FORTIFYING OUR POSITION

Annual Report 2023

ICG
INTERNATIONAL CEMENT GROUP

FORTIFYING OUR POSITION

In recent years, we have strategically expanded our cement production capacity through investments in new construction and acquisition of existing cement plants, establishing our Group as one of the major cement producers in Tajikistan and Kazakhstan. Building on this solid foundation, we are poised to implement and drive forward our growth initiatives in the coming years.

As we move ahead, our focus will be on fortifying our position in the Central Asia region – increasing our production capacity, expanding our top line, broadening our distribution network, building our brand, and enhancing our operational efficiency. We remain committed to growing our presence to capture a larger market share in Central Asia to achieve long-term sustainable growth and deliver greater value for our shareholders.

Contents

AT A GLANCE

About International Cement Group

International Cement Group Ltd. (the "Company", and together with its subsidiaries, the "Group") is primarily involved in the production, sale and/ or distribution of cement, gypsum plasterboards and related products in the Central Asia region.

The Group owns and operates the largest cement plant in the Khatlon region in Tajikistan, with an annual production capacity of 1.2 million metric tonnes. In addition, the Group owns and operates a grinding station in Kolkhozabad and a gypsum plasterboard plant in the Yovon district of Tajikistan, with an annual production capacity of 0.6 million metric tonnes and 30 million square metres respectively. The gypsum plasterboard plant commenced commercial production in December 2023.

Besides having a presence in Tajikistan, the Group also owns and operates two cement plants in Kazakhstan, located in the Almaty and East Kazakhstan regions, with an annual production capacity of 1.2 million metric tonnes and 1.0 million metric tonnes respectively.

The Group is currently building its fourth cement plant in the Korday district, Jambyl region in Kazakhstan, with an annual production capacity of 1.5 million metric tonnes, expected to be completed in mid-2024.

Complementing the cement business, the Group also has an established business in the manufacturing and marketing of aluminum extrusions used for the construction industry in Singapore.

OUR BRANDS

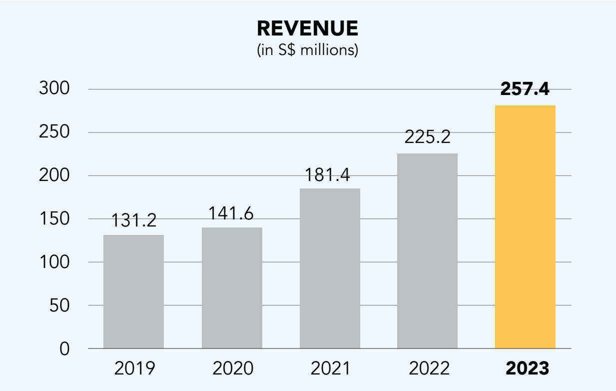
Alacem Sharcem Мохир семент

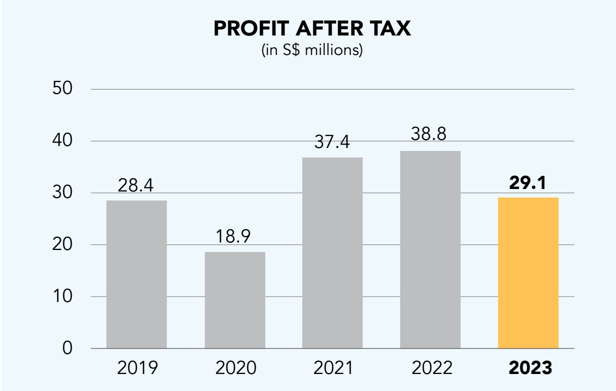
Existing Plant	Location	Annual Production Capacity
TAJIKISTAN		
1 Cement Plant - IMCCMC	Yovon District, Khatlon Region	1.2 mil MT
1 Grinding Station - MC	Kolkhozabad, Khatlon Region	0.6 mil MT
1 Drywall (Gypsum Plasterboard) Plant - MI	Yovon District, Khatlon Region	30 mil m^2
KAZAKHSTAN		
Central Asia Headquarters	Almaty City	–
1 Cement Plant - Alacem	Sary-Ozek, Almaty Region	1.2 mil MT
1 Cement Plant - Sharcem	Jarminsky District, East Kazakhstan Region	1.0 mil MT
1 Cement Plant* - Korcem	Korday District, Jambyl Region	1.5 mil MT

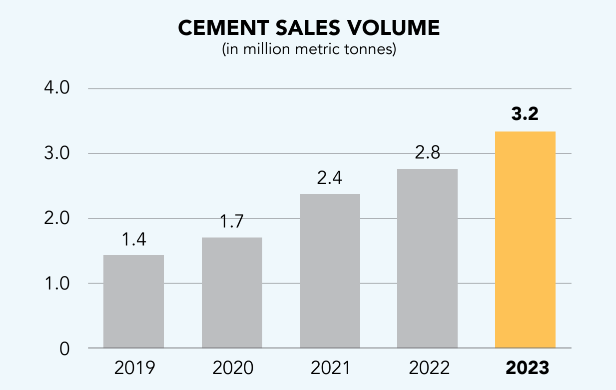
** Upcoming Development*

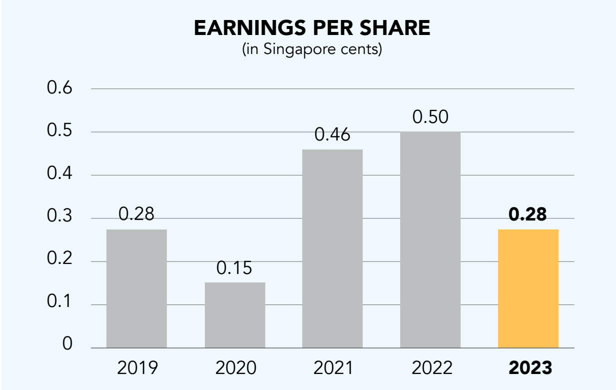

Sharcem
East Kazakhstan Region
KAZAKHSTAN
Alacem
Almaty Region
Central Asia
Headquarters
Almaty City
Korcem
Jambyl Region
KYRGYZSTAN
UZBEKISTAN
TAJIKISTAN
IMCCMC / MI
Khatlon Region
TURKMENISTAN
MC
Khatlon Region
HEADQUARTERS
CEMENT SEGMENT
ALUMINIUM SEGMENT
OTHERS SEGMENT
MALAYSIA
SINGAPORE
Corporate Headquarters

FINANCIAL HIGHLIGHTS



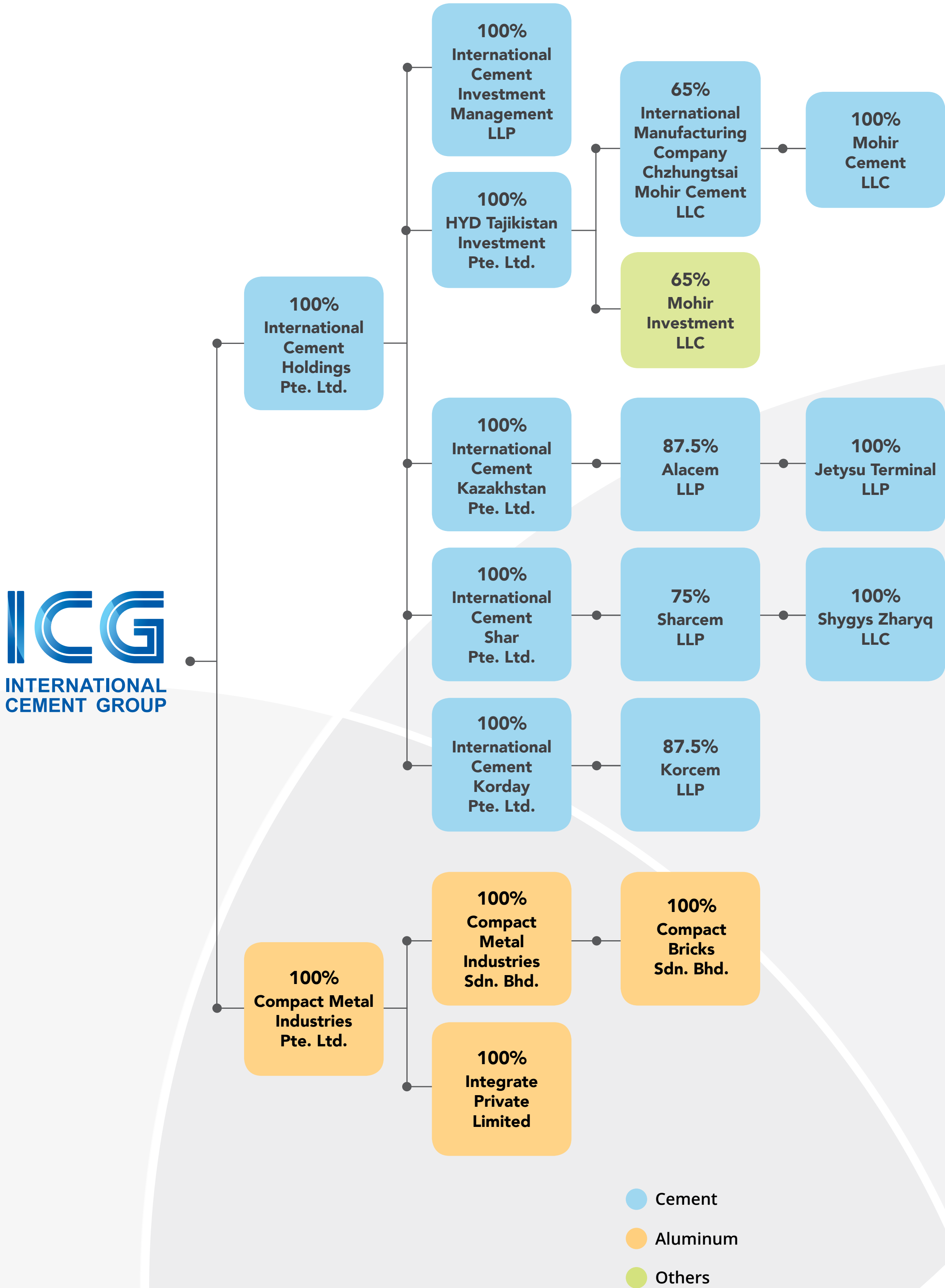






S$'000 (unless otherwise stated)	2023	2022	2021	2020	2019
Cement sales volume (million metric tonnes)	**3.2**	2.8	2.4	1.7	1.4
Revenue	**257,398**	225,195	181,429	141,626	131,229
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	**60,752**	66,179	68,582	43,625	42,880
Profit before tax	**47,594**	46,680	46,723	26,229	33,405
Profit after tax	**29,054**	38,830	37,384	18,894	28,381
Profit attributable to owners of the Company	**16,148**	28,940	26,350	8,788	15,730
EBITDA margin (%)	**23.6**	29.4	37.8	30.8	32.7
Net profit margin (%)	**11.3**	17.2	20.6	13.3	21.6
Basic and diluted earnings per share (Singapore cents)	**0.28**	0.50	0.46	0.15	0.28
Total assets	**557,512**	487,530	393,188	337,423	368,475
Total liabilities	**266,494**	198,252	120,636	98,194	104,543
Total equity	**291,018**	289,278	272,552	239,229	263,932
Equity attributable to owners of the Company	**244,440**	233,956	224,258	192,744	205,077
Net asset value per share (Singapore cents)	**4.26**	4.08	3.91	3.36	3.58
Net cash from operating activities	**78,881**	63,990	51,959	49,905	50,271
Net cash used in investing activities	**(42,559)**	(47,130)	(60,607)	(26,118)	(55,114)
Net cash (used in)/from financing activities	**(41,296)**	(17,517)	10,776	(25,763)	4,273
Cash and cash equivalents	**6,434**	11,531	12,283	10,047	12,345

CORPORATE STRUCTURE



MESSAGE TO THE SHAREHOLDERS

PROFIT
S$16.1 million

REVENUE
S$257.4 million

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Annual Report of International Cement Group Ltd ("ICG" or the "Company", and together with its subsidiaries, the "Group") for the financial year ended 31 December 2023 ("FY2023").

Underpinned by the growing demand for building materials in the Central Asia region and the investments made over the past years to improve our capabilities and competitiveness, we are pleased to report another year of revenue growth.

The Group's revenue rose by 14.3% to S$257.4 million, driven by the higher revenue contribution from the cement segment, which accounted for 97.6% of the Group's revenue. Revenue from the cement segment grew by 15.7% to S$251.1 million, lifted by higher cement average selling price and sales volume from the Group's Tajikistan operations, spurred by robust market demand stemming from a multitude of infrastructure projects and hydropower stations in Tajikistan, along with the revenue contributions from the newly operational Sharcem cement plant in East Kazakhstan which started sales in August 2022. However, the overall increase was partially offset by a decline in revenue from the Alacem cement plant, primarily attributed to lower cement average selling price,

Alacem Cement Plant

compounded by an unforeseen equipment breakdown during the peak season, which impacted the sales volume. The new gypsum plasterboard plant in Tajikistan, which commenced sales in December 2023, further contributed to the revenue growth for FY2023.

Notwithstanding the strong sales, the operating environment remained challenging as we faced inflationary pressures and escalating costs during the year. Consequently, the Group recorded a decline in net profit attributable to shareholders of 44.2% to S$16.1 million in FY2023, primarily attributed to a significant increase in operating costs and tax expense.

Throughout the year, we continued to put in significant efforts to build our core cement business, specifically focusing on the Sharcem plant, which completed its first year of operation during the financial year. We strengthened our distribution network, expanded our customer base, and secured a larger market share, reinforcing our position in Kazakhstan and Tajikistan.

The construction of our fourth cement plant, the Korcem plant, situated in the Korday district, Jambyl region, Kazakhstan, is progressing as planned. Scheduled for completion in June 2024, the addition of this plant will boost the Group's annual cement production capacity by 1.5 million metric tonnes to reach 5.5 million metric tonnes, placing the Group on a firm footing for growth in the years ahead. The Korcem plant, strategically located in the neighbouring region of the Alacem plant with direct export routes to Kyrgyzstan, will strengthen our position in south-eastern Kazakhstan and enhance our ability to meet the increasing construction demands.

One of the highlights of the year was the completion and commissioning of the drywall (gypsum plasterboard) plant in December 2023, broadening our product offerings and providing the Group with a new revenue stream. With a strategic investment of approximately US$26.0 million (S$35.0 million), this new drywall plant, located next to our main Tajikistan plant in the Yovon district, represents a significant milestone in our expansion journey. The addition of this new product line will put us in an advantageous position to cater to different construction needs, enabling us to potentially reach out to a broader customer base by offering a range of complementary building materials. We remain optimistic about the future of this plant and intend to bring our new drywall product to the domestic market by tapping into our extensive distribution network in Tajikistan.

OUTLOOK

For the year ahead, we expect the demand for cement in the Central Asia region to remain buoyant as the governments in the Central Asia region continue to prioritise urbanisation and infrastructure development. The Kazakhstan government has projected an average annual economic growth of 5.8% from 2024 to 2028, with the real gross domestic product ("GDP") expected to rise from 5.3% in 2024 to 6% in 2028. The construction industry is projected to grow at an average rate of 8.8% during the same period. To support crucial infrastructure projects, the government will allocate 3.6 trillion Kazakhstan Tenge to the National Fund for the modernisation of roads, heating, gas, and water supply networks, engineering networks, and construction of social facilities under the national projects - Comfortable School and Modernisation of Rural Health Care[1]. Tajikistan's real GDP is estimated to grow by 6.0% in 2024. The Tajikistan government is expected to increase public investment spending in infrastructure and the energy sector, specifically the Rogun Hydropower Project[2].

MESSAGE TO THE SHAREHOLDERS (Cont'd)

Alacem Quarry

With our expanded capacity and proven track record, barring any unforeseen circumstances affecting the cement business, ICG is well-positioned to capitalise on the growth opportunities as we continue to build our market leadership to fortify our position and strengthen our presence in Central Asia. Moving forward, we will continue to focus on growing our cement operations and increasing our market share through our two-pronged strategy outlined below.

Our first strategy focuses on capacity building through closely monitoring and facilitating the construction of the Korcem plant to ensure timely completion to expedite its contribution to our top-line growth as well as tackling the operational challenges affecting our capacity, including any possible machinery breakdown which we may encounter from time to time. The planned increase in capacity also positions us strategically to capture the surge in construction demands in Central Asia for viable and sustainable long-term growth.

Our second strategic initiative focuses on building stronger relationships with our existing distributors and actively pursuing partnerships with new distributors to bolster our distribution channel. Expanding our network of distributors is integral to extending our reach to a broader customer base, deepening our market presence to gain a larger market share in the Central Asia region.

Looking forward, with the mounting pressures on costs and economic uncertainties resulting in sales price fluctuations, we foresee additional strain on our profit margins. We will continue to focus on maintaining prudence in capital and financial management and discipline in controlling costs while strengthening operational efficiencies through improvements in manufacturing processes and increased capacity utilisation to drive revenue and margin growth.

APPRECIATION

On behalf of the Board, we would like to express sincere gratitude to the management and staff for their dedication, commitment, and teamwork over the years. Our appreciation also goes to our fellow Board members for contributing their invaluable time and expertise to steer ICG on the right course.

Mr Guok Chin Huat Samuel, who had served on the Board of Directors since 31 December 2019, stepped down on 20 July 2023. We thank him for his contributions and wish him the best in his future endeavours. We are pleased to welcome Mr David Tan Chao Hsiung, who joined as an Independent Director on 15 December 2023 and brings new perspectives and experiences to our Board.

