

International Cement Group Ltd.

(Company Registration No. 201539771E)
(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF UP TO 200,000,000 NEW ORDINARY SHARES IN THE COMPANY AT AN ISSUE PRICE OF S\$0.045 PER PLACEMENT SHARE

1. INTRODUCTION

1.1 The board of directors (**Board**) of International Cement Group Ltd (**Company**) wishes to announce that, the Company has entered into a conditional placement agreement dated 9 May 2019 (**Placement Agreement**) with Ms Wu Xinghui (Chinese Passport Number: E05382856) (**Placee**) pursuant to which:

- (a) the Company will place to and the Placee will subscribe for 80,000,000 new ordinary shares in the capital of the Company (all and not some only) (each a **Share**) (**Confirmed Tranche**); and
- (b) conditional upon the completion of the Confirmed Tranche, the Company has granted the Placee a call option to subscribe for 120,000,000 new Shares (all and not some only), the said call option shall lapse and be void if not exercised by 5.00 p.m. on 8 November 2019, being 6 months from the date of the Placement Agreement (the **Call Option**),

(the aforesaid 200,000,000 new Shares are collectively referred to as the **Placement Shares**), at an issue price of S\$0.045 per Placement Share (**Placement Price**). The subscription of the Placement Shares pursuant to the Confirmed Tranche and the Call Option upon its exercise, subject to the terms of the Placement Agreement, is referred to as the **Proposed Placement**.

The consideration for the Placement Shares issued under the Confirmed Tranche is S\$3,600,000 and the consideration for the Placement Shares issued under the Call Option (upon exercise) is S\$5,400,000.

1.2 The Company is relying on its existing general share issue mandate obtained at its recent annual general meeting held on 29 April 2019 for the issuance of the Placement Shares.

2. DETAILS OF THE PROPOSED PLACEMENT

2.1 The Proposed Placement is undertaken as an offer of securities to persons who each acquire the securities as principal pursuant to the exemption granted under Section 272B of the Securities and Futures Act (Cap. 289) (**SFA**) and no commission, fee or other selling or promotion expenses is payable by the Company to any party in connection with the Proposed Placement, other than for those incurred for administrative or professional services.

2.2 The Placement Shares shall be issued free from all claims, mortgages, charges, liens and other encumbrances whatsoever and will rank *pari passu* in all respects with the existing Shares provided that, subject to completion of the Proposed Placement, the Placement Shares shall rank for, including, without limitation, any entitlements, distributions, dividends or rights, the record date in respect of which falls on or after the relevant date of issue and allotment of the Placement Shares (**Completion Date**).

2.3 Upon the completion of the Confirmed Tranche, the existing share capital of the Company will be increased from S\$273,633,000 comprising 5,663,816,419 Shares to S\$277,233,000 comprising 5,743,816,419 Shares. The Placement Shares to be

issued on completion of the Confirmed Tranche represent approximately 1.41% of the total issued share capital of the Company as at the date hereof and 1.39% of the total issued share capital of the Company on an enlarged basis.

2.4 In the event that Proposed Placement is fully completed following the exercise of the Call Option, the Proposed Placement will further increase the existing share capital of the Company to S\$282,633,000 comprising 5,864,816,419 Shares. The Placement Shares under the Proposed Placement represent approximately 3.53% of the total issued share capital of the Company as at the date hereof and 3.41% of the total issued share capital of the Company on an enlarged basis immediately after the issuance of the Placement Shares.

2.5 The Placement Price is above the volume weighted average price of S\$0.032 per Share for trades done on the SGX-ST on 8 May 2019 (being the preceding full market day up to the time on which the Placement Agreement was signed).

3. INFORMATION ON THE PLACEE, RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PLACEMENT PROCEEDS

3.1 The Placee is currently General Manager, Human Resource of Sichuan Youhua Technology Group Co., Ltd., a company incorporated in the People's Republic of China. The Placee holds a Bachelor Degree in Financial Management from the Sichuan Agricultural University.

