

# **INTERNATIONAL CEMENT GROUP LTD.**

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

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## **RESPONSE TO SGX-ST'S QUERIES**

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The Board of Directors (the "Board") of International Cement Group Ltd. (the "Company", and together with its subsidiaries, collectively the "Group") refers to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") and would like to provide further information in relation to the Annual Report for the financial year ended 31 December 2019 ("Annual Report 2019"):

### **SGX-ST's Query 1**

Listing Rule 1207(9)(e) requires issuers to state the percentage of shareholding held in the hands of public and confirmation that Rule 723 is complied with. Please disclose accordingly.

#### Response

Based on the information available to the Company as at 16 March 2020, 15.39% of the issued share capital of the Company was held in the hands of the public. The Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

### **SGX-ST's Query 2**

Listing Rule 1207(20)(a) requires issuers to state the use of IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the prospectus or the announcements of the issuer. Please disclose accordingly.

#### Response

As at 31 December 2019, the Group had not utilised the proceeds from the Share Placement in June 2019.

### **SGX-ST's Query 3**

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration, and there were no explanations were provided for in your FY2019 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

#### Response

#### ***Remuneration for Executive Directors and Key Management Personnel***

The Remuneration Committee ("RC") is responsible for reviewing and recommending a remuneration policy framework to the Board and determining specific remuneration packages of the individual Executive Directors ("EDs") and the Key Management Personnel ("KMP"). Remuneration for EDs and KMP comprises salaries and discretionary bonuses. Salaries are reviewed annually by the RC and adjustments are made to reflect performance, contribution, changes in responsibilities (if any) and/or by reference to market/sector trends. In addition to salary, EDs and KMP are eligible to receive discretionary bonuses which are determined based on individual performance; the Group's performance for each financial year against key performance indicators on revenue and profit targets; and other factors such as market conditions. The amount of discretionary bonuses are reviewed and approved by the RC.

#### ***Remuneration for Non-Executive Directors***

Non-Executive Directors (including Independent Non-Executive Directors) and members of the Board committees (other than Executive Director(s)) are entitled to annual fees that are approved by Shareholders at the annual general meeting prior to payment. Such annual fees are determined based on the level of skills, responsibilities and commitments required of each Non-Executive Director.

The Company is aware of the need for transparency. However, taking into consideration the competitive business environment in which it operates and the sensitivity and confidentiality nature of such disclosure, the Board is of the opinion that full disclosure of the Directors' remuneration may have a negative impact on the Company.

#### **SGX-ST's Query 4**

Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. Please also provide information on whether the head of the internal audit function team has the relevant experience and qualifications and whether the head of the team is a member of IIA Singapore in your disclosure. Where the internal audit function is outsourced, please provide information on the relevant experience of accounting firm and the engagement team.

#### **Response**

The internal audit function of the Group for FY2019 was carried out by an independent firm, BDO LLP ("BDO") which is an established international auditing firm. The outsourced internal audit team is headed by Mr Koh Chin Beng, who is the head of BDO Risk Advisory and has more than 20 years of experience in audit and advisory services. Mr Koh holds Bachelor of Accountancy Degree (Honours) from Nanyang Technological University, Singapore, and is a Chartered Accountant of Institute of Singapore Chartered Accountants ("ISCA") and Certified Internal Auditor of the Institute of Internal Auditors ("IIA"). The Audit Committee is satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals and adheres to the International Professional Practices Framework established by the IIA.

#### **On behalf of the Board**

Ma Zhaoyang  
Chairman and Executive Director

30 April 2020