Finally, we thank all our customers, business partners, and shareholders for your continued confidence in ICG. We look forward to your support as we continue to achieve new milestones together.

MA ZHAOYANG
Chairman

ZHANG ZENGTAO
Chief Executive Officer

[1] *Information obtained from an article published on 29 August 2023 entitled "Average annual growth of Kazakhstan economy in next 5 years forecasted at 5.8%" on the website of the Official Information Source of the Prime Minister of the Republic of Kazakhstan. (https://primeminister.kz/en/news/average-annual-growth-of-kazakhstan-economy-in-next-5-years-forecasted-at-58-25265)*

[2] *Information obtained from an article published on 1 November 2023 entitled "Robust domestic demand to support stronger growth in Tajikistan" on the website of BMI. (https://www.fitchsolutions.com/bmi/country-risk/robust-domestic-demand-support-stronger-growth-tajikistan-01-11-2023?fSWebArticleValidation=true)*

执行主席与首席执行官致辞

尊敬的股东：

我们谨代表董事会，欣然呈报国际水泥集团有限公司（“ICG”或“公司”，连同其附属公司统称“集团”）截至 2023 年 12 月 31 日财政年度（“2023 财年”）的年度报告。

伴随中亚地区对建筑材料需求的增长，并依靠集团在过去几年着力于不断提升综合实力和竞争力的各项投资加持，使我们再次实现了年收入的增长。

由于水泥业务板块收入贡献增加，集团收入增长 14.3%至 2.574 亿新元，其中水泥业务板块收入占比 97.6%。水泥业务板块的收入增长 15.7% 至 2.511 亿新元，主要得益于集团塔吉克斯坦业务的水泥平均售价和销量上升，塔吉克斯坦众多基础设施项目和水电站带来的强劲市场需求，以及哈萨克斯坦东部新投运的 Sharcem 水泥厂也于 2022 年 8 月开始销售。然而，整体收入增长因 Alacem 水泥厂收入有所下降而受到部分影响，主要原因是水泥平均售价较低，再加上旺季期间设备出现意外故障，影响了销量。位于塔吉克斯坦的新建成的石膏板工厂于 2023 年 12 月开始销售，也为2023财年的收入增长做出了贡献。

尽管销售强劲，但由于我们年内面临通胀压力和成本上升，经营环境仍然充满挑战。 因此，集团2023财年归属于股东的净利润下降 44.2% 至 1,610 万新元，这主要是由于运营成本和税费的大幅增加。

在过去的一年中，我们继续大力建设我们的核心水泥业务，尤其专注于 Sharcem 工厂，该工厂在本财政年度完成了其首年运营。我们加强了我们的销售网络，扩大了客户群体，获得了更大的市场份额，巩固了我们在哈萨克斯坦和塔吉克斯坦的市场地位。

我们在哈萨克斯坦的第四间水泥厂 Korcem 水泥厂，位于哈萨克斯坦 Jambyl 州 Korday 地区，其建设工作正在按计划进行。该工厂预计于 2024 年中期竣工，建成后将使集团的水泥年产能增加 150 万吨，达到 550 万吨，将为集团未来几年的增长奠定坚实的基础。Korcem 水泥厂地理位置优越，位于 Alacem 水泥厂的邻近区域，产品可直接出口到吉尔吉斯斯坦，将加强我们在哈萨克斯坦东南部的市场地位，并提高我们满足日益增长的建设需求的能力。

集团今年的亮点之一是我们投资的石膏板工厂于 2023 年12 月竣工投产，丰富了我们的产品种类，并为集团提供了新的收入来源。这家新的石膏板工厂投资约 2600 万美元（3500 万新元），毗邻集团位于 Yovon 地区的塔吉克斯坦水泥厂，是我们扩张历程中的一个重要里程碑。这一新增产品线将使我们处于有利地位，可以满足不同的建设需求，使我们能够通过提供一系列互补的建筑材料来获取更广泛的客户群。我们对该工厂的未来保持乐观，并计划通过利用我们在塔吉克斯坦的广泛销售网络，将我们的新石膏板产品推向该国国内市场。

展望

未来一年，随着中亚地区政府仍持续优先考虑城市化和基础设施发展，我们预计中亚地区的水泥需求将保持旺盛。哈萨克斯坦政府预计 2024 年至 2028 年经济年均增长 5.8%，实际国内生产总值（“GDP”）预计将从 2024 年的 5.3%增长到 2028 年的 6%。同期建筑业平均增长率预计为 8.8%。为支持重大基础设施项目，政府将向国家基金拨款 3.6 万亿哈萨克斯坦坚戈，用于名为舒适学校和农村卫生保健现代化的国家重点项目[1]，该项目着力于道路、供热、燃气和供水网络、工程网络和社会公共设施的现代化建设。预计2024年塔吉克斯坦实际GDP将增长 6.0%。塔吉克斯坦政府预计将增加基础设施和能源领域的公共投资，特别是罗贡水电项目[2]。

除非发生任何影响水泥业务的不可预见的情况，凭借我们扩大的产能和良好的过往业绩，ICG 已做好充分准备，相信我们能够抓住增长机会，继续建立我们的市场领导地位，不断巩固我们的优势并进一步加强我们在中亚地区的业务。未来我们将继续专注于通过以下双管齐下的战略，壮大我们的水泥业务并增加我们的市场份额。

我们的第一个战略重点是产能建设，通过密切关注和加快 Korcem 水泥厂的建设，以确保及时完工，从而尽快实现其对我们营收增长的贡献，同时应对好存在于生产运营方面的可能影响我们产能的一些挑战，包括我们可能会不时遇到的任何可能的设备故障。计划中的产能增加还使我们能够从战略上抓住中亚建筑需求激增的机会，实现切实可行且可持续的长期增长。

我们的第二个战略举措侧重于与现有经销商建立更牢固的关系，并积极寻求与新经销商建立合作伙伴关系，以加强我们的分销渠道。扩大我们的经销商网络对于扩大我们的客户群、深化我们的市场影响力以在中亚地区获得更大的市场份额至关重要。

展望未来，随着成本压力不断增加以及经济不确定性所导致的销售价格波动，我们预计利润率将面临更多压力。我们将在资本和财务管理方面保持审慎，严格控制成本，同时通过改进制造工艺和提高产能利用率来提高运营效率，并以此推动收入和利润的增长。

致谢

我们谨代表董事会向我们的管理层和员工致以最诚挚的谢意，感谢他们多年以来的辛勤奉献和精诚团结。我们还要感谢我们的董事会成员，感谢他们为集团贡献的宝贵时间和专业知识，指引 ICG 在正确的轨道上发展。

自 2019 年12 月 31 日起担任董事会成员的郭进发先生于 2023 年 7 月 20 日卸任。我们感谢他的贡献，并祝愿他在未来的工作中一切顺利。我们也由衷欢迎陈超雄先生，他于 2023 年 12 月 15 日作为独立董事加入我们，为我们的董事会带来新的视角和经验。

最后，我们谨此感谢我们所有客户、业务合作伙伴和全体股东一直以来对国际水泥集团的信任。我们期待您的支持，让我们继续共同实现新的里程碑。

马朝阳
主席

张增涛
首席执行官

[1] *信息源自哈萨克斯坦共和国总理官方信息源网站 2023 年 8 月 29 日发表的题为“预计未来 5 年哈萨克斯坦经济年均增长率为5.8%”的文章。(https://primeminister.kz/en/news/average-annual-growth-of-kazakhstan-economy-in-next-5-years-forecasted-at-58-25265)*

[2] *信息源自BMI网站 2023 年 11 月 1 日发表的题为《强劲内需支持塔吉克斯坦强劲增长》的文章。(https://www.fitchsolutions.com/bmi/country-risk/robust-domestic-demand-support-stronger-growth-tajikistan-01-11-2023?fSWebArticleValidation=true)*

BOARD OF DIRECTORS

Mr Ma Zhaoyang | Mr Zhang Zengtao | Mr Chng Beng Hua

Mr Wong Loke Tan | Mr Wong Chee Meng Lawrence | Mr Ng Kian Guan | Mr Tan Chao Hsiung David

MR MA ZHAOYANG

Chairman and Executive Director

Mr Ma Zhaoyang was appointed as a Director of International Cement Group Ltd. ("ICG") on 5 November 2015 and was last re-elected on 28 April 2022. He currently holds the position of Executive Chairman in ICG.

Mr Ma served as Chairman of Sino Vanadium Inc., a vanadium mining company, from 2009 to 2018. He was also a Non-Executive Director of Taihua PLC from 2006 to 2018, and an Independent Non-Executive Director of Xian Kaiyuan Holding Group Co Limited from 2006 to 2012.

He is currently a Non-Executive Director of West China Cement Limited ("WCC"), a company listed on the Hong Kong Stock Exchange since 2010. WCC specialises in producing and distributing cement products and is one of the leading cement producers in China's Shaanxi province.

Mr Ma received a Master's degree (1998) and a Doctorate (2009), both in Management, from the Northwestern Polytechnic University (Shaanxi, China). He was also an Associate Professor of Management at the University from 1996 until February 2019.

Mr Ma is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 26 April 2024.

Present directorships in other listed companies and principal commitments

Listed Companies
- West China Cement Limited (Non-Executive Director)

Others
- Nil

Past directorships in other listed companies and principal commitments held in the preceding five years
- Victory Gate Ventures Limited

MR ZHANG ZENGTAO

Chief Executive Officer and Executive Director

Mr Zhang Zengtao was appointed as a Director of ICG on 5 November 2015 and was last re-elected on 28 April 2022. He is the Chief Executive Officer and Executive Director of ICG.

He has extensive management expertise in the cement business gained through his years as an employee of the WCC group of companies. From 2007 to 2014, Mr Zhang held different roles in Yaobai Special Cement Group Co., Ltd, WCC's wholly-owned subsidiary.

Mr Zhang graduated from Xi'an Jiaotong University in October 2011 with a Master of Business Administration.

Present directorships in other listed companies and principal commitments

Listed Companies
- Nil

Others
- Victory Gate Ventures Limited

Past directorships in other listed companies and principal commitments held in the preceding five years
- Nil

MR CHNG BENG HUA

Executive Director

Mr Chng Beng Hua was appointed as a Director of ICG on 30 May 2018 and was last re-elected on 27 April 2023. He is an Executive Director of ICG.

He has extensive experience in the area of finance and real estate development and served as an Independent Director of Hong Leong Finance Limited from 2000 to 2021.

Mr Chng holds a Bachelor's degree in Business Administration (Finance) from the University of Texas, Austin.

Present directorships in other listed companies and principal commitments

Listed Companies
- Nil

Others
- Paya Ubi Industrial Park Pte. Ltd

Past directorships in other listed companies and principal commitments held in the preceding five years
- Hong Leong Finance Limited

MR WONG LOKE TAN

Lead Independent Director

Mr Wong Loke Tan was appointed as an Independent Director of ICG on 31 December 2019 and was last re-elected on 27 April 2023. He was appointed as the Lead Independent Director of ICG on 15 December 2023. He is also the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee.

He has over 30 years of experience in banking, last holding a Senior Vice President position at Maybank Singapore in 2016. His expertise includes syndicated loans, project financing, structured trade financing, and mergers and acquisitions. Mr Wong is particularly known in the business community for his extensive network and strong rapport with Singapore SMEs. Mr Wong remains active in the SME and Corporate business circle.

Mr Wong holds a Master of Business Administration from Brunel University, and an Executive Diploma in Directorship from the Singapore Management University and the Singapore Institute of Directors.

Present directorships in other listed companies and principal commitments

Listed Companies
- Adventus Holdings Limited (Independent Director)
- K2 F&B Holdings Limited (Independent Director)
- Koyo International Limited (Non-Executive Independent Chairman)
- Union Steel Holdings Limited (Independent Director)

Others
- Nil

Past directorships in other listed companies and principal commitments held in the preceding five years
- Nil

MR WONG CHEE MENG LAWRENCE

Independent Director

Mr Wong Chee Meng Lawrence was appointed as an Independent Director of ICG on 26 April 2021. He is also the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

Mr Wong is an established corporate practitioner with extensive legal experience. He is currently a consultant with Donaldson & Burkinshaw LLP. His areas of practice include corporate and securities laws, capital markets, mergers and acquisitions, corporate restructuring, joint ventures, corporate and commercial contracts, regulatory compliance and corporate governance advisory and corporate secretarial work. He has led numerous initial public offerings, reverse take-overs, general offers, secondary fund raising and cross-border merger and acquisitions exercises. He has advised and led numerous corporate actions for companies listed on SGX. He was also previously a registered professional and headed a SGX-ST continuing sponsor company.

Mr Wong holds a Bachelor of Laws (Honours) from the National University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore, as well as a Solicitor of the High Court of Hong Kong SAR.

Mr Wong is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 26 April 2024.

Present directorships in other listed companies and principal commitments

Listed Companies
- Atlantic Navigation Holdings (Singapore) Limited (Independent Director)
- Eindec Corporation Limited (Independent Director)
- 5E Resources Limited (Lead Independent Director)

Others
- EQ Advisory Pte. Ltd.

Past directorships in other listed companies and principal commitments held in the preceding five years
- Equity Law LLC
- EQ Compliance Pte. Ltd.

MR NG KIAN GUAN

Independent Director

Mr Ng Kian Guan was appointed as an Independent Director of ICG on 25 June 2021 and was last re-elected on 28 April 2022. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

Mr Ng has over 30 years of experience in banking and finance with strong expertise in credit and marketing. He was the Deputy Chief Executive Officer of Maybank Singapore from August 2014 to June 2021, while serving simultaneously as the Head of Corporate Office from September 2011 to December 2018. Prior to this, he led and oversaw various portfolios at the bank including Corporate Banking, Risk Management, Remedial Management and Group Credit Management.

Mr Ng holds a Bachelor of Business Administration from the National University of Singapore. He also holds an Executive Diploma in Directorship from the Singapore Management University and Singapore Institute of Directors ("SID") and is an Accredited Director under the SID Accreditation Framework.

Present directorships in other listed companies and principal commitments

Listed Companies
- Nil

Others
- Beary Employment Services Pte Ltd

Past directorships in other listed companies and principal commitments held in the preceding five years
- Nil

MR TAN CHAO HSIUNG DAVID

Independent Director

Mr Tan Chao Hsiung David was appointed as an Independent Director of ICG on 15 December 2023. He is also a member of the Audit Committee.

Mr Tan has over 20 years of experience in the banking and finance industry and has held senior management positions in both local and foreign financial institutions.

Mr Tan holds a Master of Commerce (specialising in finance) from the University of New South Wales and a Bachelor of Economics (Accountancy) from Macquarie University. He is also a Fellow Certified Practising Accountant ("CPA") Australia.

Mr Tan is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 26 April 2024.

Present directorships in other listed companies and principal commitments

Listed Companies
- Powermatic Data Systems Limited (Lead Independent Director)
- Mun Siong Engineering Limited (Lead Independent Director)
- Hock Lian Seng Holdings (Independent Director)

Others
- Nil

Past directorships in other listed companies and principal commitments held in the preceding five years
- Nil

KEY EXECUTIVES

MR CHOO HONG CHUN
Chief Financial Officer

Mr Choo Hong Chun is the Chief Financial Officer of the Group. He is responsible for the Group's finance, accounting and regulatory compliance functions, including tax, internal controls and sustainability reporting. He is also the Chief Risk Officer of the Group and oversees the Group's risk management function.

Mr Choo has broad experience covering professional audit and commercial sectors, across various international accounting firms and private and public listed companies.

He holds a Bachelor of Accountancy degree from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

MS ZHAO YUANYUAN
General Counsel

Ms Zhao Yuanyuan is the General Counsel of the Group. She oversees the legal function of the Group and provides the Board of Directors with advice on company strategies.

Ms Zhao has extensive experience in advising on overseas investments, mergers and acquisitions, and initial public offerings. She passed the bar exam in 2005 and worked as a lawyer for 7 years in the People's Republic of China before joining the Group.

Ms Zhao holds a Master's degree in Law from Renmin University of China and a Bachelor's degree in Law from Northwest University of Political Science and Law.

MR CHNG TZE SIAN MILTON
Assistant General Manager (Corporate Affairs)

Mr Chng Tze Sian Milton is the Assistant General Manager (Corporate Affairs) of the Group. He oversees the corporate affairs of the Group.

He holds a Bachelor's degree in Commerce from the University of New South Wales.

Korcem Cement Mixing Station

OPERATIONS AND FINANCIAL REVIEW

Alacem Cement Plant

Cement Segment

Having successfully executed our growth strategy to enhance cement production capacity in the Central Asia region in recent years, we now own and operate a cement plant and a grinding station in Tajikistan and two cement plants in Kazakhstan, with a combined annual cement production capacity of 4.0 million metric tonnes.

Furthermore, we are currently building the Group's fourth cement plant in the Jambyl region in Kazakhstan. Slated to be completed by mid-2024, the new plant will boost our total annual cement production capacity from 4.0 million to 5.5 million metric tonnes, underscoring our intent to grow our presence in Central Asia.

During the year, we also expanded our product offerings within the construction sector to include drywall (gypsum plasterboard), which is complementary to our cement business, with the commissioning of the gypsum plasterboard plant in Tajikistan in December 2023.

With this firm foundation, we are well-placed to capture the strong demand for construction materials in the Central Asia region. We will continue to focus on expanding our market reach and growing our market share to fortify our position as one of the leading cement producers in Central Asia.

