answers ("Q&A")

If Shareholders have any questions in relation to any item of the Agenda of the AGM, Shareholders may send their queries in advance, **by 15 April 2022** (at least 7 calendar days for shareholders to submit Q&A), by **email to** contactus@internationalcementgroup.com. Please state your question(s), your full name, NRIC/Passport/Company Registration No., number of shares held and whether you are a shareholder or a Proxy or a Corporate Representative of a Corporate Shareholder. All questions without these identification details will not be entertained.

Please note that responses from the Board and management of the Company on substantial questions and relevant comments from Shareholders will be published on the SGXNet and Company's corporate website at https://internationalcementgroup.com after trading hours **on 18 April 2022** (at least 72 hours before deadline to submit proxy form by 2.00 p.m. on 25 April 2022, Monday). The minutes of the AGM will be published on the SGXNet and Company's corporate website within one (1) month after the conclusion of the AGM.

Shareholders, who would have been able to be appointed as proxies by relevant intermediaries under Section 181(1C) of the Companies Act 1967 of Singapore, such as CPF and SRS investors, should approach their respective agents, such as CPF Agent Banks or SRS Operators, to submit their questions in relation to any resolution set out in the Notice of AGM prior to the AGM and have their substantial queries and relevant comments answered.

3. Registration to attend the LIVE WEBCAST or AUDIO ONLY MEANS

LIVE WEBCAST

Shareholders who wish to attend the AGM by viewing the proceedings of the AGM can participate via the LIVE WEBCAST by submitting their particulars (comprising email address, full name, NRIC/Passport/Company Registration No. and number of shares held) at https://rebrand.ly/international_cement_group_AGM **by 2.00 p.m. on 25 April 2022** (being not less than seventy-two (72) hours before the time fixed for the AGM) (the "**Registration Deadline**") to enable the Company to verify the Shareholders' status. After the verification process, a unique link will be sent to authenticated Shareholders by 5.00 p.m. on 27 April 2022. The link will be used by Shareholders to view the proceedings of the AGM by accessing the LIVE WEBCAST. Shareholders may attend the LIVE WEBCAST via your smart phones, tablets or laptops/computers.

AUDIO ONLY MEANS

Shareholders who wish to attend the AGM by observing the proceedings of the AGM by listening only, can participate via the AUDIO ONLY MEANS by submitting their particulars (comprising email address, full name, NRIC/Passport/Company Registration No. and number of shares held) at https://rebrand.ly/international_cement_group_AGM **by the Registration Deadline** to enable the Company to verify the Shareholders' status. After the verification process, an email confirmation containing details of the AUDIO ONLY MEANS will be sent to authenticated Shareholders by 5.00 p.m. on 27 April 2022. The details contained in the email confirmation will be used by Shareholders to observe the proceedings of the AGM by listening via the AUDIO ONLY MEANS.

Shareholders who wish to attend the AGM via LIVE WEBCAST or AUDIO ONLY MEANS are reminded that the AGM is private. Invitations to attend the LIVE WEBCAST or AUDIO ONLY MEANS shall not be forwarded to anyone who is not a Shareholder of the Company or who is not authorised to attend the LIVE WEBCAST or AUDIO ONLY MEANS. Recording of the LIVE WEBCAST and AUDIO ONLY MEANS in whatever form is also strictly prohibited.

The Company asks for Shareholders' understanding in the event of any technical disruptions during the LIVE WEBCAST and AUDIO ONLY MEANS.

Shareholders, who would have been able to be appointed as proxies by relevant intermediaries under Section 181(1C) of the Companies Act 1967 of Singapore, such as CPF and SRS investors, should approach their respective agents, such as CPF Agent Banks or SRS Operators, to participate in the AGM via LIVE WEBCAST or AUDIO ONLY MEANS.

Shareholders who register by the Registration Deadline but do not receive an email response before 5.00 p.m. on 27 April 2022 may contact the Company by email at contactus@internationalcementgroup.com for assistance.

4. Documents for the AGM

Documents relating to the business of the AGM, which comprise the Company's annual report for the financial year ended 31 December 2021, as well as the Notice of AGM and the proxy form for the AGM, have been published on SGXNet and the Company's corporate website at https://internationalcementgroup.com/annual-report/ on 06 April 2022.

The Company also seeks Shareholders' understanding and cooperation to adhere to the measures taken by the Company in light of the COVID-19 situation. Shareholders are advised to check on the Company's announcement(s) on SGXNet or the Company's corporate website at https://internationalcementgroup.com for any changes or updates on this AGM, should there be any further measures recommended by the relevant authorities.

"Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines."

INTERNATIONAL CEMENT GROUP LTD.
(Company Registration No.: 201539771E)
(Incorporated in the Republic of Singapore)

PROXY FORM
FOR ANNUAL GENERAL MEETING

(PLEASE SEE NOTES OVERLEAF BEFORE COMPLETING THIS FORM)

IMPORTANT:
1. The Annual General Meeting ("**AGM**") is being convened, and will be held, partly by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will NOT be sent to members. Instead, the Notice of AGM will be sent to members by electronic means via publication on SGXNet and the Company's corporate website at https://internationalcementgroup.com.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via LIVE WEBCAST or AUDIO ONLY MEANS), submission of questions in advance of the AGM, addressing of substantial queries and relevant comments, prior to, or at, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

I/We____ (Name)__________________________ (*NRIC/Passport/Company Registration No.) of ____ (Address) being a member/members of **INTERNATIONAL CEMENT GROUP LTD**. (the "**Company**"), hereby appoint:

Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held by electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on Thursday, 28 April 2022 at 2.00 p.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against or abstain from voting the Resolutions proposed at the Meeting as indicated hereunder. In the absence of specific directions on in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Resolutions No.	Ordinary Resolutions	For **	Against **	Abstain **
Resolution 1	Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' Statement and Auditors' Report.			
Resolution 2	Re-election of Mr Ma Zhaoyang as a Director of the Company.			
Resolution 3	Re-election of Mr Zhang Zengtao as a Director of the Company.			
Resolution 4	Re-election of Mr Ng Kian Guan as a Director of the Company.			
Resolution 5	Approval of Directors' fees of S$230,000 for the financial year ending 31 December 2022 and to authorise the Directors of the Company an option to pay the said fees quarterly in arrears.			
Resolution 6	Approval of additional Directors' fees of S$26,000 for the financial year ended 31 December 2021.			
Resolution 7	Re-appointment of KPMG LLP as Auditors.			
Resolution 8	Authority to issue shares.			

(Please indicate your vote "**For**" or "**Against**" or "**Abstain**" with a cross [X] within the box provided.)

Notes:
* Delete accordingly
** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick "X" in the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you mark "X" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Signed this ________ day of __________________ 2022.

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s) or Common Seal

* Delete accordingly

IMPORTANT:
Please read the notes overleaf:

Notes:-

1. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. A member of the Company (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. This proxy form has been made available on SGXNet and the Company's corporate website at https://internationalcementgroup.com. A printed copy of this proxy form will **NOT** be despatched to members.

2. This duly executed proxy form, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be sent by email to gpe@mncsingapore.com or posted to the registered address of the Company at **100 Tras Street, #18-01 100 AM, Singapore 079027** by 2.00 p.m. on 25 April 2022 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting). **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.**

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

5. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

6. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register seventy-two (72) hours before the time set for the Annual General Meeting.

7. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Annual General Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Annual General Meeting.

"Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines."

INTERNATIONAL CEMENT GROUP

SINGAPORE

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MALAYSIA

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