3.2 The Placee was introduced to the Company by Mr Ma Zhaoyang, Executive Chairman of the Company. In turn, Mr Ma was introduced to the Placee through his business associates in China.

3.3 The Placee became interested in investing in the Company after learning of the Group's cement business in Central Asia and the Group's proposed expansion into Africa in line with The Belt and Road initiative of China. Under the Placement Agreement, the Placee had negotiated for a Confirmed Tranche of 80,000,000 Placement Shares with the Call Option to increase the Placee's investment with an additional 120,000,000 Placement Shares.

3.4 The Placee has also expressed its support and confidence in the prospects of the Company and has agreed to a 6-month moratorium on the Placement Shares to be issued under the Confirmed Tranche and a 6-month moratorium on the Placement Shares to be issued upon the exercise of the Call Option. It should also be noted that the Placement Price is above the market price of the shares of the Company. Taking into account the above, the Company has decided to place the Placement Shares to the Placee.

3.5 The net proceeds from the Proposed Placement under the Confirmed Tranche and the Call Option (upon exercise) (**Placement Proceeds**) after deducting expenses of about S\$60,000 is approximately S\$8,940,000 (there is no commission payable arising from the Proposed Placement).

3.6 The Placement Proceeds will be used for general working capital requirements of the Group. Pending utilisation, the Placement Proceeds may be deposited with banks and/or financial institutions or invested in short term money markets and/or marketable securities, as the Board may deem appropriate in the interests of the Company.

3.7 The Company will make periodic announcements on the use of the Placement Proceeds as and when the proceeds are materially disbursed and provide a status report on the use of the Placement Proceeds in the Company's annual reports.

- 3.8 The directors of the Company are of the opinion that after taking into consideration the present bank facilities and the net proceeds of the issue, the working capital available to the Group is sufficient to meet its present requirements.

4. DETAILS OF THE PLACEMENT AGREEMENT

Some of the salient terms of the Placement Agreement are set out below:

4.1 Obligations of the Company and the Placee

- (a) Subject to the terms and conditions of the Placement Agreement, the Company agrees to allot and issue, and the Placee agrees to subscribe and purchase the 80,000,000 Placement Shares at the Placement Price under the Confirmed Tranche.
- (b) Subject to the terms and conditions of the Placement Agreement, the Company agrees to grant the Placee the Call Option to subscribe and purchase 120,000,000 Placement Shares (all and not some only) at the Placement Price.
- (c) The Placement Shares shall be issued or transferred free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, including, without limitation, any dividend, right, allotment or other distributions, the record date for which falls on or after the relevant date of issue and allotment of the Placement Shares.
- (d) The 80,000,000 Placement Shares to be issued under the Confirmed Tranche are subject to a moratorium of six (6) months from the date of completion of the Confirmed Tranche and during such moratorium period, the Placee shall not sell, offer to sell, transfer or otherwise dispose of any of the 80,000,000 Placement Shares.
- (e) The 120,000,000 Placement Shares to be issued upon the exercise of the Call Option shall also be subject to a moratorium of six (6) months from the date of completion of the Call Option and during such moratorium period, the Placee shall not sell, offer to sell, transfer or otherwise dispose of any of the 120,000,000 Placement Shares.

4.2 Conditions Precedent

The completion of the Proposed Placement by the Placee is conditional upon, *inter alia*:

- (a) the Company having received a written confirmation from the Placee confirming that the Placee does not have any connection (including business relationship) with the Company and each of its directors and substantial shareholders;
- (b) the approval of all regulatory authorities in Singapore including but not limited to the SGX-ST and the Securities Industry Council of the Placement Agreement (and the transactions and matters contemplated thereunder), the issue and allotment of the Placement Shares and the Proposed Placement; and where such approval is subject to conditions, such conditions being satisfactory to the Company in its sole and absolute discretion;
- (c) the Proposed Placement and the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive or request (whether or not having the force of law) promulgated or issued after the date of the Placement Agreement by any legislative,

executive or regulatory body or authority in Singapore, including the SGX-ST and the Securities Industry Council;