Sharcem Cement Plant Control Room


MC Grinding Station

OPERATIONS AND FINANCIAL REVIEW (Cont'd)

KAZAKHSTAN

Alacem Cement Plant

The Group owns and operates a cement plant in Sary-Ozek in the Almaty region, the Alacem plant, with an annual production capacity of 1.2 million metric tonnes. The plant produces cement under the Alacem brand and supplies cement to the domestic market, specifically the Almaty and Taldykorgan areas, as well as the Horgos port near the Kazakh-Chinese border. With a construction cost of approximately US$130.0 million (S$175.7 million), including other ancillary facilities, this plant is the Group's maiden investment in Kazakhstan.

During the year, the overall performance of the Alacem cement plant was affected by a dip in cement selling prices, compounded by an unforeseen equipment breakdown during the peak season, which affected the sales volume.

Nevertheless, our operations at the Alacem plant continued to enjoy a growing customer base and strong distributor relationships. To further expand our market presence in the Almaty region, we plan to work closely with our distributors, who play a crucial role in enhancing our market penetration. Additionally, we aim to differentiate ourselves from our competitors by offering our customers high-quality and consistent cement products and services. Through these strategic initiatives, we strive to expand our reach to an even broader customer base, ensuring sustained growth by capturing the strong demand for quality building materials in Kazakhstan.

On 26 Oct 2023, the President of the Republic of Kazakhstan Kassym-Jomart Tokayev visited the Alacem plant. President Tokayev commended the facility for its pivotal role in bolstering the national construction sector and its significant economic contributions, notably in job creation and support for local infrastructure and development initiatives.

Sharcem Cement Plant

Our second cement plant in Kazakhstan, located in the Jarminsky district in the East Kazakhstan region, produces cement under the Sharcem brand. With an annual production capacity of 1.0 million metric tonnes, this plant broadens our market outreach towards the east of Kazakhstan as well as Kazakhstan's capital, Astana.

Since the commencement of commercial production in August 2022, our primary focus has been to increase the market presence of this plant. We plan to further ramp up our marketing efforts to boost brand and product awareness, concurrently expanding our distribution networks to widen our customer base and drive sales growth. We are also exploring ways to enhance our logistical capabilities to reach out and engage our existing and potential customers more efficiently.

Alacem Cement Plant

Korcem Cement Plant

With an investment of approximately US$153.0 million (S$206.8 million), our third cement plant in Kazakhstan, located in the Korday district, Jambyl region, includes a cement clinker production line that is capable of producing 3,500 metric tonnes of clinkers daily. We have made good progress in the plant construction and is scheduled to be completed in mid-2024. This plant, with an annual cement production capacity of 1.5 million metric tonnes, will increase our combined annual cement production capacity to 5.5 million, bolstering our production capabilities and placing the Group in a stronger position as we move into our next lap of growth.

Strategically situated in a prominent area in south-eastern Kazakhstan, benefiting from a direct export route to Kyrgyzstan, the Korcem plant will be pivotal in enhancing the Group's existing operations and capturing opportunities in the south-eastern region.

Sharcem Cement Plant


Korcem Cement Plant

IMCCMC Cement Plant

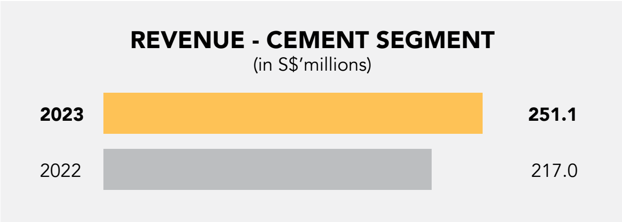
TAJIKISTAN

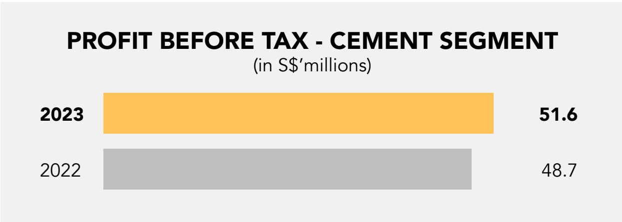
IMCCMC Cement Plant and MC Grinding Station

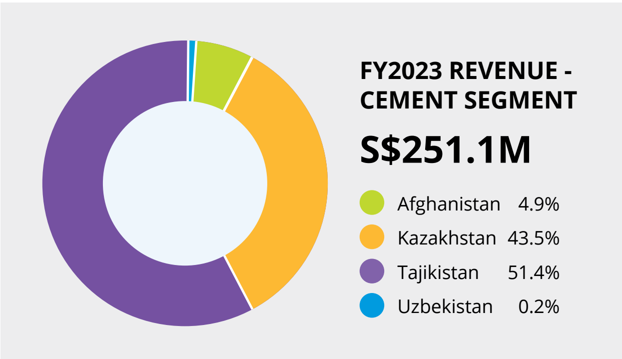
Our operations in Tajikistan are located in the Khatlon region, consisting of a cement plant located in the Yovon district which has an annual production capacity of 1.2 million metric tonnes, and a grinding station in Kolkhozabad which has an annual production capacity of 0.6 million metric tonnes. Our Tajikistan operations produce cement under the Mohir brand name, serving primarily the local market.

In FY2023, our Tajikistan operations have performed exceptionally well, fuelled by the robust demand for cement throughout the year. The increase in the sales volume was also achieved through close collaboration with our distributors, focusing on increasing brand awareness and market penetration. We worked hand in hand with our distributors to implement incentivized promotion, boosting our cement sales and strengthening our foothold in Tajikistan.

Review of Operations







The cement segment accounted for 97.6% of revenue in FY2023 as compared to 96.4% in FY2022.

In FY2023, revenue from the cement segment increased by 15.7% to S$251.1 million due to higher cement average selling price and sales volume from the Group's Tajikistan operations driven by the strong demand for cement arising from numerous infrastructure projects and hydropower stations in Tajikistan, as well as the revenue contributions from the newly operational Sharcem cement plant in East Kazakhstan, which started sales in August 2022. However, the overall increase was partially offset by a drop in revenue from the Alacem cement plant, mainly due to a decline in cement average selling price, exacerbated by an unexpected equipment breakdown during the peak season, which affected the sales volume. As a result, the segment's profit before tax rose by 6.0% from S$48.7 million in FY2022 to S$51.6 million in FY2023.

Tajikistan and Kazakhstan remained the main drivers of revenue contribution, accounting for 51.4% and 43.5% of the total revenue from the cement segment respectively. Geographically, the increase in revenue was attributable to an increase in revenue contribution from Tajikistan and Kazakhstan of S$17.2 million and S$18.5 million respectively, which was partially offset by a decrease in revenue contribution from Afghanistan and Uzbekistan of S$1.0 million and S$0.6 million respectively.

IMCCMC Cement Plant

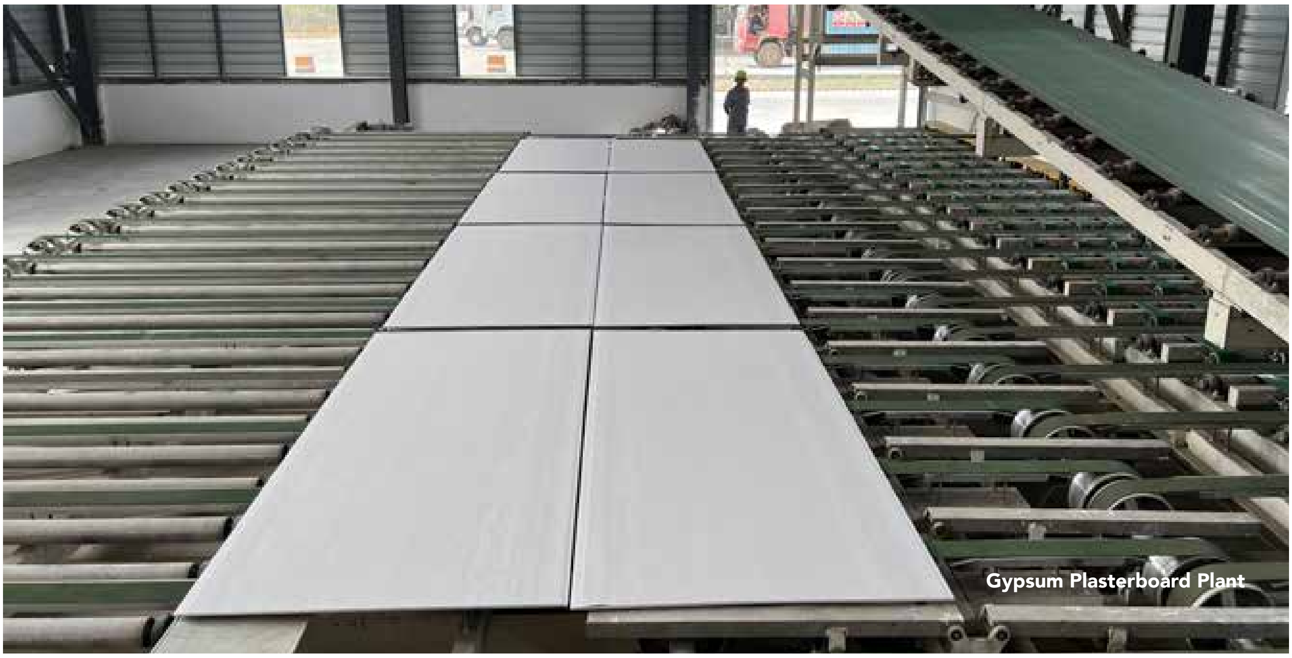
OPERATIONS AND FINANCIAL REVIEW (Cont'd)

OTHERS SEGMENT

In December 2023, we started the commercial production of gypsum plasterboard, widely used for constructing interior walls and ceilings. Built at a construction cost of approximately US$26.0 million (S$35.0 million), the gypsum plasterboard plant, located next to our IMCCMC cement plant in Tajikistan, has an annual production capacity of 30.0 million square metres of drywall. The newly operational gypsum plasterboard plant generated S$0.3 million in sales in FY2023.

This strategic expansion allows us to broaden our offerings of building materials over a more diverse customer base in the local Tajikistan market. We are confident in growing this new business, which will provide the Group with a new revenue stream by leveraging our well-established network of distributors in Tajikistan and selling directly to large construction companies.

On 15 Dec 2023, the President of the Republic of Tajikistan, His Excellency Mr. Emomali Rahmon, graced the gypsum plasterboard plant's opening ceremony, joined by numerous government and state officials. During the visit, His Excellency praised the high quality of gypsum plasterboard products, and emphasised his support. This event underscores the Government of the Republic of Tajikistan's endorsement for the company's commitment to quality, setting a strong foundation for its future.



Gypsum Plasterboard Plant

ALUMINIUM SEGMENT

For our aluminium business, the projects were local public housing projects by the Housing Development Board. As at 31 December 2023, the Group's order book stood at S$6.0 million, including variation orders, and these projects are expected to be completed progressively over the next 3 years.

Some of the projects completed during the year include the supply of windows and doors for local public sector housing projects such as Bidadari C10-12 at Bidadari Park Drive, Clementi N2 C3 at Clementi North Arc, Eunos Court at Eunos Crescent, Kallang Breeze at Lorong 3 Geylang, Sengkang N3 C29 at Anchorvale Road, and Tampines N6 C13-14 at Tampines North Drive 2.

Given the challenging operating environment amidst escalating business costs, we remain cautious of the outlook of the aluminium business.

Review of Operations

The aluminium segment accounted for 2.3% of revenue in FY2023 compared to 3.6% in FY2022.

Revenue from the aluminium segment declined by 27.7% to S$5.9 million in FY2023 due to lower construction activities. Loss before tax widened to S$4.1 million from S$2.0 million the previous year, mainly attributable to lower revenue achieved during the year and additional subcontractor labour costs arising from the loss of an adjudication case.

Eunos Court

Clementi N2C3

Warehouse in Singapore


Sharcem Cement Plant

FINANCIAL PERFORMANCE

International Cement Group Ltd. and its subsidiaries (collectively the "Group") posted a revenue of S$257.4 million in the financial year ended 31 December 2023 ("FY2023"), up 14.3% from S$225.2 million a year ago mainly due to higher revenue contribution from the cement segment. Revenue from the cement segment rose by 15.7% to S$251.1 million on the back of higher cement average selling price and sales volume from the Group's Tajikistan operations, driven by strong market demand arising from numerous infrastructure projects and hydropower stations in Tajikistan and the revenue contributions from the new Sharcem cement plant in East Kazakhstan which started sales in August 2022. However, the overall increase was partially offset by a decrease in revenue from the Alacem cement plant, mainly attributed to a lower cement average selling price, compounded by an unforeseen equipment breakdown during the peak season, which affected the sales volume. The new gypsum plasterboard plant in Tajikistan, which commenced sales in December 2023, also contributed to the revenue growth for FY2023.

Gross profit declined by 4.2% to S$90.0 million in FY2023, and gross profit margin narrowed to 35.0% in FY2023 from 41.7% in the previous year primarily due to reduced cement prices and escalating raw material costs, negatively impacting the profit margin of the Alacem cement plant. However, the decrease was partially offset by the higher profit margin achieved by Tajikistan's operations, as it benefited from rising cement selling prices. Additionally, as the sales of the newly operational Sharcem cement plant gradually increased, there was a corresponding rise in the absorption of overheads, leading to an improved profit margin.

Other income mainly comprised foreign exchange gains, government grants, sales of scrap and spare parts, rental income and utility recharges, write-off of trade and other payables, and sales of fuel and rental income from suppliers for the extraction of raw materials in quarries. Other income surged by 64.7% to S$3.3 million in FY2023, primarily due to higher rental income and utility recharges.

Selling and distribution expenses, which comprised mainly staff costs of the selling and distribution departments and advertising and marketing expenses, fell by 48.7% to S$1.4 million, mainly due to a drop in advertising and marketing activities during the year.

Administrative expenses mainly comprised staff costs of the finance, human resource, and administrative departments and directors' fees, depreciation and amortisation, audit and professional fees, tax-related expenses, utilities, food and accommodation, vehicle-related expenses, fines and penalties, travelling expenses, and office, rental and visa-related expenses. The 38.4% year-on-year increase in administrative expenses to S$41.9 million was largely due to: (i) the commencement of operations of the Sharcem cement plant in August 2022; (ii) the commencement of operations of a gypsum plasterboard plant in Tajikistan in December 2023; (iii) rising costs of the operations in Tajikistan and Kazakhstan; and (iv) the increase in staff headcount, audit fees, vehicle-related expenses, travelling expenses, and office and visa-related expenses, in tandem with the significant increase in operational activities in FY2023.

Other expenses, which comprised mainly write-off of property, plant and equipment and donations, declined by 70.5% to S$3.9 million, mainly attributed to: (i) foreign exchange losses of S$7.3 million in FY2022 as compared to foreign exchange gains of S$0.5 million in FY2023, which was recorded under other income; (ii) the absence of impairment loss on property, plant and equipment (right-of-use asset) of S$0.8 million in FY2022 arising from a warehouse lease signed in the second half of 2022 for the aluminium segment, which was loss-making; and (iii) the absence of impairment loss on intangible assets of S$2.3 million recognised in FY2022 as the expected cost savings arising from the acquisition of an electricity licence in 2021 was lower than previously forecasted. The decrease was partially offset by an increase in donations of S$0.7 million during the year.

Finance income of S$5.8 million mainly arose from fair value adjustments on long-term trade and other payables and the unwinding of discount on the present value of the loan to non-controlling interest.

Finance costs rose by 20.2% to S$3.7 million from S$3.1 million a year ago. This mainly consists of: (i) interest expense of S$1.9 million on the outstanding payables to the Engineering, Procurement and Construction ("EPC") contractor for the construction of the Alacem cement plant, which are interest-bearing at 8.4% per annum; and (ii) unwinding of discount on the present value of the interest-free loans from major shareholders amounting to S$1.5 million. The interest-free loans from the major shareholders, Victory Gate Ventures Limited and Mr Ma Zhaoyang, were for the construction of the Alacem cement plant and the acquisition of cement-related assets for the Sharcem cement plant and costs incurred for its related upgrading works.

Tax expense relates to: (i) current tax expense of S$8.4 million mainly for a subsidiary in Tajikistan; (ii) under provision of tax mainly from a subsidiary in Tajikistan in respect of prior years of S$1.9 million; and (iii) withholding tax on dividends declared by subsidiaries of S$7.8 million. The increase in current tax expense from S$7.9 million in FY2022 to S$18.5 million in FY2023 was mainly due to an increase in profit before tax and increase in corporate income tax rate in one of the jurisdictions that the Group's subsidiaries operate in.

As a result, the net profit attributable to shareholders decreased by 44.2% from S$28.9 million in FY2022 to S$16.1 million in FY2023.


Alacem Cement Plant

OPERATIONS AND FINANCIAL REVIEW (Cont'd)

Financial Position

As at 31 December 2023, the Group's net assets attributable to owners of the Company was S$244.4 million, which translates into a net asset value per share of 4.26 Singapore cents, compared with 4.08 Singapore cents in the previous year.

Non-current assets

Non-current assets increased by 17.0% to S$480.6 million mainly due to an increase in property, plant and equipment which was partially offset by a decline in intangible assets and goodwill and non-current trade and other receivables.

