

## **INTERNATIONAL CEMENT GROUP LTD.**

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

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### **UPDATE ON THE IMPACT OF COVID-19 ON BUSINESS OPERATIONS**

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The Board of Directors (the “Board”) of International Cement Group Ltd. (the “Company”, and together with its subsidiaries, the “Group”) would like to update shareholders on the impact of COVID-19 on the Group’s operations.

#### **Cement Segment**

The Group’s cement plants are located in Central Asia, namely Tajikistan and Kazakhstan.

Due to the outbreak of COVID-19 in Tajikistan and the Group’s primary export market in Afghanistan, this has led to a slowdown in construction activities and tightened border control measures in these countries. As a result, both domestic and export sales by the cement plants in Tajikistan have declined since the second half of March 2020 as compared to the same period last year.

Kazakhstan’s two main cities of Almaty and Nur-Sultan have gone into lockdown since 19 March 2020 and Almaty is the primary target market of the Group’s cement plant in Kazakhstan. Even though the cement plant started operations in April 2020 as planned, commencement of sales has been delayed. Sales can only begin when the lockdown measures in Almaty are eased.

#### **Aluminium Segment**

The Group’s key projects for the aluminium segment are public-sector residential projects in Singapore.

The Movement Control Order (“MCO”) as announced by the Malaysia Government led to a closure of the Group’s fabrication plant in Malaysia since 18 March 2020. However, this did not significantly affect the Group’s delivery of projects between 18 March 2020 to 6 April 2020 (before the commencement of Circuit Breaker Measures in Singapore) as the Group had sufficient finished goods on hand to fulfil project requirements. With the easing of certain MCO measures, operations at the fabrication plant resumed on 4 May 2020.

The COVID-19 Circuit Breaker Measures (“CBM”) came into effect on 7 April 2020 for a period of four weeks which resulted in a closure of workplaces not listed as essential services in Singapore. This was subsequently extended till 1 June 2020. As the Group’s operations does not fall under the list of essential services stipulated by the Singapore Government, work at the construction sites has ceased since 7 April 2020. Most of the Group’s foreign workers in Singapore are housed at two dormitories which are gazetted as isolation areas by the Singapore Government and these employees have not been allowed to leave their dormitories.

With no construction activity in Singapore, no revenue has been recognised for the aluminium segment during the CBM period.

## **Macroeconomic Factors**

Oil prices have suffered a steep and sustained decline due to the COVID-19 pandemic and the economy of Kazakhstan is heavily dependent on oil. This has resulted in significant depreciation of the Kazakhstani Tenge (“KZT”) against the United States Dollar (“USD”) and Chinese Yuan (“CNY”) since March 2020. The Group’s operating subsidiary in Kazakhstan has significant foreign currency exposures arising from payables to intercompanies and the main EPC contractor which are denominated in USD and CNY. The depreciation of these currencies have resulted in foreign exchange losses incurred by the Group.

## **Mitigation Responses**

The well-being of the Group’s stakeholders, including employees, customers, partners and vendors, remain its top priority. Comprehensive health and precautionary measures have been implemented across the Group’s operations. These include safe distancing, split team arrangements, and daily provision and mandating the use of face masks in the workplace and during public transit to and from work. All overseas travel have been restricted. The Group has activated its business continuity plan in Singapore, including work from home arrangements for key functions and telecommuting. The Group also follows up daily with its foreign workers staying in dormitories in Singapore on their health conditions and has offered assistance to them where possible. Given the fluidity of the situation, the Group will adjust its business continuity plans and existing measures at the various locations in tandem with any updates in measures implemented by the authorities.

The Group has initiated cost containment strategies in its procurement and payment services to conserve cash flows and is tapping on various government budgetary support schemes to alleviate the financial impact on the Group’s businesses.

## **Further Updates on the Group’s Financial Results**

The Group’s first half year results for the half year ending 30 June 2020 will be announced by no later than 14 August 2020 and the Group will continue to communicate with shareholders on a regular basis through these updates. The Group is also keeping a close watch on the development of the continuing COVID-19 outbreak situation and will make appropriate announcement(s) to keep shareholders updated on any material developments as and when necessary.

In the meantime, the Board wishes to advise shareholders of the Company and potential investors to exercise caution when dealing in the shares of the Company (“Shares”) and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers immediately.

## **BY ORDER OF THE BOARD**

Ma Zhaoyang  
Chairman and Executive Director  
22 May 2020