- (d) the receipt of an in-principle approval from the SGX-ST for the listing and quotation of the Placement Shares on the Mainboard of SGX-ST being obtained, and if obtained on conditions, such conditions being acceptable to the Company and the Placee; and to the extent that any such conditions are required to be fulfilled on or before the Completion Date, the fulfilment of such conditions; and
- (e) the Company complying with the provisions of the Companies Act (Cap. 50), the SFA and the SGX-ST Mainboard Rules in respect of the Proposed Placement; and

In relation to the Placement Agreement, if any of the conditions precedent is not satisfied within 60 days from the date of the Placement Agreement or such other date as the parties may agree, the Placement Agreement shall *ipso facto* cease and determine thereafter and none of the parties thereto shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

5.1 Net asset value (NAV) per Share

For illustrative purposes only and assuming that the Placement Shares had been completed on 31 December 2018 (being the latest financial year for which announced audited financial statements are available), the NAV per Share as at 31 December 2018, after adjusting for the issuance of the Placement Shares is as follows:

	NAV (S\$'000)	Number of Shares	NAV per Share (cents)
As at 31 December 2018	194,860	5,663,816,419	3.44
After the completion of the Confirmed Tranche	198,460	5,743,816,419	3.46
After completion of the Proposed Placement (assuming the Call Option is exercised)	203,860	5,863,816,419	3.48

5.2 Earnings per Share (EPS)

For illustrative purposes only and assuming that the Proposed Placement had been completed on 1 January 2018, the EPS for the year ended 31 December 2018 after adjusting for the issuance of the Placement Shares is as follows:

	Weighted Average Number of Shares	EPS (cents)
For the year ended 31 December 2018	5,663,816,419	0.29
After the completion of the Confirmed Tranche	5,743,816,419	0.29

After the completion of the Proposed Placement (assuming Call Option is exercised)	5,863,816,419	0.28
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- 5.3 The financial effects of the Proposed Placement on the Group are for illustrative purposes only and are therefore not indicative of the actual financial performance or position of the Group after the completion of the Proposed Placement.

6. NO PROSPECTUS OR OFFER INFORMATION STATEMENT TO BE ISSUED

The Proposed Placement will be undertaken by way of private placement in Singapore in accordance with Section 272B of the SFA. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Proposed Placement.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 7.1 The Placement Shares will not be issued to any person who is a Director or a substantial shareholder of the Company or any person who falls within Rule 812 of the Listing Manual of the SGX-ST.

- 7.2 In connection with paragraph 7.1 above, the Placee has represented to the Company that the Placee is not a person who falls within Rule 812 of the Listing Manual of the SGX-ST. Further, the Placee has confirmed to the Company that the Placee does not have any connection (including business relationship) with the Company and each of its Directors and Shareholders. The Placee has also represented to the Company that it is subscribing for the Placement Shares as a principal and not on behalf of any other party.

- 7.3 None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Placement (other than arising from their shareholdings in the Company).

8. LISTING AND TRADING

An application will be made to the SGX-ST for permission to deal in, and for the listing of and quotation for, the Placement Shares on the Mainboard of SGX-ST. An appropriate announcement on the outcome of the above-mentioned application will be made in due course.

9. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to conditions. There is no certainty or assurance as at the date of the announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. Even if the Confirmed Tranche is completed, Shareholders should note that there is no assurance that the Call Option will be exercised. The Company will make the necessary announcements when there are further material developments to the Proposed Placement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement

constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

11. DOCUMENTS FOR INSPECTION

A copy of the Placement Agreement is available for inspection at 290 Orchard Road, #14-07, Paragon, Singapore 238859 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Ma Zhaoyang
Chairman and Executive Director
9 May 2019