Property, plant and equipment rose by 23.3% to S$440.1 million mainly due to additions of S$138.5 million arising from the construction of additional facilities for the Alacem cement plant, upgrading works and construction of additional facilities for the Sharcem cement plant, construction of the Korcem cement plant, and construction of a gypsum plasterboard plant in Tajikistan. The increase was partially offset by (i) disposals and write-offs of S$0.8 million; (ii) depreciation charge of S$12.6 million; (iii) modification of contracts of S$26.1 million that resulted in a reduction of the additional claims from an EPC contractor; and (iv) net currency translation loss of S$14.5 million arising from the depreciation of Tajikistani Somoni ("TJS") against Singapore Dollar ("SGD") by 8%.

Intangible assets and goodwill comprised subsoil rights, goodwill arising from the acquisition of the IMCCMC cement plant in Tajikistan in 2017, and an electricity licence. The decrease in intangible assets and goodwill of 15.0% to S$32.5 million was attributed to amortisation charge of S$2.6 million and a currency translation loss of S$3.1 million arising from the depreciation of TJS against SGD by 8%.

Non-current trade and other receivables comprised: (i) an interest-free loan of S$2.9 million to non-controlling interest, Nurzhan Shakirov, secured by his shares in a subsidiary in Kazakhstan, due in 2025; and (ii) prepayments of S$2.6 million, mainly pertained to amounts prepaid to suppliers for upgrading works in the cement plants in Kazakhstan, purchase of spares and consumables for repairs and maintenance works in the cement plants, and construction of the Korcem cement plant. Non-current trade and other receivables went down by 57.7% to S$5.5 million, mainly due to a decrease in (i) prepayments from the cement segment of S$4.9 million arising from deferred expenses of S$4.1 million relating to repair and maintenance in Kazakhstan for FY2022, being fully amortised in FY2023; and (ii) prepayments from the others segment of S$5.5 million arising from the transfer of the purchase of spares and equipment for the construction of the gypsum plasterboard plant in Tajikistan from prepayments to property, plant and equipment in FY2023. The decrease was offset by the loan provided to non-controlling interest of S$2.9 million in October 2023.

Deferred tax assets of S$2.0 million comprised mainly the temporary differences arising from property, plant and equipment and recognition of unutilised tax losses arising from the Sharcem cement plant.

Alacem Cement Plant

Alacem Cement Plant

Current assets

Current assets rose slightly by 0.03% to S$76.9 million, mainly due to an increase in inventories and current trade and other receivables, which was partially offset by a decrease in contract assets and cash and cash equivalents.

Inventories increased by 9.4% to S$40.9 million, primarily due to relative higher costs of raw materials in the fourth quarter of FY2023 compared to the same quarter of FY2022.

Current trade and other receivables rose by 12.1% to S$27.9 million, mainly due to an increase in (i) prepayments from the others segment of S$3.8 million arising from the purchase of spares and consumables as the operations of the gypsum plasterboard plant in Tajikistan commenced in December 2023; (ii) tax-related receivables from the cement segment of S$3.3 million due to an increase in the purchase of raw materials and spares and consumables; and (iii) other receivables from the cement segment of S$1.3 million arising from the sale of spare parts to external parties and rental income of S$0.7 million during FY2023. The increase was partially offset by a decrease in (i) trade receivables from the cement segment of S$0.8 million as a result of lower sales by the cement plants in Tajikistan and Kazakhstan during the fourth quarter of 2023 relative to the same period in the preceding year; and (ii) non-trade amounts due from the non-controlling interest of S$4.4 million following its repayment during the first half of 2023.

Contract assets of S$1.6 million relate to retention sums that are withheld by main contractors from the aluminium segment until the successful completion of the project works and the Group's rights to consideration for work completed on construction contracts but not billed at the reporting date.

Equity attributable to owners of the Company

Equity attributable to owners of the Company rose by 4.5% to S$244.4 million.

Capital reserve of S$15.5 million relates to cash consideration paid in excess of the carrying amount of the Sharcem cement plant of S$26.1 million arising from the step-up acquisition of an additional 15% stake in this subsidiary in November 2022, partially offset by the fair value adjustment of interest-free loans from major shareholders of S$10.2 million.

Currency translation reserve losses widened from S$27.2 million to S$37.2 million due to depreciation of TJS against SGD by 8%.

OPERATIONS AND FINANCIAL REVIEW (Cont'd)


Sharcem Cement Plant

Non-current liabilities

Non-current liabilities grew by 46.5% to S$193.8 million mainly due to an increase in long-term trade and other payables, which was partially offset by a drop in long-term loans and borrowings, provisions and deferred tax liabilities.

Long-term loans and borrowings comprised unsecured interest-free loans of S$31.8 million from major shareholders, Victory Gate Ventures Limited and Mr Ma Zhaoyang, for the construction of the Alacem cement plant and the acquisition of cement-related assets for the Sharcem cement plant and its related upgrading works. These loans are due between the first quarter of 2025 and the third quarter of 2027. The decrease in long-term loans and borrowings of 17.2% to S$31.8 million was primarily due to the accounting for the present value of the loans from major shareholders of S$2.8 million, repayments to a major shareholder of S$3.0 million, and a foreign exchange gain of S$0.8 million arising from the depreciation of US Dollar and Chinese Yuan against SGD.

Long-term trade and other payables mainly comprised amounts owing to: (i) the EPC contractor of S$22.6 million for the construction of the Alacem cement plant under a deferred payment arrangement which are interest bearing at 8.4% and due in the fourth quarter of 2026; (ii) another EPC contractor of S$58.2 million for the construction of the Korcem cement plant under a deferred payment arrangement which are interest bearing at 6.5% and due in the third quarter of 2026; and (iii) suppliers for spares and consumables and property, plant and equipment for the cement plants in Kazakhstan and Tajikistan of S$66.2 million which are due in 2025. Long-term trade and other payables surged by 89.4% to S$147.4 million largely due to the construction of the Korcem cement plant and new gypsum plasterboard plant in Tajikistan.

Provisions of S$2.1 million mainly relate to the provision for restoration costs as the Group is expected to perform recultivation works for its cement plants in Kazakhstan by the end of its operations in accordance with the applicable local legal requirements.

Deferred tax liabilities declined slightly by 3.0% to S$12.4 million mainly due to the decrease in temporary differences arising from property, plant and equipment and intangible assets.

Current liabilities

Current liabilities rose by 10.2% to S$72.7 million mainly due to an increase in short-term loans and borrowings, tax payable, and contract liabilities, which was partially offset by a decrease in short-term trade and other payables.

Short-term loans and borrowings comprised unsecured interest-free loans of S$5.3 million from a non-controlling interest, Dastoni Mohir LLC, for the construction of the gypsum plasterboard plant in Tajikistan. These loans are repayable on demand. Short-term loans and borrowings increased by 55.2% to S$5.3 million, primarily attributed to additional loans from the non-controlling interest of S$2.2 million, which was partially offset by a foreign exchange gain of S$0.3 million arising from the depreciation of TJS against SGD.

Short-term trade and other payables mainly comprised: (i) trade payables of S$20.1 million; (ii) accrued operating expenses of S$3.7 million; (iii) dividend payable to non-controlling interests in Tajikistan and Kazakhstan of S$2.7 million; (iv) tax-related payables of S$8.9 million relating to taxes collected on sales, tax payable on import of property, plant and equipment and spares and consumables, and withholding tax payable on dividends; (v) payables for purchase of property, plant and equipment of S$13.8 million; and (vi) other payables of S$6.6 million which mainly comprised payable for distribution expenses and professional fees. Short-term trade and other payables dropped by 6.1% to S$56.6 million, mainly due to a decrease in non-trade payables to non-controlling interests of S$17.9 million arising from payments made during the year. The decrease was partially offset by: (i) an increase in trade payables of S$7.6 million due to the purchase of raw materials, spares, and consumables; (ii) an increase in tax-related payables of S$4.2 million mainly arising from higher withholding tax payable on dividends; and (iii) an increase in other payables of S$2.0 million due to a rise in payables for distribution expenses and professional fees for the Sharcem cement plant.

Contract liabilities of S$5.4 million comprised advance consideration received from customers.

Cash Flow

The Group's cash and cash equivalents dropped from S$11.6 million as at 31 December 2022 to S$6.5 million as at 31 December 2023, primarily due to:

(i) acquisition of property, plant and equipment of S$38.7 million for the construction of additional facilities and upgrading works in the Alacem and Sharcem cement plants and the construction of the new Korcem cement plant and gypsum plasterboard plant;
(ii) loan to non-controlling interest of S$4.1 million;
(iii) partial payment of the consideration for the step-up acquisition of a 15% stake in a subsidiary in November 2022 of S$17.9 million;
(iv) dividends paid to non-controlling interests of S$17.1 million (Dastoni Mohir LLC and Nurzhan Shakirov, non-controlling shareholders of the Group's subsidiaries in Tajikistan and Kazakhstan respectively);
(v) withholding tax paid on dividends declared by the Tajikistan subsidiary of S$3.7 million;
(vi) interest paid to EPC contractor under the deferred payment arrangement of S$1.5 million; and
(vii) repayment of loans due to a major shareholder of S$3.0 million.

These were partially offset by cash flows from operating activities of S$78.9 million and additional loans from non-controlling interest of S$2.2 million.

Liquidity

The Group's business strategy is to further establish itself as one of the key dominant players and presence in both the Kazakhstan and Tajikistan markets. To achieve this, it has deployed its shareholders' loan and re-invested its profits towards increasing its production capacity (from 4.0 million metric tonnes to 5.5 million metric tonnes – an increase of 37.5%) and diversified into gypsum plasterboard over the years.

These capital investments have increased the Group's financial indebtedness significantly. As at 31 December 2023, the Group's shareholders' funds was $244.4 million and total indebtedness arising from capital expenditure represents 58.4% of shareholders' funds. As at balance sheet date, the Group has non-current trade and other payables arising substantially from the construction of the cement plants of $89.8 million which are due with the next twelve months from the date of this report as well as capital commitments of $ 69.7 million. The repayment of the shareholders' loan (fall due in 2025 to 2027), amounts due to EPC contractors (due in mid-2024 to 2026) and amounts due to certain suppliers (due in 2025 to 2026) were deferred to ease the cashflow pressure on the Group. Notwithstanding the successful deferment of the payment to EPC contractors and certain suppliers, the Group is currently in discussion with a financial institution to extend a credit line, with quarterly repayments commencing 1 year from drawdown, to facilitate repayment to the EPC contractors in time to come.

During FY2023, the Tajikistan and East Kazakhstan markets (cement products) enjoyed good net profit margins, arising from increase in selling prices and sales volume, while the profit margin in the Almaty region in Kazakhstan was hit by reduction in selling prices and higher operating costs. For FY2023, the Group generated both positive operating cashflows and working capital of $78.9 million and $4.2 million respectively (FY2022: $64.0 million and $10.7 million respectively).

Going forward, the Group will continue to face headwinds in its operations, which could provide challenges to its generation of cash flows, to fund its operations and see to its repayment of its obligations. However, with the commencement of the operation of our gypsum plasterboard plant (located next to our main Tajikistan cement plant in the Yovon district) towards the end of FY2023 and our new cement plant (located at the Jambyl region in Kazakhstan) ("Korcem") sometime in mid-2024, these latest additions will put us in a stronger position to navigate through these strong currents.

CORPORATE SOCIAL RESPONSIBILITY

Giving back to society is an integral part of ICG's corporate culture. Through our community engagement efforts, we hope to uplift and improve the quality of life of the communities where we are present. We are committed to making a positive and lasting impact on the underserved in our local communities.

Donation of television during the event commemorating the 60th anniversary of the founding of Charsk town

In Tajikistan, we donated a total of approximately 9.5 million Tajikistan Somoni ("TJS") (S$1.1 million) and 3,000 metric tonnes of cement valued at approximately TJS 2.1 million (S$253,000) to the Tajikistan government and local administrations of Yovon district and various urban areas surrounding Kurgan.

We collaborate closely with local governments to develop and improve local infrastructure to elevate the living conditions and promote economic growth within the communities we serve. In 2023, we contributed TJS 8.0 million (S$1.0 million) to the local government for the reconstruction of a 7.4 km stretch of the Dakhana road, enhancing ease of movement and accessibility for local residents in the surrounding area. The donated cement went towards road repairs and rebuilding houses for families affected by natural disasters in the Pamir region.

Throughout the year, we also sponsored various initiatives aimed at promoting education, healthcare and sports in Tajikistan. To help raise the literacy level of younger generations, we donated TJS 0.5 million (S$60,000) to help 84 college students from less privileged backgrounds to pursue higher education in Tajikistan. We donated TJS 0.2 million (S$24,000) to support the overseas training of five doctors from Yovon district to equip them with advanced medical skills and knowledge that will enhance healthcare standards in Tajikistan. As part of our efforts to support sports development, we contributed TJS 0.5 million (S$60,000) to the sports organisation in the Yovon district to improve sports facilities and develop local football teams.

We continued our annual tradition of contributing to the Kurgan Nursing Home, striving to improve the living conditions for its elderly residents and making a positive impact on their well-being.

As we deepen our footprint in Kazakhstan, we remain committed to building strong and mutually beneficial relationships with the local communities through a range of worthy causes. These efforts include a combination of monetary and other in-kind donations.

We donated an ambulance worth 21.0 million Kazakhstani Tenge ("KZT") (S$61,000) to enhance emergency medical services and provide quick access to medical care for residents living in the vicinity of the Alacem cement plant.

We also contributed 3,900 metric tonnes of cement valued at approximately KZT 102.4 million (S$297,000), to support the infrastructure developments and improvements in Kazakhstan, engaging in several projects to improve the quality of life for local residents. These included the construction of a new mosque in Sary-Ozek, upgrading the local prosecutor's office and other public facilities, building and upgrading of schools, road repair works, and rebuilding employees' houses damaged by fire. Additionally, we contributed KZT 7.0 million (S$20,000) to fund the repair of a school that suffered damage due to a natural calamity and provided 1,000 hollow bricks to aid in the construction of a new temple in the Karasu village, situated near the Korcem plant.

To strengthen our ties with the community and foster a closer relationship with the local residents, we participated in the celebratory event commemorating the 60th anniversary of the founding of Charsk town by donating a 50-inch LCD television to the local government.

In the coming year, we will continue to pursue meaningful corporate social responsibility initiatives to reach out to the less privileged in communities across our markets to ensure they get the help they need.

Donation of ambulance to enhance emergency medical services for residents around the Alacem plant

Donation of hollow bricks for the construction of a new temple at Karasu village

Donation of cement for upgrading of school

CORPORATE INFORMATION

BOARD OF DIRECTORS	**Ma Zhaoyang** *Chairman and Executive Director* **Zhang Zengtao** *Chief Executive Officer and Executive Director* **Chng Beng Hua** *Executive Director* **Wong Loke Tan** *Lead Independent Director* **Ng Kian Guan** *Independent Director* **Wong Chee Meng Lawrence** *Independent Director* **Tan Chao Hsiung David** *Independent Director*
AUDIT COMMITTEE	**Wong Loke Tan** *Chairman* **Ng Kian Guan** **Wong Chee Meng Lawrence** **Tan Chao Hsiung David**
NOMINATING COMMITTEE	**Wong Chee Meng Lawrence** *Chairman* **Wong Loke Tan** **Ng Kian Guan**
REMUNERATION COMMITTEE	**Ng Kian Guan** *Chairman* **Wong Chee Meng Lawrence** **Wong Loke Tan**
COMPANY SECRETARIES	**Sharon Lim Siew Choo** **Choo Hong Chun**
REGISTERED OFFICE	100 Tras Street, #18-01 100 AM Singapore 079027 Tel: (65) 6486 7858 Fax: (65) 6486 7851
SHARE REGISTRAR	**Boardroom Corporate Advisory Services Pte. Ltd.** 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632
AUDITORS	**KPMG LLP** Public Accountants and Chartered Accountants 12 Marina View #15-01 Asia Square Tower 2 Singapore 018961 Partner In-Charge: Ms Teo Han Jo, with effect from financial year ended 31 December 2022

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of the Company believes that good corporate governance is essential to the long-term sustainability of the Company's business and performance. The Company is committed to maintaining a high standard of corporate governance within the Group to ensure transparency, accountability and protection of shareholders' interest.

This Corporate Governance Report (the "**Report**") describes the Company's corporate governance practices and sets out the manner in which the Company has applied the principles and provisions, as well as the extent of compliance with the guidelines as set out in the Code of Corporate Governance 2018 (last amended 11 January 2023) (the "**Code**"), and where applicable, the Code's Practice Guidance and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**"). In the opinion of the Board, the Company has generally complied with the principles and provisions as set out in the Code during the financial year ended 31 December 2023 ("**FY2023**"). Where there are any deviations from the Code, appropriate explanations have been provided in this Report.

A. BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Board's roles and responsibilities

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. The Board oversees the Group's overall policies, strategies, key operational initiatives, performance and measurement, internal control and risk management. Each Director acts in good faith and in the best interest of the Company. They contribute their own expertise, skills, knowledge and experience to the Board for the benefit of the shareholders.

The Board has a list of reserved matters that requires the approval of the Board. The reserved matters include the following:

- The Group's annual budget;
- Change in capital structure;
- Major funding;
- Acquisitions and disposal of assets;
- Mergers and joint ventures;
- Half and full year results announcement;
- Interested person transactions of a material nature;
- Appointment of Directors and key executives;
- Remuneration of the Executive Directors ("**EDs**") and key management personnel;
- Payment of interim dividend;
- Recommendation to the shareholders on the payment of Non-Executive Directors' fees, re-election of Directors, appointment and re-appointment of external auditors, payment of final dividend;
- Material announcements; and
- Corporate governance practices.

