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## ACQUISITION OF AN INDIRECT SUBSIDIARY IN THE REPUBLIC OF KAZAKHSTAN

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### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of International Cement Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that an indirect subsidiary of the Company, Alacem LLP (“**Alacem**”), has entered into a sale and purchase agreement to acquire the entire share capital of Jetysu Terminal LLP (the “**Target Company**”) which is incorporated in the Republic of Kazakhstan (the “**Acquisition**”). The Group holds an effective stake of 87.5% in Alacem.

Upon completion of the Acquisition, the Group will hold an effective stake of 87.5% in the Target Company.

### 2. INFORMATION ON THE TARGET COMPANY

**2.1 Principal activities:** Provision of freight and warehousing facilities. The Target Company currently owns a piece of leasehold land for industrial use but has no business activity, i.e. dormant.

**2.2 Assets:** Leasehold land amounting to KZT501,472,000 (approximately SGD1,515,000) and other current assets amounting to KZT33,059,000 (approximately SGD100,000). The size of leasehold land is 60 hectares with a lease period ending on 17 May 2068. The leasehold land is located at Plot No. 141, Kerbulak District, Sary-Ozek Village, Sary-Ozek Rural District, Almaty Oblast, Kazakhstan.

**2.3 Liabilities:** Short-term other payables amounting to KZT33,000,000 (approximately SGD100,000).

**2.4 Net tangible assets:** KZT501,531,000 (approximately SGD1,515,000).

*(For the purposes of this Announcement, the exchange rate of SGD1 = KZT331 has been used).*

### 3. KEY TERMS OF THE SALE AND PURCHASE AGREEMENT

**3.1 Seller:** Shcherbakov Stanislav Alexandrovich, a citizen of the Republic of Kazakhstan.

**3.2 Consideration:** KZT460,000,000 (approximately SGD1,389,000) which is payable upon signing of the sale and purchase agreement.

The Consideration, settled by cash, was arrived at based on arm's length negotiations, and on a 'willing-buyer and willing-seller' basis, taking into account an independent valuation performed on the Target Company in accordance with International Valuation Standards. The Consideration will be satisfied by the Group from internal sources.

**3.3 Conditions precedent:**

- (a) Registration of the change in shareholders; and
- (b) Full payment of the Consideration.

**3.4 Completion:** Completion took place on 11 October 2022, upon registration of the change in shareholders and payment of the Consideration.

#### **4. RATIONALE AND BENEFITS OF THE ACQUISITION**

The purpose of acquiring the Target Company is to construct freight and warehousing facilities on the leasehold land of the Target Company. Alacem currently rents freight and warehousing facilities from external parties. The leasehold land of the Target Company is located approximately half the distance from the cement plant of Alacem as compared to the current freight and warehousing facilities. Furthermore, the leased facilities are unable to fulfil future production requirements.

With this Acquisition, the Group will construct freight and warehousing facilities on the leasehold land of the Target Company. This presents cost savings for the Group as Alacem does not have to rent freight and warehousing facilities from external parties and fuel consumption will be reduced due to closer proximity to the cement plant. Based on internal estimates, the cost savings arising from this Acquisition will greatly outweigh the Consideration paid by the Group.

#### **5. FINANCIAL EFFECTS OF THE SALE**

The Acquisition is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2022.

#### **6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE MAINBOARD LISTING RULES**

As the relative figures under Rule 1006 of the Listing Manual is lesser than 5%, the Acquisition constitutes a non-disclosable transaction under Chapter 10 of the Listing Manual.

**7. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save for their respective shareholding interest in the Company (if any), none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Acquisition (other than through their respective shareholdings in the Company, where applicable).

**BY ORDER OF THE BOARD**

Zhang Zengtao  
Executive Director and Chief Executive Officer

13 October 2022