INTERNATIONAL CEMENT GROUP LTD.
(Incorporated in Singapore)
(Company Registration No. 201539771E)

PROPOSED ACQUISITION OF A 100% INTEREST OF A COMPANY IN NAMIBIA AS A VERY SUBSTANTIAL ACQUISITION

This announcement is made supplemental to the Company's announcement this morning informing Shareholders of non-approval by SGX-ST of the Company's proposed purchase of the entire equity interest in SCHWENK Namibia (Pty) Limited and relevant shareholders' loans pursuant to an agreement dated 8 March 2019. All capitalised terms herein shall have the same meanings as ascribed to them in the aforesaid announcement.

As stated in the earlier announcement, SGX-ST was of the view that the Proposed Acquisition does not meet the requirements of a VSA under Rule 1015(2). The reasons given by SGX-ST are as follows:

(a) The target business to be acquired is not profitable. SGX-ST noted that the foreign exchange losses arising from the SCHWENK Loan Claim remain in the pro forma financial statements after the Proposed Acquisition. As the SCHWENK Loan Claim remains and will continue to affect the accounts of the Enlarged Group after the acquisition, SGX-ST was of the view that the Proposed Acquisition is not able to satisfy Rule 1015(2) which requires the target business to be profitable.

(b) The Company does not have sufficient cash resources to fund the purchase consideration. It intends to possibly obtain significant external loans from financial institutions and shareholders' loan. Such loans when considered with the potential losses of the target business will result in a material adverse financial impact on the Enlarged Group. There is no certainty that the target business will be able to generate sufficient profits to service the loans. Thus, SGX-ST is of the view that the Proposed Acquisition will put the Company out of healthy financial position.

In addition, SGX-ST requires the Company to implement the following safeguards for any future acquisition:

(a) The Company to commission pre-deal anti-money laundering due diligence to be carried out by its external auditors on the source of funds for any transactions classified under Rule 1014 and 1015;

(b) The Audit Committee and the Board to undertake that, so long as the Group operates in Kazakhstan, Tajikistan, Namibia and/or any other developing jurisdictions, the Company is to put in place adequate and effective systems of internal controls (including financial, operational, compliance, information technology and anti-money laundering controls) and risk management systems;

(c) The Audit Committee is to require the external auditors in the annual audits, to review the Company's cash management procedures including reviews relating to anti-money laundering controls relating to the Company's sources of financing of acquisitions, the Group's customers and suppliers; and

(d) To ensure that the terms of reference of the Audit Committee include, on an ongoing basis, the monitoring and reviewing of the implementation of the external auditors' and internal auditors' recommendations on internal controls including anti-money laundering.

BY ORDER OF THE BOARD

Ma Zhaoyang
Chairman and Executive Director

24 June 2019