The Company has also established a delegation of authority matrix for operations, capital expenditure, procurement of goods and entering into agreements/contracts and transactions which are not in the ordinary course of business.

All Directors are fiduciaries who exercise due diligence and objectively discharge their duties and responsibilities in the best interests of the Group and hold Management accountable for performance. Directors are required to comply with the statutory rules and procedures governing conflicts of interests laid down by the Companies Act 1967 of Singapore (the "**Companies Act**") and the Company's Constitution. All Board members are expected to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where there are circumstances in which a Director has a conflict of interest or it appears that the Director might have a conflict of interest in relation to any matter, the Director concerned will recuse himself from participating in the discussion and decision of the matter. Such compliance will be recorded in the minutes of meeting or the Board resolutions.

All Board and Board Committee meetings as well as the annual general meetings ("**AGMs**") are scheduled in advance of each year in consultation with the Directors. For FY2023, the Board met two (2) times to deliberate and approve the financial results and announcements for the half and full financial year, and other matters requiring the Board's approval.

In addition to the scheduled meetings to review the half and full year financial results, ad-hoc Board meetings are also convened as and when they are deemed necessary in between the scheduled meetings. When a meeting is not possible, timely communication with members of the Board is achieved through electronic means and the circulation of written resolutions for approval by the relevant members of the Board.

To assist in the execution of its responsibilities and in the discharge of its oversight functions, the Board is supported by three (3) Board Committees, namely the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**") and the Audit Committee ("**AC**"). Each Board Committee has its own set of written terms of reference which clearly spells out the objectives, duties, powers, responsibilities as well as qualifications for committee membership. The activities of the Board Committees are reported to the Board by the respective Committee Chairmen after each meeting.

Board and committee meetings attendance

The attendance of each Board member at the meetings of the Board, Board Committees and the Shareholders' meetings of the Company in FY2023 was as follows:

Name of Directors	Board	AC	NC	RC	AGM
Ma Zhaoyang	2/2	–	–	–	1/1
Zhang Zengtao	2/2	–	–	–	1/1
Chng Beng Hua	2/2	–	–	–	1/1
Guok Chin Huat Samuel [(1)]	1/2	1/2	1/1	1/1	1/1
Wong Loke Tan	2/2	2/2	1/1	–	1/1
Wong Chee Meng Lawrence	2/2	2/2	1/1	1/1	1/1
Ng Kian Guan	2/2	2/2	–	1/1	1/1
David Tan Chao Hsiung [(2)]	NA	NA	–	–	NA

(1) *Mr Guok Chin Huat Samuel resigned as an Independent Director on 20 July 2023.*

(2) *Mr David Tan Chao Hsiung was appointed as an Independent Director on 15 December 2023.*

All Directors are required to declare their board appointments. When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding multiple board appointments for some of the Directors, all Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company. Please refer to Principle 4 below for further disclosure in relation to multiple board representations.

Directors' training and new Directors' orientation

In line with Rule 210(5) of the Listing Manual, a newly appointed director who has no prior experience as a director of a listed company shall undergo mandatory training in the roles and responsibilities of a listed company director as prescribed by the SGX-ST, unless the NC and the Board formed opinion that such director has relevant experience. A new Independent Director, Mr David Tan Chao Hsiung, was appointed on 15 December 2023. The NC and the Board formed opinion that Mr David Tan Chao Hsiung has relevant experience, being Independent Director at two (2) other companies listed on the SGX-ST at the time of his appointment.

Newly appointed Directors were provided with minutes of the Board and Board Committees' meetings for the past one (1) year, the Company's Constitution, respective terms of reference of the Board Committees as well as the Company's policies to equip them with the relevant information and knowledge to make contributions and exercise judgement for decision making on matters pertaining to the Company. During FY2023, Mr David Tan Chao Hsiung had also received appropriate induction briefings that include information on the Group's structure, strategic objectives, policies and governance practices, and an overview of the business activities of the Group.

All Directors were given opportunities to visit the Group's local and overseas operational facilities to understand the operations and to get to know the members of the local and overseas management team.

The Directors are encouraged to attend trainings and participate in seminars to continuously upgrade themselves at the cost of the Company if the courses are relevant to their performance as a Director of the Company. All Directors had attended the mandatory training on sustainability matters prescribed by the SGX-ST.

During the financial year under review, all Directors were updated by the Company Secretary at the Board or Board Committees' Meetings or via emails on the changes in the Listing Manual, the Companies Act or the Code which the Directors should be made aware of. The Directors, especially those who are members of the AC, were also updated on any changes in the financial reporting standards by the external auditors at the AC meetings.

Access to information

Management endeavors to provide the Board with complete, adequate and timely information on Board affairs and issues that require Board's attention and decision prior to the Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. As a general rule, Board papers are sent to Directors one (1) week in advance in order for Directors to be adequately prepared for the meeting. As and when there are important matters that require the Directors' attention, the information will be furnished to the Directors as soon as practicable.

All Directors have independent access to the Group's senior management and the Company Secretary. Information requested by the Directors are provided in a timely manner, and queries attended to promptly.

The Company Secretary function is outsourced to In.Corp Corporate Services Pte. Ltd..

The Company Secretary and/or his/her representative(s) provide corporate secretarial support to the Board which includes attendance at Board and Board Committee meetings, ensuring that meeting procedures are followed and that the relevant rules and regulations of the Companies Act, the Code and the Listing Manual which are applicable to the Company are adhered to. The Company Secretary and/or his/her representative(s) assist the Chairman of the Board and the Board Committees in the development of the meeting agendas for the various Board and Board Committees' meetings.

Pursuant to the Company's Constitution, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

If the Directors need independent professional advice to fulfill their duties, such advice will be obtained from the professional entity approved by the Board and the cost of such professional advice will be borne by the Company.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Board size

As of the date of this report, the Board comprises seven (7) Directors, four (4) of whom are independent. The Board has a strong level of independence and diversity of thought as Independent Directors make up a majority of the Board.

Ma Zhaoyang
– Executive Director and Board Chairman
Zhang Zengtao
– Executive Director and Chief Executive Officer
Chng Beng Hua
– Executive Director
Wong Loke Tan
– Lead Independent Director
Wong Chee Meng Lawrence
– Independent Director
Ng Kian Guan
– Independent Director
David Tan Chao Hsiung
– Independent Director [1]

[1] *Mr David Tan Chao Hsiung was appointed as an Independent Director on 15 December 2023.*

Board independence

The independence of each Independent Director is assessed at least annually by the NC and as and when situation calls for it. All Independent Directors are required to declare and confirm his independence via the Form on Declaration of Independence. For the financial year under review, all Independent Directors confirmed that they did not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interest of the Company.

Aside from the declaration of independence by the Independent Directors, the NC will deliberate and determine whether a Director is independent taking into consideration other factors including whether that Director is able to exercise independent judgement and whether he has any relationships which are likely to affect his independent judgement and character.

The existence of any of the following relationships or circumstances will deem the Director as not independent:

(a) The Director who is and has been employed by the Company or any of its related corporations for the current or any of the past three (3) financial years;

(b) The Director who has an immediate family member who is, or has been in any of the past three (3) financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC;

(c) the Director who has been a Director on the Board for an aggregate period of more than nine (9) years (whether before or after listing). This rule was amended by SGX on 11 January 2023 to impose a hard 9-year ruling on independent directors and revoking the previous mandatory 2-tier voting process;

(d) the Director, or whose immediate family member, in the current or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service. As a guide, payments aggregated over any financial year in excess of S$50,000 should generally be deemed significant;

(e) the Director or whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder (i.e. with at least 5% interest) of, or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organization to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services). As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant; or

(f) the Director who is or has been directly associated with a substantial shareholder (i.e. with at least 5% interest) of the Company, in the current or immediate past financial year.

For FY2023, the NC is of the view that none of the Independent Directors who were considered independent had any of the above relationships or circumstances, and each Independent Director has demonstrated independence in his conduct, character and judgment during discussion sessions of the Board and Board Committees. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs.

Board diversity

The Company recognises the importance and benefits of having a diverse Board to enhance the quality of its performance. The terms of reference of the NC includes consideration of candidates from a wide range of backgrounds, their merits and against objective criteria with due regard for the benefits of diversity on the Board, including gender, skills, knowledge, experience and other aspects of diversity where necessary. The Board currently comprises individuals who are suitably qualified with the necessary mix of expertise, experience and knowledge ranging from legal, accounting and finance expertise to individuals with the industry knowledge relevant to the Group's business.

The Board, at the recommendation of the NC, adopted a Board diversity policy that addresses gender, skills, experience and other relevant aspects of diversity. Through the policy, the Board has set targets and objectives, which are reviewed annually, to select Board candidates based on a range of diversity perspectives without any discrimination. No candidate shall be disregarded by disability, gender, sexual orientation, age, race, ethnicity, religion, physical impairment or any other potential factor of difference. Presently, there is no immediate need to appoint new candidates given that all Independent Directors were of less than 9-year tenure. Nevertheless, the Board is committed and will be mindful of such diversity targets in its search and selection process for new Board candidates. Any search firm engaged will be specifically directed to this policy.

For the Board composition in FY2023, the NC reviewed and was satisfied that the Board and Board Committees were of appropriate size. The Board also has a good balance of Directors who come from diverse backgrounds and have extensive industry knowledge, skills and/or business, financial, accounting and management experience. The Directors were able to engage in constructive debates, very vocal in expressing their opinions on the subjects under discussion at the meetings and there was no groupthink. For information on the background, skillset and experience of the Directors, please refer to the profiles of the Directors as set out in the "Board of Directors" section of this Annual Report.

The Non-Executive Directors met regularly without the presence of Management, albeit informally. Any issues raised at such informal meetings would be brought to the Board for discussion, where appropriate.

Principle 3: Chairman and Chief Executive Officer ("CEO")

There is a clear division of responsibilities between the leadership of the Board and the Management and no one individual has unfettered powers of decision making.

CEO-Chairman separation

Mr Ma Zhaoyang ("**Mr Ma**") is the Executive Chairman of the Board. Mr Ma is responsible for the Board, ensures its effective functioning and sets the overall business and acquisition strategies of the Group. The Chairman provides leadership role by promoting an open environment of openness and debate and ensures that sufficient time and resources are allocated to the Board members for discussion.

Mr Zhang Zengtao ("**Mr Zhang**"), is the Chief Executive Office of the Group. The CEO is responsible for the Group's entire operations.

Mr Zhang has no family relationship with Mr Ma. The roles of the Chairman and CEO are separate and their responsibilities are clearly defined to ensure a check and balance of power and authority.

The Chairman is also responsible to ensure effective communication with shareholders, encourage constructive relationship between the Board and Management, as well as between the Board members, and promote high standards of corporate governance.

Lead Independent Director

The Board is of the view that there is a sufficiently strong independent element on the Board to enable independent exercise of objective judgement on affairs and operations of the Group by members of the Board. As the Board Chairman is not an Independent Director, the Board has appointed Mr Wong Loke Tan as the Lead Independent Director on 15 December 2023. Shareholders with concerns may contact the Lead Independent Director directly, when contact through the normal channel via the Chairman has failed to provide a satisfactory resolution or when such contact is inappropriate or inadequate.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee and its activities

The NC, regulated by a set of written terms of reference endorsed by the Board, comprises the following three (3) Board members, all of whom including the NC Chairman, are Non-Executive Independent Directors:

Wong Chee Meng Lawrence
– Chairman, Independent Director
Wong Loke Tan
– Member, Lead Independent Director
Ng Kian Guan
– Member, Independent Director [1]

[1] *Mr Ng Kian Guan was appointed as a member of the Nominating Committee on 16 October 2023.*

During FY2023, the NC conducted activities in line with its terms of reference as set out below.

(a) The functions of the NC include, amongst others, reviewing and recommending to the Board on relevant matters relating to:
   (i) the succession plans for the Board of Directors, in particular the Chairman and CEO;
   (ii) succession planning for key management personnel of the Group;
   (iii) the development of a process and criteria for evaluation of the performance of the Board of Directors, the Board Committees, Directors and key management personnel;
   (iv) the review of training and professional development programmes for the Board of Directors; and
   (v) the appointment and re-appointment of Directors (including alternate Directors, if applicable);

(b) reviewing annually the composition of the Board to ensure that the Board has an appropriate balance of skills, knowledge, experience and diversity;

(c) determining annually whether a Director is independent in accordance with the Code and any other salient factors;

(d) reviewing and deciding whether a Director is able to and has been adequately carrying out his duties as a Director;

(e) reviewing and approving of any new employment of related persons and the proposed terms of their employment;

(f) evaluating the effectiveness of the Board as a whole, the Board Committees and contribution by the Chairman and individual Directors; and

(g) review all diversity related charters in the context of sustainability governance to streamline into the overall governance.

The NC meets at least once a year. Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of his re-election as Director.

Directors' selection and nomination process

The search and nomination process for new Directors, if any, will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates. The NC will also consider tapping on the resources or services provided by the Council for Board Diversity, the Singapore Institute of Directors and relevant professional associations to facilitate their search process. Based on the profile submitted, the NC will meet with the candidate for a chat to have a better understanding of the candidate. The NC will consider amongst others, the qualification, experience and qualities of the candidate and the requirement of the Board at that point in time. This is to ensure that the Board comprises members with different expertise and perspectives having come from different backgrounds, for a more balanced Board.

Directors' rotation and re-election

One-third of the Board is to retire by rotation and subject themselves to re-election. The Constitution of the Company provides that one-third of the Directors who have served the longest since their most recent election (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) must retire from office at the AGM. The retiring Directors are eligible to offer themselves for re-election at the AGM. In addition, all Directors are required to submit themselves for re-nomination and re-appointment at least once every three (3) years. The Constitution aligns with the Listing Manual in this respect.

Pursuant to Regulation 102 of the Constitution of the Company, Mr Ma Zhaoyang ("**Mr Ma**"), and Mr Wong Chee Meng Lawrence ("**Mr Wong**") are due to retire at the forthcoming AGM. Each of Mr Ma and Mr Wong, being eligible, has offered himself for re-election. The details of Mr Ma and Mr Wong as required under Rule 720(6) of the Listing Manual are set out in the 'Disclosure of Information on Directors Seeking Re-Election' section of this Annual Report.

The NC, having considered the attendance and participation of the Directors at the Board and Board Committee meetings, in particular, their contribution to the business and operations of the Company, has recommended their re-election. The Board has concurred with the NC's recommendation. Each member of the NC had abstained from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of his re-election as Director.

Pursuant to Regulation 106 of the Constitution of the Company, Mr David Tan Chao Hsiung ("**Mr Tan**") is due to retire at the forthcoming AGM. Pursuant to Regulation 106 of the Constitution of the Company, Directors who were newly appointed since the last AGM will have to vacate their office at the close of the forthcoming AGM. The retiring Directors, being eligible, may offer themselves for re-election. Mr Tan, who was appointed to the Board on 15 December 2023, is due to retire at the forthcoming AGM. Mr Tan, being eligible, has offered himself for re-election. The details of Mr Tan as required under Rule 720(6) of the Listing Manual are set out in the 'Disclosure of Information on Directors Seeking Re-Election' section of this Annual Report.

The NC, having reconsidered the assessment criteria that led to Mr Tan's appointment as an Independent Director on 15 December 2023, as well as Mr Tan's contributions and performance as an Independent Director of the Company since his appointment, has recommended his re-election. The Board has concurred with the NC's recommendation. Mr Tan had abstained from voting on any resolutions and making any recommendations and/or participating in any deliberations of the Board in respect of his re-election as Director.

Maximum limit on outside directorships

As an individual Director's ability to commit time to the Group's affair is essential, the NC has determined that the maximum number of listed company board representations which any Director of the Company may hold is five (5). A review by the NC and Board will be conducted if any Director holds more than the maximum number of listed company board representations. The NC noted that all Directors had complied with this guideline in FY2023.

The Board would generally avoid approving the appointment of alternate directors unless in exceptional cases of medical emergency. There was no alternate director on the Board in FY2023.

Profile of the Directors, detailing their qualifications, directorships in other listed companies and principal commitments, their appointment to the Board and the date of their last re-election can be found on pages 10 and 11 of this Annual Report.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Annual appraisal process of Board, Board Committees and individual Directors

The Board acknowledges the importance of a formal assessment of Board performance and embraces the NC's recommendation on the objective performance criteria and process for the evaluation of the Board, Board Committees and individual Directors. Through the NC's recommendation, the Board has adopted a formal system of evaluating Board performance with the use of evaluation forms to assess the effectiveness, efficiency and functioning of the Board and Board Committees and the contribution by each Director. All Directors are required to complete the evaluation questionnaire annually. The Company Secretary compiles the Directors' responses in the evaluation forms and prepares a consolidated report. The report is reviewed at the NC meeting and then reported to the Board.

The evaluation of the Board's performance as a whole deal with matters on Board composition, information flow to the Board, Board procedures and Board accountability. The criteria for the evaluation of individual Director include amongst others, attendance at meetings, Directors' duties and know-how and interaction with fellow Directors. The Board Committees' evaluation deals with the efficiency and effectiveness of each Committee in assisting the Board. Finally, the evaluation of the Board covers the Board contribution to the testing and development of strategy, ensuring effective risk management, the Board's response to problems and crisis etc.

The evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice. The performance evaluation exercise for FY2023 for the Board was conducted at the beginning of the year and the results were presented to the NC for discussion in February 2024. The NC was satisfied that the Board had been effective as a whole and that each and every Director had contributed to the effective functioning of the Board and the Board Committees. In addition, the NC was also satisfied that sufficient time and attention had been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors had multiple board representations.

For FY2023, the Company did not engage any external facilitator for the performance evaluation process of the Board, the Board Committees and the Directors.

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Remuneration Committee and its activities

The RC, regulated by a set of written terms of reference endorsed by the Board, comprises the following three (3) Board members, all of whom including the RC Chairman, are Non-Executive Independent Directors:

Ng Kian Guan
– Chairman, Independent Director
Wong Chee Meng Lawrence
– Member, Independent Director
Wong Loke Tan
– Member, Lead Independent Director [1]

[1] *Mr Wong Loke Tan was appointed as a member of the Remuneration Committee on 16 October 2023.*

During FY2023, the RC conducted activities in line with its terms of reference as set out below.

The RC has adopted written terms of reference defining its membership, administration and duties. Duties and responsibilities of the RC include:

(a) reviewing and recommending to the Board, in consultation with the Chairman of the Board, a remuneration policy framework and guidelines for remuneration of the Board and the CEO and other persons having the authority and responsibility for planning, directing and controlling the activities of the Company ("**key management personnel**"). The RC's recommendations should be submitted for endorsement by the Board;

(b) determining specific remuneration packages for each of the Directors and key management personnel ("**KMP**") covering all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind, and submitting such determination to the Board for approval. In so doing, the RC should take into consideration the following:
   (i) a significant and appropriate proportion of EDs and KMP's remuneration should be structured so as to link rewards to corporate and individual performance;
   (ii) such performance-related remuneration should be aligned with the interests of shareholders and other stakeholders, and promote the long-term success of the Company. It should also take into account the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks;
   (iii) remuneration of Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of such Directors; and
   (iv) Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised;

(c) seeking expert advice inside and/or outside the Company on remuneration of all Directors, if necessary, and ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

(d) reviewing the Company's obligations arising in the event of termination of the EDs and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, and aim to be fair and avoid rewarding poor performance;

(e) recommending targets and measures for assessing the performance of each of the EDs and KMP, for endorsement by the Board;

(f) where long-term incentives schemes have been implemented by the Company, reviewing whether EDs and KMP should be eligible for benefits under the long-term incentives schemes;

(g) periodically considering and reviewing remuneration packages in order to maintain their attractiveness, so as to retain and motivate the Directors and KMP;

(h) considering the implementation of schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of shareholders;

(i) considering relevant sustainability governance aspect(s) that the NC recommends to integrate into the governance of the Company, within the areas and duties and powers of the RC.

The RC reviews and recommends the remuneration of EDs and KMP to the Board for approval. The remuneration policy adopted comprises a fixed and variable component. The fixed component is in the form of base salary while the variable component is in the form of performance bonus which is determined based on performance of the Group and the individual.

The RC, where necessary, may seek advice from external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMP. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2023.

Each member of the RC or any Director abstains from voting on any resolution or participating in any deliberation in respect of his remuneration package and matters in which he has an interest. No director is involved in deciding his own remuneration.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.

The role of the RC is to review and recommend to the Board, in consultation with the Chairman of the Board, a framework of remuneration for the Directors and key executives of the Group, and to determine specific remuneration packages for each ED. The RC's objective is to establish and maintain an appropriate and competitive level of remuneration to attract, retain and motivate Directors and key executives. The Independent Directors receive Directors' fees in accordance with their level of contribution, taking into account factors such as effort and time spent and responsibilities of the Directors.

Remuneration linked to performance

The remuneration for EDs and KMP comprises salaries, allowances, benefits-in-kind 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, and endorsed by the Board. The Company does not have any long-term incentive scheme(s) such as employee share option schemes or performance share plans in place.

Non-executive Directors' fees

Non-Executive Directors (including Non-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 AGM prior to payment. Such annual fees are determined based on the level of skills, responsibilities and commitments required of each Non-Executive Director.

The RC had recommended an amount of S$185,000 as Directors' fees to be paid to the Independent Directors for the financial year ending 31 December 2024. The Board had concurred with the RC's recommendation and this resolution has been tabled for shareholders' approval at the Company's forthcoming AGM. Each of the RC members had abstained from deliberating and voting on his own remuneration.

Remuneration table for Directors and CEO

A breakdown showing the level and mix of each individual Director's and the CEO's remuneration (in bands of S$250,000) for FY2023 is disclosed in the table below:

Name of Director	Remuneration Band	Salary/ Allowance/ Benefits-in-Kind %	Bonus %	Directors' Fees S$	Total %
Executive Chairman					
Ma Zhaoyang	S$750,000 – S$999,999	85	15	-	100
Executive Director & CEO					
Zhang Zengtao	S$500,000 – S$749,999	83	17	-	100
Executive Director					
Chng Beng Hua	S$250,000 – S$499,999	86	14	-	100
Independent Directors					
Wong Loke Tan	S$0 – S$249,999	-	-	45,231	100
Wong Chee Meng Lawrence		-	-	45,000	100
Ng Kian Guan		-	-	45,000	100
Guok Chin Huat Samuel (1)		-	-	27,717	100
David Tan Chao Hsiung (2)		-	-	2,079	100

(1) *Mr Guok Chin Huat Samuel resigned as an Independent Director on 20 July 2023.*

(2) *Mr David Tan Chao Hsiung was appointed as an Independent Director on 15 December 2023.*

Save for the Directors' fees which are disclosed in exact amount above, the remuneration (include remuneration received from the Company and any of its subsidiaries) of each individual Director is disclosed, on a named basis, in bands of S$250,000 with a breakdown in percentage term of the remuneration earned through base/fixed salary, allowances, benefits-in-kind and variable or performance-related bonuses. There were no stock options, share based incentive/awards and other long-term incentives.

The Company has taken into consideration the sensitive and confidential nature of remuneration matters. Taking into consideration the competitive business environment in which it operates, the Board is of the opinion that full disclosure of the Executive Directors' remuneration may be disadvantageous to the Company and its shareholders' interests.

Remuneration Bands of top five (5) key management personnel (who are not Directors or the CEO) [(1)]

Name of Key Management Personnel	Remuneration Band	Salary/ Allowances/ Benefits-in-kind %	Bonus %	Total
Choo Hong Chun [(2)]	S$0 – S$249,999	84	16	100
Chng Tze Sian Milton		84	16	100
Zhao Yuanyuan		86	14	100
Lee Zhen Jesica [(3)]		77	23	100

(1) *The Group had appointed only four (4) key management personnel (who are not Directors or the CEO) in FY2023. Profile of current key management personnel can be found on page 12 of this Annual Report.*

(2) *Mr Choo Hong Chun was appointed as Chief Financial Officer on 3 July 2023.*

(3) *Ms Lee Zhen Jesica resigned as Chief Financial Officer on 4 July 2023.*

The remuneration (include remuneration received from the Company and any of its subsidiaries) of each KMP is disclosed, on a named basis, in bands of S$250,000 with a breakdown in percentage term of the remuneration earned through base/fixed salary, allowances, variable or performance-related bonuses and benefits-in-kind. There were no employee share option (or share incentive) schemes and other long-term incentives.

For FY2023, the aggregate total remuneration paid to the abovenamed top four (4) KMP amounted to S$673,000.

For FY2023, there were no termination, retirement and post-employment benefits granted to Directors and the top four (4) KMP (who are not Directors or the CEO).

Remuneration of employees who are substantial shareholders or are immediate family members of a Director, CEO or substantial shareholder

The table below shows the remuneration of an employee who is an immediate family member of a Director and whose remuneration exceeds S$100,000 for FY2023:

Name	Relationship	Position	Remuneration Band
Chng Tze Sian Milton	Son of Mr Chng Beng Hua	Assistant General Manager (Corporate Affairs)	S$100,001 to S$200,000

Except as disclosed above and the remuneration of Mr Ma Zhaoyang (Executive Chairman and substantial shareholder) and Mr Zhang Zengtao (Executive Director/ CEO and substantial shareholder) whose salary are disclosed in the above remuneration table for Directors and CEO, there is no other employee who is a substantial shareholder of the Company or is an immediate family member of a Director, the CEO or a substantial shareholder of the Company in FY2023.

C. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interest of the Company and its shareholders.

Risk Management

The Board had assessed and decided not to establish a separate Board Risk Committee to carry out its responsibility of helping the Board in the overseeing of the Group's risk management framework and policies. Instead, this responsibility is assumed by the AC. The AC assists the Board in providing oversight of risk management in the Company. The AC is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls, including financial, operational, compliance including sanctions-related risks, and information technology controls and report to the Board its observations on the matters as it considers necessary and makes recommendations to the Board.

The Chief Risk Officer is responsible for the setting up of the Enterprise Risk Management ("**ERM**") system and framework. The ERM framework helps with the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The ERM is reviewed annually by the AC, and Management reports to the Board the key risks indicators and how the risks are addressed.

The ERM system and framework established is embedded in the internal control systems of the Group.

Internal Controls

The Board recognises the importance of maintaining a sound system of internal controls to safeguard the shareholders' interest and investments and the Group's assets. The Board recognises that no cost-effective internal control system will preclude all errors and irregularities, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has internal control systems and processes which it considers to be sufficient having regard to the size of the Group and the complexity of its operations. The Board has also received assurance from:

(a) the CEO and the Chief Financial Officer ("**CFO**") that the financial records have been properly maintained and the financial statements for FY2023 give a true and fair view of the Company's operations and finances; and

(b) the CEO and other KMP who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems are effective in addressing key financial, operational, compliance including sanctions-related risks, and information technology risks.

Board's commentary, with the concurrence of the AC, on the adequacy and effectiveness of internal controls and risk management systems

Based on the internal controls established and maintained by the Group, work performed by the external and internal auditors, reviews performed by Management, various Board Committees and the Board, and the assurance from the CEO and the CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance including sanctions-related risks and information technology controls) and risk management systems were adequate and effective as at 31 December 2023. The Group will review its internal control systems and processes on an on-going basis and make further improvements when necessary.

The Group does not have business operations or business activities in a jurisdiction which is subject to sanctions-related law or regulation, or, due to changes in sanctions law, becomes a sanctioned nation.

The Board and the AC will be (i) responsible for monitoring the Company's risk of becoming subject to, or violating any Sanctions Law; and (ii) ensuring timely and accurate disclosures to the SGX-ST and other relevant authorities.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

Audit Committee and its activities

The AC comprises the following four (4) Board members, all of whom including the AC Chairman, are Non-Executive Independent Directors:

Wong Loke Tan
– Chairman, Lead Independent Director
Wong Chee Meng Lawrence
– Member, Independent Director
Ng Kian Guan
– Member, Independent Director
David Tan Chao Hsiung
– Member, Independent Director [1]

[1] *Mr David Tan Chao Hsiung was appointed as a member of the Audit Committee on 15 December 2023.*

Majority of the AC members have accounting and finance background. At least two (2) members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. The AC

Chairman, Mr Wong Loke Tan, and Mr Ng Kian Guan were previously bankers by profession. Mr Wong remains active in the business community and has accumulated profound accounting and financial knowledge. Mr David Tan Chao Hsiung has over 20 years of experience in the banking and finance industry and has held senior management positions in both local and foreign financial institutions. For more information on the relevance of the AC members' skillset and experience, please refer to the Directors' Profile on pages 10 and 11 of this Annual Report.

During FY2023, the AC conducted activities in line with its terms of reference and its statutory duties prescribed under Section 201B(5) of the Companies Act as set out below.

The duties and responsibilities of the AC under the written terms and reference defining its membership, administration and duties include reviewing and recommendation to the Board on the following:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance, and how these issues were addressed;

(b) reviewing with the external and internal auditors the audit plan, audit procedure, their evaluation of the system of internal accounting controls, their audit report and findings, their letter to Management and Management's response, as well as assistance given by the Company's officers to the auditors;

(c) obtaining assurance from the CEO and CFO that the financial records have been properly maintained and give a true and fair view of the Group's operations and finances;

(d) reviewing the financial statements of the Company including half and full year results before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

(e) reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the external auditors also provide non-audit services to the Company, the AC would keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

(f) reviewing the internal control procedures and ensure co-ordination between the external auditors and Management, and review the assistance given by Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss in the absence of Management at least annually;

(g) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;

(h) overseeing the Group whistleblowing policy and ensuring that the Group publicly discloses and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns and report such significant matters to the Board;

(i) reviewing the adequacy, effectiveness, independence, objectivity, scope and results of the external audit and the Group's internal audit function annually;

(j) considering and nominate the appointment or re-appointment of the external auditors, their remuneration and terms of engagement, and matters relating to the resignation or dismissal of the external auditors;

(k) approving the internal control procedures for interested person transactions to ensure that they are carried out on arm's length basis and on normal commercial terms, and reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual, as well as related party transactions;

(l) reviewing potential conflicts of interest, if any;

(m) reviewing the work by the internal auditors on the internal review and any external assurance of the Company's annual sustainability report; ensuring that sustainability reporting integrates the process of monitoring and control; and reviewing the annual sustainability report before submission to the Board for approval.

(n) reviewing the policy and arrangements for concerns of possible improprieties in sustainability reporting, including its monitoring and control, or other matters to be safely raised, independently investigated and appropriately followed upon;

(o) undertaking such other reviews and projects as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(p) generally undertaking such other functions and duties, including sustainability related matters, as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time;

(q) review at least annually and assessing the adequacy and effectiveness of the internal controls addressing the financial, operational, compliance including sanctions-related risks and sustainability reporting, information technology and risk management;

(r) ensuring timely and accurate disclosures to the SGX-ST and other relevant authorities;

(s) monitoring the Company's risk of becoming subject to, or violating, any sanctions law, assessing whether there is a need to obtain independent legal advice or appointment of a compliance advisor in relation to sanctions-related risks applicable to the Group and continuous monitoring of the validity of the information provided to shareholders and the SGX-ST;

(t) procuring the internal auditors to review and provide recommendations on the Group's cash management procedures, including reviews relating to anti-money laundering controls on the Group's customers and suppliers, on an annual basis;

(u) on an on-going basis, monitoring, reviewing and ensuring the implementation of the external and internal auditors' recommendations on internal controls of the Group, including anti-money laundering;

(v) procuring the external auditors to review and provide recommendations on the Group's cash management procedures, and to carry out a pre-deal anti-money laundering due diligence on the source of funds for any transactions classified under Rules 1014 and 1015 of the Listing Manual;

(w) ensuring that upon completion of the internal controls audit, appropriate disclosure will be made via the SGXNET on any material, price sensitive internal control weakness and any follow up to be taken by the Board; and

(x) reviewing the effectiveness of the risk management systems of the Group, overseeing the Group's risk exposure and risk appetite, formulating and executing the Group's risk assessment and mitigation strategies.

None of the AC members were former partners or directors of the Company's external auditors or hold any financial interest in the external auditors. The AC provides oversight and assists the Board in discharging its statutory and other responsibilities relating to the financial reporting risk and the adequacy and effectiveness of the Group's internal control, risk management and compliance systems. The AC reports to the Board on the results of the audits undertaken by the external and internal auditors, the adequacy and effectiveness of the internal control and risk management.

The internal auditors report directly to the AC on all internal audit matters. The AC will review the internal audit plan to ensure that the scope is adequate and all internal audit findings and recommendations are submitted to the AC for deliberation. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. The internal auditors has unfettered access to all records of the Company. A risk-based internal audit plan, which sets out the areas to be audited by the internal auditors, was reviewed and approved by the AC, before the commencement of the audit work to assess the adequacy and effectiveness of internal controls, regarding areas which are of significant or higher risks to the Group's business activities. The AC reviews the adequacy and effectiveness of the internal audit function at least on an annual basis, and as and when the situation calls for it.

The AC meets with the external and internal auditors at least once a year without the presence of Management to review the adequacy of audit arrangements on the scope, quality and observations of the external and internal audits, and the independence and objectivity of the external auditors. The last private session with the external and internal auditors was held in February 2024.

AC's commentary on the independence, effectiveness and adequacy of the internal audit function

The internal audit function of the Group for FY2023 was carried out by BDO Advisory Pte Ltd, an independent firm, whom the AC opined that it was adequately resourced, including having the appropriate personnel with relevant experience and qualification to perform the assignment for the Company. The outsourced internal audit team is headed by a partner who has more than 25 years of experience in audit and advisory services. He holds Bachelor of Accountancy Degree (Honours) from Nanyang Technological University, Singapore, and is a Chartered Accountant of Institute of Singapore Chartered Accountants and Certified Internal Auditor of the Institute of Internal Auditors ("IIA"). The AC is satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals. The internal audit function follows a global internal audit methodology, which references to the International Standards for the Professional Practice of Internal Auditing, as set by IIA. The internal auditors have unfettered access to the AC and all Company's documents, records, properties and personnel.

The AC, after having reviewed the internal audit reports and remedial actions implemented by Management, the AC was satisfied that the internal audit functions were independent, effective and adequately resourced.

External auditors

The Company has appointed a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit. KPMG LLP was appointed as the Company's external auditors. Ms Teo Han Jo is the audit engagement partner in-charge of the audit of the Company since the financial year ended 31 December 2022.

The AC had reviewed the non-audit services performed by the external auditors for FY2023 and was of the opinion that the provision of such services had not affected the independence of the external auditors. The external auditors had affirmed their independence in this respect. For FY2023, the external auditors were assessed based on the audit quality indicators disclosure framework issued by the Accounting and Corporate Regulatory Authority.

