

INTERNATIONAL CEMENT GROUP LTD.

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

CLARIFICATIONS TO BUSINESS TIMES ARTICLE TITLED "RELISTED INTERNATIONAL CEMENT EYES DEMAND IN RAPIDLY DEVELOPING COUNTRIES" PUBLISHED ON 29 MARCH 2019

The board of directors of the Company (the **Board**) refers to The Business Times' news article published 29 March 2019 and titled "Relisted International Cement eyes demand in rapidly developing countries" ("**Article**") relating to an interview given by Mr Ma Zhaoyang, Chairman and Executive Director of the Company.

In the Article, it is stated that the Company is looking to set up more cement plants in Central Asia, Africa and South-east Asia, such as Indonesia and the Philippines, targeting regions that benefit from China's Belt and Road initiatives. This is consistent with the intention as disclosed in Compact Metal Industries Ltd's ("**Compact Metal**") letter to shareholders dated 16 March 2015 relating to the diversification of its business to the cement business. On 31 March 2015, Compact Metal had obtained Shareholder approval to diversify into the business comprising the production, sale and/or distribution of cement in *inter alia*, Central Asia, Africa and South-East Asia. Compact Metal is the direct wholly-owned subsidiary of the Company and was the listed entity of Compact Metal and its subsidiaries ("**Compact Group**") before an internal restructuring exercise completed in March 2019 that resulted in the Company as the new listed entity and holding company of the companies within the Compact Group prior thereto.

Following from such diversification into the cement business as mentioned above, the Company has successfully acquired a 65% equity interest in a cement plant located in Tajikistan, Central Asia ("**Tajikistan Cement Plant**"). As announced in Compact Metal's letter to shareholders dated 29 September 2017, the Tajikistan Cement Plant has a maximum production capacity of 1.2 million metric tonnes. In 2018, the Tajikistan Cement Plant operated at maximum capacity. New equipment has been installed increasing the Tajikistan Cement Plant's maximum capacity to 1.35 million metric tonnes. However, the Board wishes to highlight to Shareholders that past performance of the Tajikistan Cement Plant is no guarantee of future results and there is no guarantee that the Tajikistan Cement Plant will continue to produce at maximum capacity.

Further as announced by Compact Metal on 18 May 2018, Compact Metal has commenced construction of a cement plant in Kazakhstan, Central Asia ("**Kazakhstan Cement Plant**"). Commercial operations of such cement plant are expected to commence by the end of 2019. As announced on 11 March 2019, the Company has entered into a conditional sale and purchase agreement in relation to the proposed acquisition of a 69.83% interest in a cement plant in Namibia, Africa ("**Proposed Acquisition**"). Upon the successful completion of the Kazakhstan Cement Plant and the Proposed Acquisition, the aggregate cement production capacity of the Company and its subsidiaries ("**Group**") will increase and this will likely result in an increase in revenue as the aforesaid cement plants are situated in markets that the Group has no business presence in. Notwithstanding the above, Shareholders should note that there is no certainty that the construction of Kazakhstan Cement Plant can be completed, there is no certainty that commercial operations of the Kazakhstan Cement Plant will commence as expected, there is no certainty that Proposed Acquisition

can be completed and there is also no certainty that any of the above will lead to an increase in the revenue of the Group.

Previously, in 2013, cement prices in Tajikistan reached a peak of approximately US\$110 to US\$130 per metric tonne after tax. Since then, such prices have decreased and cement prices in Tajikistan currently average approximately US\$70 per metric tonne after tax due to increased competition and a 30% devaluation of the Somoni currency since 2016. Given the above, Mr Ma Zhaoyang has expressed his views that there is a potential upside for the cement prices in Tajikistan to increase in future. However, Shareholders should note that there is no guarantee that cement prices in Tajikistan will increase.

In the course of its business, the Company will from time to time be approached by or in talks with parties on potential business ventures or co-operations. However, the Board wishes to highlight to Shareholders that any such negotiations or discussions are preliminary in nature and there is no assurance that any such negotiations or discussions will materialise.

Shareholders are advised to exercise caution in trading their shares. The Company will keep Shareholders updated on material developments as and when appropriate. In the meantime, Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Ma Zhaoyang
Chairman and Executive Director

29 March 2019