

INTERNATIONAL CEMENT GROUP LTD.

(Incorporated in Singapore)
(Company Registration No. 201539771E)

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Board of Directors (the “Board”) of International Cement Group Ltd. (the “Company”, and together with its subsidiaries, collectively the “Group”) refers to the full year financial results announcement for Compact Metal Industries Ltd for the financial year ended 31 December 2018 made on 25 February 2019 via SGXNET (“Preliminary Unaudited Results FY2018”).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), the Board wishes to announce that subsequent to the release of the Preliminary Unaudited Results FY2018 and finalisation of audit, there were material variances between the Preliminary Unaudited Results FY2018 and Audited Financial Statements. Details and clarifications of the variances are set out as follows:

	Audited S\$'000	Unaudited S\$'000	Difference S\$'000	Notes
<u>Company</u>				
Statement of Financial Position (extract)				
Assets				
Contract assets (long-term)	1,568	2,250	(682)	1
Trade and other receivables (short-term)	20,008	24,072	(4,064)	2
Contract assets (short-term)	682	-	682	1
Equity				
Accumulated losses	(137,521)	(133,457)	(4,064)	2

Notes:

1. The variance was due to reclassification of certain retention monies due from customers from long-term contract assets to short-term contract assets.
2. In accordance with SFRS(I) 9 *Financial Instruments* which was adopted by the Group for the financial year ended 31 December 2018, the ‘incurred loss’ model in FRS 39 *Financial Instruments: Recognition and Measurement* was replaced with an ‘expected credit loss’ (“ECL”) model.

As disclosed in Notes 27 and 32 of the Audited Financial Statements, the adoption of SFRS(I) 9 resulted in an additional impairment losses on non-trade amounts and loan due from subsidiaries as at 1 January 2018 and during the financial year ended 31 December 2018. This amount was computed using the ECL model where the Company measured the impairment on non-trade amounts and loans due from subsidiaries based on the 12-month expected credit

loss which reflects the credit risk of the exposures, i.e. assessment of the risk of default by each subsidiary during the exposure period and the cash shortfall which may be irrecoverable.

On behalf of the Board

Ma Zhaoyang
Chairman and Executive Director

12 April 2019