The aggregate amount of fees paid/payable by the Group to the Company's external auditors were as follows:

External Auditors' Fees	FY2023 S$'000	% of total audit fees
Audit Services	1,226	96
Non-Audit Services	48	4
Total audit fees paid	1,274	100

The Company has appointed KPMG LLP Singapore as the auditors of all subsidiaries in Singapore, except for those under liquidation or strike-off as at 31 December 2023.

Other member firms of KPMG International are appointed as auditors of significant foreign-incorporated subsidiaries.

Both the AC and Board had reviewed the appointment of different auditors for the subsidiaries and were satisfied that the appointment of different auditors had not compromised the standard and effectiveness of the audit of the Company and the Group.

The Company also confirmed that foreign-incorporated subsidiaries which were audited by auditors other than KPMG LLP were not significant subsidiaries as defined in the Listing Manual.

The Company has complied with Rule 712 and Rule 715 or 716 of the Listing Manual in relation to its auditors.

In addition, the AC reviewed interested person transactions in accordance with Chapter 9 of the Listing Manual to satisfy itself that the terms of the transactions are on an arm's length basis and are not prejudicial to the interests of the Company and its minority shareholders.

As part of the Group's effort to manage its overall business costs and expenses, the Company has called for a quotation for audit services to be rendered for the financial year ending 31 December 2024.

Upon evaluation of the competitive proposals obtained and after due deliberation, the Board, at the recommendation of the Audit Committee, proposes that Deloitte & Touche LLP be appointed as the auditors of the Company for the financial year ending 31 December 2024 in place of KPMG LLP.

In reviewing the suitability of Deloitte & Touche LLP, the Audit Committee and the Board took into consideration various factors, inter alia, the Audit Quality Indicators Disclosure Framework issued by ACRA, that Deloitte & Touche LLP is a member of the "Big Four" auditing firms in Singapore with experience and adequate resources in auditing public companies whose shares are listed on the Mainboard of SGX-ST, the audit engagement partner assigned to the audit has the appropriate level of experience and there will be an adequate number of suitably experienced supervisory and professional staff assigned to the audit, having due regard to the size, businesses and complexity of the Group. Following the review, the Audit Committee and the Board are of the opinion that Deloitte & Touche LLP will be able to meet the audit requirements of the Company, and Rules 712 and 715 of the Listing Manual will be complied with.

The scope of audit services to be provided by Deloitte & Touche LLP will be comparable to the services currently provided by KPMG LLP.

The appointment of Deloitte & Touche LLP will be effective upon obtaining the approval of Shareholders at the forthcoming AGM.

KPMG LLP will retire and not seek re-appointment as auditors of the Company at the forthcoming AGM, being the end of their current term.

Whistleblowing policy

The Company has put in place a whistleblowing policy which sets out the procedure for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. The Company has committed to ensure that the identity of the whistleblower and the investigation reports and records would be kept confidential. The Company is also committed to ensure the protection of the whistleblower against detrimental or unfair treatment.

The Company has designated the AC as the independent function to investigate whistleblowing reports made in good faith. The AC may also obtain expert professional advice whenever there is a need to consult externally, at the expense of the Company.

The AC is responsible for the oversight and monitoring of the whistleblowing policy. There were no whistleblowing reports received in FY2023.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected.

The Company is committed to provide shareholders with adequate, timely and sufficient information relating to changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares. The Company will ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders will be informed of rules, including voting procedures that govern general meetings of shareholders. Shareholders are given the opportunity to participate in the question and answer sessions.

The Board (including the Chairman of the respective Board Committees), Management, as well as the external auditors will attend the Company's AGM to address any questions that the shareholders may have. The Directors' attendance at AGM is disclosed at Principle 1 above.

The Company will generally avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one (1) significant proposal.

The Company allows all individual and corporate shareholders to appoint up to two (2) proxies to attend general meetings and vote on their behalf. For corporations which provide nominee and custodial services and the Central Provident Fund ("**CPF**") Board, they are allowed to appoint more than two (2) proxies to attend the general meetings. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, can also inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy.

The Company will also prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and will make such minutes available to shareholders by posting the minutes on the Company's website and SGXNET within the prescribed timeframe.

All resolutions put to the vote at the forthcoming AGM will be voted on by poll (in compliance with Rule 730A(2) of the Listing Manual) and the detailed results of the poll will be announced via SGXNET. Polling may be conducted in manual or electronic form. In determining which polling mode to take, the Company will take into consideration the turnout at general meetings and the relevant costs involved for each polling mode. An independent scrutineer is appointed for each general meeting to ensure that proper voting process is in place and to direct, supervise and validate the vote count.

Presently, the Company's Constitution does not provide for absentia voting at general meetings except that the instrument of proxy may be submitted by electronic communication. It is market sentiment that presently, security and integrity issues are of concern. Nevertheless, the Company may consider amending its Constitution to allow for absentia voting when the practice is more prevalent and/or adopt absentia voting when relevant legislative changes have been effected.

The notice of AGM and proxy form are published on SGXNET and Company's website within the stipulated timeline. Registration procedures to attend the AGM and submission of proxy forms are explained in the notice of AGM and proxy forms. Shareholders who wish to vote appointed the Chairman of the meeting as their proxy to vote on their behalf.

Dividend policy

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared will take into consideration the Group's profit growth, cash position, cash flows generated from operations, projected capital requirements for business growth and other factors as the Board deems appropriate. The Board does not recommend any payment of dividend for FY2023 as the Board deems it appropriate to conserve cash for reinvesting its earnings for new projects in the cement business.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Directors regard general meetings of the shareholders as an opportunity to communicate directly with shareholders and encourage greater shareholder participation. Shareholders have the opportunity to participate effectively in and to vote at general meetings of shareholders to ensure a high level of accountability and to stay informed of the Group's plan.

The Board ensures that shareholders are informed of all major developments that impact the Group. The Company ensures timely and adequate disclosure of information on material matters required by the Listing Manual through announcements via the SGXNET.

The Company does not practice selective disclosure of material information. The Company currently does not have a formalised written investor relations policy but has in place designated investor relations personnel to advise on the appropriate disclosure requirements and regularly conveys pertinent information to shareholders to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Information is communicated to shareholders on a timely basis through SGXNET and other information channels, including a well-maintained and updated corporate website. All materials on the financial results, annual reports, sustainability reports, letter to shareholders, minutes of general meetings and press releases are available on the Company's website. A press release accompanies the results announcement for better investor communication. The Company engages an external investor relations ("**IR**") consultant – GC Consultants Pte Ltd. The IR contact details are published in each press release. The Company's corporate website also has a dedicated IR section which shareholders may access for information on its announcements and publications.

The Company also provides Company's email address on the corporate website through which shareholders may contact the Company with their questions.

Principle 13: Managing Stakeholders Relationships

The Board adopts an inclusive approach by considering and balancing the needs and interest of material stakeholders, as part of its overall responsibility to ensure that the best interest of the Company are served.

The Company values transparent and timely communication with the stakeholders. To ensure that stakeholders are kept informed of the Group's developments and performance, timely and adequate disclosures are made to the public via the SGXNET in compliance with SGX-ST guidelines. Shareholders and investors can contact the Company or access information on the Company at its website at https://internationalcementgroup.com/ which provides the information on the Company, Board of Directors, Management team, corporate structure, announcements, stock information, press release and financial results as released by the Company on SGXNET.

SUSTAINABILITY REPORTING

The Company considers relevant environmental, social, and governance ("**ESG**") risks and opportunities to strengthen business sustainability. The Company has published its FY2023 Sustainability Report concurrently with the announcement of this Annual Report. The Sustainability Report is publicly accessible through the Company's website as well as on SGXNET, and it should be read in conjunction with the Annual Report presented here.

The Sustainability Report sets out the Group's sustainability practices with reference to the primary components on (i) material ESG factors; (ii) climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures; (iii) policies, practices and performance; (iv) targets; (v) sustainability reporting framework; and (vi) Board statement and governance structure in relation to the sustainability practices. Please refer to the Sustainability Report for the detailed disclosures.

ADDITIONAL INFORMATION

E. DEALING IN SECURITIES

The Company has adopted an internal compliance code that meets the requirement of Rule 1207(19) of the Listing Manual with respect to dealings in securities by the Company, its Directors and officers of the Group. In FY2023, the Company, its Directors and officers who had access to price-sensitive, financial or confidential information were prohibited to deal in the Company's shares during the period commencing one (1) month before the half and full year announcement and ending on the date of announcement of such financial results.

The Company, its Directors and officers of the Group are also required to observe insider trading laws at all times even when dealing in securities within permitted trading period. In addition, the Directors and officers of the Group are discouraged from dealing in the Company's securities on short term considerations.

F. INTERESTED PERSON TRANSACTIONS

The Company had established internal procedures for the monitoring and review of interested person transactions. The AC and the Board ensure that interested person transactions are conducted fairly on arms' length basis, and are not prejudicial to the interests of the Company and its minority shareholders.

The AC and Board reviewed all interested party transactions for FY2023 and was satisfied that the aggregate value of the transactions is below the threshold level as set out in Chapter 9 of the Listing Manual and do not require announcement or shareholders' approval.

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S$100,000)
Mr Juraev Rajab Davlatovich [1] - provision of transportation services to subsidiaries	Controlling shareholder of non-controlling interests of subsidiary of the Group	S$641,000	NA

Note:

[1] *Interested person transactions are with companies which are wholly owned by Mr Juraev Rajab Davlatovich, who is a Tajikistan national and the owner of Dastoni Mohir LLC, a corporation established in Tajikistan which holds 35% participation interest in the Group's subsidiaries, International Manufacturing Company Chzhungtsai Mohir Cement LLC, Mohir Cement LLC and Mohir Investment LLC.*

G. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, each Director or controlling shareholders during the financial year that is required to be disclosed under Rule 1207(8) of the Listing Manual.

H. USE OF PROCEEDS

On 3 June 2019, the Company issued and allotted 70,916,430 new ordinary shares in the capital of the Company under the confirmed tranche pursuant to a conditional placement agreement dated 9 May 2019 for an issue price for each placement share of S$0.045 (the "**Placement**") amounting to S$3,191,000. On 21 June 2019, the Company was informed by the SGX-ST that the SGX-ST was not satisfied that the source of funds for the Placement originating from the placee and that the placement was funded by undisclosed sources. The approval-in-principle granted on 21 May 2019 by the SGX-ST for the listing and quotation of placement shares had lapsed and the SGX-ST would not allow the listing of the 70,916,430 Placement shares to proceed. Accordingly, these shares were not listed on the SGX-ST as of 31 December 2023.

Subsequent to year end, on 2 January 2024, following the Company's re-application to SGX-ST on 14 December 2023, SGX-ST granted the Company an in principle approval in a reply letter in relation to the listing and quotation of the Placement shares subject to certain conditions. The Placement shares were successfully listed and quoted on the Main Board of the SGX-ST on 8 January 2024.

As at 31 December 2023, the Group had not utilised the proceeds from the Placement.

MAJOR PROPERTIES HELD BY THE GROUP

As at 31 December 2023

Owned by	Location & description of property	Tenure	Land area (sq. metres)	Built-up (sq. metres)
Compact Bricks Sdn. Bhd.	Land and aluminium factory located at PTD 32680, HSD 64234, Mukim of Bukit Batu, Kulai, Johor, Malaysia.	21 years till 30/10/2042	40,464	17,030
International Manufacturing Company Chzhungtsai Mohir Cement LLC	Land and building located at 19 Promzona Street, Dahana Town, Yovon District, Khatlon Region, Tajikistan.	Freehold	247,950	11,433
Mohir Cement LLC	Land and building located at Industrial Zone, Village Council of Madaniyat Village, Jaloliddin Balkhi District, Khatlon Region, Tajikistan.	Freehold	60,770	14,578
Alacem LLP	Land and building located at No. 1, 8-th km, Kyzylzhar Shosse, Kerbulak District, Kyzylzhar Village, Almaty Oblast, Kzakhstan.	Freehold	400,000	64,200
Sharcem LLP	Land and building located at No. 20, Zhanazhol Street, Konyrbiik Village, Karasu Rural District, Zharma District, East Kazakhstan Region, Kazakhstan.	Freehold	1,249,037	65,900
Korcem LLP	Land and building located at No. 148, St. Baydibek, Korday Village, Korday District, Zhambyl Region, Kazakhstan.	10 years till 28/02/2033	500,000	4,325
Jetysu Terminal LLP	Land located at No. 141, Kerbulak District, Sary-Ozek Village, Sary-Ozek Rural District, Almaty Oblast, Kazakhstan.	46 years till 17/05/2068	600,000	–

Contents

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages 57 to 120 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to the matters disclosed in Note 2, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Ma Zhaoyang
Zhang Zengtao
Chng Beng Hua
Wong Loke Tan
Wong Chee Meng Lawrence
Ng Kian Guan
David Tan Chao Hsiung (Appointed on 15 December 2023)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of the directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the financial year	Holdings at end of the financial year
The Company		
Ma Zhaoyang		
Ordinary shares		
- deemed interests	1,467,500,000	1,467,500,000
Zhang Zengtao		
Ordinary shares		
- interests held	217,500,000	217,500,000
- deemed interests	3,150,000,000	3,150,000,000
Chng Beng Hua		
Ordinary shares		
- interests held	14,500,000	14,500,000
- deemed interests	5,000,000	5,000,000
Ng Kian Guan		
Ordinary shares		
- interests held	10,000,000	10,000,000

Directors' interests (Cont'd)

By virtue of Section 7 of the Act, Ma Zhaoyang and Zhang Zengtao were deemed to have interests in the subsidiaries of the Company at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2024.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Wong Loke Tan	(Chairman), Lead Independent, Non-Executive Director
Wong Chee Meng Lawrence	Independent, Non-Executive Director
Ng Kian Guan	Independent, Non-Executive Director
David Tan Chao Hsiung	Independent, Non-Executive Director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held two meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees. The Audit Committee had reviewed the independence of the auditors, KPMG LLP, and determined that the auditors were independent in carrying out their audit of the financial statements for the current financial year.

The Audit Committee has made its recommendations to the Board of Directors and the Board of Directors is satisfied with the proposed appointment of Deloitte & Touche LLP as external auditors of the Company in place of the retiring auditors, KPMG LLP, at the forthcoming 2024 Annual General Meeting of the Company.

Audit Committee (Cont'd)

In appointing the auditors for the Company and its subsidiaries, the Company has complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The retiring auditors, KPMG LLP, will not be seeking re-appointment. Deloitte & Touche LLP has been nominated to be the auditor for the ensuing year. The appointment of Deloitte & Touche LLP is subject to shareholder's approval at the forthcoming 2024 Annual General Meeting.

On behalf of the Board of Directors

Zhang Zengtao
Director

Chng Beng Hua
Director

5 April 2024

INDEPENDENT AUDITORS' REPORT

Members of the Company
International Cement Group Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of International Cement Group Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 57 to 120.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE KEY AUDIT MATTER	HOW WAS THE MATTER ADDRESSED IN OUR AUDIT
Going concern *(Refer to Note 2 to the financial statements)*	
The Group has significant non-current trade and other payables of $89,836,000, and loans and borrowings of $8,871,000, which are due within the next twelve months from the date of the financial statements and capital commitments of $69,664,000 as at 31 December 2023. Furthermore, the Company is in a net current liabilities position of $19,949,000 as at 31 December 2023. As such, conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern exist as at the date of our report. Management has performed an assessment of the Group's ability to continue to adopt the going concern basis of accounting.	Our key procedures performed include the below, amongst others: • reviewing the cash flow projection prepared by the management covering period of at least twelve months from the date of the financial statements and assessing whether the assumptions used in the cash flow projection are in-line with the business practice and in accordance with the contractual arrangements, if any, with customers or suppliers;

Key audit matters (Cont'd)

THE KEY AUDIT MATTER	HOW WAS THE MATTER ADDRESSED IN OUR AUDIT
Going concern (Cont'd) *(Refer to Note 2 to the financial statements)*	
As disclosed in Note 2, having considered the future cash flows from the Group's operating activities, the financing arrangements obtained by the Group from the suppliers, the financial institution and the financial support from the substantial shareholders of the Group, management believes that the Group can continue as a going concern for at least the next twelve months from the date of our report and that there is no material uncertainty related to going concern. The going concern assessment involves significant judgements and consideration of future events.	• reviewing deferral agreements and loan extension agreements supporting the Group's financing plans; and • reviewing the adequacy of the related disclosures in Note 2 describing management's assessment of the Group's ability to continue to adopt the going concern basis of accounting.
Impairment assessment of non-financial assets *(Refer to Notes 4.9(ii), 5 and 6 to the financial statements)*	
The Group's net asset value exceeded its market capitalisation by $141.2 million (2022: $119.4 million) as at 31 December 2023. This indicates that non-financial assets may be impaired. The Group tests for impairment when there are indicators that the carrying amounts of the non-financial assets may not be recoverable. In particular, the Group's assets include significant amounts of goodwill and subsoil rights, which are allocated to the cash generating unit ("CGU") of International Manufacturing Company Chzhungtsai Mohir Cement LLC and its operating subsidiary. These intangible assets are tested for impairment annually by estimating the recoverable amount of the CGU. The estimation of recoverable amount involves significant assumptions in relation to the estimated future cash flows derived which are subject to market and regulatory developments. The cash flows are sensitive to key assumptions relating to forecasted revenue growth rates, forecasted profit margins, terminal growth rates and discount rates.	Our key procedures performed include the below, amongst others: • evaluating controls designed and applied by the Group to ensure that its impairment analysis is appropriately undertaken and reviewed; • discussing with management and evaluated their determination of CGU; • reviewing the key assumptions relating to the estimated future cash flows, by considering discussions with management and considering historical performance against budgets. We also compared the terminal growth rate and discount rates to available industry data; and • reviewing the disclosures in describing the inherent degree of estimation uncertainty and key assumptions applied.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Members of the Company
International Cement Group Ltd.

Key audit matters (Cont'd)

<table>
<tr><th>THE KEY AUDIT MATTER</th><th>HOW WAS THE MATTER ADDRESSED IN OUR AUDIT</th></tr>
<tr><td colspan="2">Completeness of property, plant and equipment and related depreciation

(Refer to Notes 4.4 and 5 to the financial statements)</td></tr>
<tr><td>As the Group continues to expand its cement business, the Group incurs significant capital expenditure for the construction of its property, plant and equipment ("PPE") in Tajikistan and Kazakhstan.

The Group relies on the expertise of quantity surveyors of its contractors, and internal and external documentation in estimating the total incurred cost of construction of PPE.

The Group evaluates the useful lives of PPE at the end of each reporting period to reflect changes in the expected level of usage and technological developments observed.

As at each reporting date, significant judgement is involved in determination of total cost of construction of PPE incurred to date, timing of recognition of such assets, determination of applicable useful lives, the commencement of depreciation, and changes in the costs and deprecation of PPE as a result of the modification of contracts.</td><td>Our key procedures performed include the below, amongst others:

• inspecting additions of PPE during the year, on a sample basis, to supporting documents such as invoices, delivery notes and contracts, where applicable;

• obtaining confirmations, on a sample basis, from suppliers and main contractors for payable and accrued balances as at reporting date;

• reviewing correspondences and supplementary agreements with counterparties on contract cost modifications for PPE, where applicable; and

• assessing the reasonableness of the useful lives determined by the Group and reviewing the triggers which led to revision of useful lives, if any.</td></tr>
</table>

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Financial Highlights, Corporate Structure, Message to Shareholders, Board of Directors, Key Executives, Operations and Financial Review, Corporate Social Responsibility, Corporate Information, Corporate Governance Report, Major Properties Held by the Group, Directors' Statement and Shareholding Statistics prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Responsibilities of management and directors for the financial statements (Cont'd)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Members of the Company
International Cement Group Ltd.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Teo Han Jo.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
5 April 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current assets					
Property, plant and equipment	5	440,067	356,883	483	462
Intangible assets and goodwill	6	32,507	38,247	–	–
Investment properties		128	138	–	–
Subsidiaries	7	–	–	176,009	176,009
Trade and other receivables	8	5,537	13,078	66,385	69,726
Contract assets	18	335	327	–	–
Deferred tax assets	17	2,023	2,159	–	–
		480,597	410,832	242,877	246,197
Current assets					
Inventories	9	40,942	37,441	–	–
Trade and other receivables	8	27,888	24,878	56	39
Contract assets	18	1,607	2,747	–	–
Cash and cash equivalents	10	6,478	11,632	185	49
		76,915	76,698	241	88
Total assets		557,512	487,530	243,118	246,285
Equity attributable to owners of the Company					
Share capital	11	276,824	276,824	198,647	198,647
Capital reserve	12	(15,497)	(19,838)	10,173	5,832
Currency translation reserve	12	(37,201)	(27,196)	–	–
Accumulated profits/(losses)	12	20,314	4,166	(18,012)	(11,994)
		244,440	233,956	190,808	192,485
Non-controlling interests	13	46,578	55,322	–	–
Total equity		291,018	289,278	190,808	192,485
Non-current liabilities					
Loans and borrowings	14	31,838	38,466	31,838	38,466
Trade and other payables	15	147,427	77,844	249	242
Provisions	16	2,103	3,163	33	15
Deferred tax liabilities	17	12,405	12,788	–	–
		193,773	132,261	32,120	38,723
Current liabilities					
Loans and borrowings	14	5,301	3,416	–	–
Tax payable		5,074	209	–	–
Trade and other payables	15	56,575	60,247	20,190	15,077
Contract liabilities	18	5,399	1,837	–	–
Provisions	16	372	282	–	–
		72,721	65,991	20,190	15,077
Total liabilities		266,494	198,252	52,310	53,800
Total equity and liabilities		557,512	487,530	243,118	246,285

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue	18	257,398	225,195
Cost of sales		(167,428)	(131,352)
Gross profit		89,970	93,843
Other income		3,279	1,991
Selling and distribution expenses		(1,397)	(2,723)
Administrative expenses		(41,850)	(30,230)
(Provision for)/Reversal of loss allowance on trade and other receivables and contract assets		(548)	175
Other expenses		(3,933)	(13,312)
Results from operating activities		45,521	49,744
Finance income	19	5,816	51
Finance costs	19	(3,743)	(3,115)
Net finance income/(costs)		2,073	(3,064)
Profit before tax	20	47,594	46,680
Tax expense	21	(18,540)	(7,850)
Profit for the year		29,054	38,830
Profit attributable to:			
Owners of the Company		16,148	28,940
Non-controlling interests	13	12,906	9,890
Profit for the year		29,054	38,830
Earnings per share (cents)			
Basic earnings per share	22	0.28	0.50
Diluted earnings per share	22	0.28	0.50

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Profit for the year		29,054	38,830
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		(13,843)	10,600
		(13,843)	10,600
Other comprehensive income for the year, net of tax		(13,843)	10,600
Total comprehensive income for the year		15,211	49,430
Total comprehensive income attributable to:			
Owners of the Company		6,143	35,587
Non-controlling interests	13	9,068	13,843
Total comprehensive income for the year		15,211	49,430

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Note	Share capital $'000	Capital reserve $'000
At 1 January 2022		276,824	4,544
Total comprehensive income for the year			
Profit for the year		–	–
Other comprehensive income			
Foreign currency translation differences – foreign operations		–	–
Total other comprehensive income		–	–
Total comprehensive income for the year		–	–
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Dividends declared to non-controlling interest	12	–	–
Fair value adjustments on loans from major shareholders	14	–	1,692
Total contributions by and distributions to owners		–	1,692
Changes in ownership interests in subsidiaries			
Acquisition of subsidiary with non-controlling interest		–	–
Acquisition of non-controlling interest without a change in control		–	(26,074)
Total changes in ownership interests in subsidiaries		–	(26,074)
Total transactions with owners		–	(24,382)
At 31 December 2022		276,824	(19,838)
At 1 January 2023		276,824	(19,838)
Total comprehensive income for the year			
Profit for the year		–	–
Other comprehensive income			
Foreign currency translation differences – foreign operations		–	–
Total other comprehensive income		–	–
Total comprehensive income for the year		–	–
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Dividends declared to non-controlling interests	12	–	–
Fair value adjustments on loans from major shareholders	14	–	4,341
Fair value adjustment on loan to non-controlling interest		–	–
Total contributions by and distributions to owners		–	4,341
Total transactions with owners		–	4,341
At 31 December 2023		276,824	(15,497)

The accompanying notes form an integral part of these financial statements.

Currency translation reserve $'000	Accumulated (losses)/ profits $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
(33,899)	(23,211)	224,258	48,294	272,552
–	28,940	28,940	9,890	38,830
6,647	–	6,647	3,953	10,600
6,647	–	6,647	3,953	10,600
6,647	28,940	35,587	13,843	49,430
–	–	–	(8,346)	(8,346)
–	–	1,692	–	1,692
–	–	1,692	(8,346)	(6,654)
–	–	–	24	24
56	(1,563)	(27,581)	1,507	(26,074)
56	(1,563)	(27,581)	1,531	(26,050)
56	(1,563)	(25,889)	(6,815)	(32,704)
(27,196)	4,166	233,956	55,322	289,278
(27,196)	4,166	233,956	55,322	289,278
–	16,148	16,148	12,906	29,054
(10,005)	–	(10,005)	(3,838)	(13,843)
(10,005)	–	(10,005)	(3,838)	(13,843)
(10,005)	16,148	6,143	9,068	15,211
–	–	–	(16,555)	(16,555)
–	–	4,341	–	4,341
–	–	–	(1,257)	(1,257)
–	–	4,341	(17,812)	(13,471)
–	–	4,341	(17,812)	(13,471)
(37,201)	20,314	244,440	46,578	291,018

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Profit for the year		29,054	38,830
Adjustments for:			
Amortisation of intangible assets	20	2,644	2,650
Bad debts written off	20	280	–
Depreciation of property, plant and equipment	20	12,587	13,785
Finance costs	19	3,743	3,115
Finance income	19	(5,816)	(51)
Gain on disposal of property, plant and equipment	20	(7)	(13)
Impairment loss on property, plant and equipment	20	1	784
Impairment loss on intangible assets	20	–	2,331
Provision for/(Reversal of) loss allowance on trade and other receivables and contract assets	24	548	(175)
Provision for/(Reversal of) onerous contracts	20	28	(119)
Provision for/(Reversal of) warranties	20	44	(22)
Unrealised exchange (gain)/loss	20	(1,279)	7,986
Write-down/(Write-back) of inventories	20	244	(426)
Write-off of property, plant and equipment	20	655	875
Tax expense	21	18,540	7,850
		61,266	77,400
Changes in:			
- inventories		(4,889)	(7,540)
- contract assets		927	(888)
- trade and other receivables		(175)	(5,148)
- contract liabilities		3,749	(767)
- trade and other payables		22,813	5,751
Cash generated from operations		83,691	68,808
Tax paid		(4,810)	(4,818)
Net cash from operating activities		78,881	63,990
Cash flows from investing activities			
Acquisition of property, plant and equipment	(i)	(38,740)	(47,637)
Acquisition of intangible assets		–	(126)
Decrease in deposits pledged		57	–
Interest received		67	51
Loan to non-controlling interest	8	(4,098)	–
Proceeds from disposal of investment in subsidiary, net of cash disposed of		–	521
Proceeds from disposal of property, plant and equipment		155	61
Net cash used in investing activities		(42,559)	(47,130)

	Note	2023 $'000	2022 $'000
Cash flows from financing activities			
Acquisition of non-controlling interest		(17,928)	(7,669)
Dividends paid to non-controlling interests		(17,075)	(8,081)
Withholding tax paid on dividends declared by a subsidiary	21	(3,690)	(3,072)
Interest paid	14	(1,479)	(1,694)
Payment of lease liabilities	14	(401)	(372)
Proceeds from loans from major shareholders	14	–	7,523
Proceeds from loans from non-controlling interest	14	2,235	–
Repayment of loans from major shareholders	14	(2,958)	(4,152)
Net cash used in financing activities		(41,296)	(17,517)
Net decrease in cash and cash equivalents		(4,974)	(657)
Cash and cash equivalents at beginning of the year		11,531	12,283
Effect of exchange rate fluctuations on cash held		(123)	(95)
Cash and cash equivalents at end of the year	10	6,434	11,531

(i) Reconciliation of cashflows used in acquisition of property, plant and equipment

	Note	2023 $'000	2022 $'000
Acquisition of property, plant and equipment	5	–	1,396
Additions of property, plant and equipment, excluding right-of-use assets	5	138,322	92,061
Additions of restoration costs	16	–	(3,052)
Change in prepayments for property, plant and equipment	8	(6,371)	922
Change in payables for property, plant and equipment (refer to (ii))	14	(88,050)	(38,847)
Fair value adjustments on long-term payables of property, plant and equipment	20	(4,091)	–
Interest capitalised on property, plant and equipment		–	(1,692)
Translation differences on consolidation		(1,070)	(3,151)
		38,740	47,637

(ii) Significant non-cash transactions

During the year, an indirect subsidiary and its Engineering, Procurement and Construction ("EPC") contractor modified the construction contracts resulting in a reduction in construction costs of $26,111,000 which was recognised in 2022 as property, plant and equipment and payables for purchase of property, plant and equipment (Note 5).

During 2022, an indirect subsidiary remitted a portion of the dividends declared to non-controlling interest amounting to $3,416,000 to another indirect subsidiary instead, and this was accounted for as loans from non-controlling interest (Note 14).

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 5 April 2024.

1 Domicile and activities

International Cement Group Ltd. (the "Company") is incorporated in Singapore. The address of the Company's registered office is 100 Tras Street, #18-01 100 AM, Singapore 079027.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is primarily involved in: (i) the production, sale and/or distribution of cement and related products; (ii) the undertaking of aluminium architectural contracts and engineering works and sub-contracting of building construction projects, manufacture of aluminium extrusions and supply of all such related products; and (iii) the production and/or sale of gypsum plasterboards and related products.

2 Going concern

As at 31 December 2023, while the Group is in net current assets position of $4,194,000, it has outstanding loans and borrowings of $8,871,000 and non-current trade and other payables arising substantially from the construction of the cement plants of $89,836,000 which are due within the next twelve months from the date of authorisation of the financial statements. Furthermore, the Group has significant capital commitments of $69,664,000 as at 31 December 2023 (Note 27). The Company is in a net current liabilities position of $19,949,000 (2022: $14,989,000) as at 31 December 2023. These indicators raise concern on the ability of the Group and the Company to continue as a going concern.

Management and directors of the Company, having assessed the available sources of liquidity and funding, believe that the Group and the Company can continue as a going concern for the foreseeable future. This is premised on the following factors, amongst others:

(i) The Group expects to continue to generate positive cash flows from its continuing operations, at least, for the next 12 months from the date of authorisation of the financial statements;

(ii) Subsequent to year end, the Group obtained deferral agreements from:

   (a) an EPC contractor deferring capital expenditures of United States dollar ("USD") 50,000,000 (equivalent to $65,930,000), expected to be incurred in 2024, to be settled from mid-2025 in quarterly settlements over three years; and
   (b) certain suppliers for the payables of USD35,612,000 (equivalent to $47,022,000) to be due in early 2026;

(iii) Subsequent to year end, the Group successfully obtained a 3-years revolving credit line of Chinese Yuan ("CNY") 50,000,000 (equivalent to $9,290,000) at an interest rate of 3.7% per annum through a subsidiary in Kazakhstan;

(iv) The substantial shareholders of the Company have extended the loans repayment amounting to CNY50,000,000 (equivalent to $9,290,000) to 2027 and undertaken to continue to provide financial and other support as necessary to enable the Group and Company to continue to trade and to meet its obligations as and when they fall due.

Having regard to the above, management has reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence for at least the next twelve months from the date of authorisation of the financial statements.

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The changes to material accounting policies are described in Note 3.5.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Note 5 – Cost of construction of property, plant and equipment

Significant judgement is used to estimate the total incurred cost of construction of property, plant and equipment as at each reporting date. In making these estimates, management has relied on the expertise of quantity surveyors of EPC contractors, and both internal and external documentation. The estimated cost of construction is reviewed at the end of each reporting period and adjusted where necessary, with the corresponding adjustments to the cost of property, plant and equipment and the cumulative depreciation from the date that the asset was completed and ready for use being recognised on the date that the change has occurred.

Note 5 – Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 50 years. The carrying amounts of the Group's property, plant and equipment are set out in Note 4. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; therefore future depreciation charges could be revised.

During 2022, useful lives of property, plant and equipment were revised (Note 5).

Notes 5 and 6 – Impairment of non-financial assets

The Group determines whether there are any indicators of impairment for all non-financial assets, except goodwill, at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Notes 5 and 6 – Impairment of non-financial assets (Cont'd)

This requires an estimation of the fair value or value in use of the Group's individual assets or cash-generating units. Estimating the fair value requires the Group to estimate the amount for which the asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from each asset or cash-generating unit and also to determine a suitable discount rate in order to derive the present value of those cash flows. The expected cash flows in an emerging market environment can be inherently judgemental, and subject to political and regulatory risks.

Note 7 – Impairment of subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that the Company's investments in subsidiaries are impaired. This assessment takes into account the operating performance of the subsidiaries, changes in the technological, market, economic or legal environment in which the subsidiaries operate and changes to the market interest and foreign exchange rates. During the year, no impairment indicators were identified for the Company's investments in subsidiaries.

Note 16 – Provision for restoration costs

Provision for restoration costs is based on the best estimate of the costs to be incurred provided by external consultants and the scope of works agreed with the lessors or based on legislative requirements. Given the complexities involved in carrying out the restoration work on certain sites in the longer run, the actual costs may vary from the estimate. An increase in the Group's provision for restoration costs would increase the Group's cost of sales and increase non-current liabilities.

Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, there were no specific significant judgements made by management.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

3 Basis of preparation (Cont'd)

3.4 Use of estimates and judgements (Cont'd)

Measurement of fair values (Cont'd)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 24 – financial instruments.

3.5 Changes in material accounting policies

New standards and amendments

The Company has applied the following SFRS(I)s, amendments to and interpretations to SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimate*
- Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*

The application of these standards and amendments to standards does not have a material effect on the financial statements.

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or any other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I)1 – 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change.

Global minimum top-up tax

The Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ('OECD'), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, the amendments have no impact on the Group as the Group's consolidated revenue is less than EUR 750 million/year and it is not in scope of the Pillar Two model rules.

Material accounting policy information

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

3 Basis of preparation (Cont'd)

3.5 Changes in material accounting policies (Cont'd)

New standards and amendments (Cont'd)

Material accounting policy information (Cont'd)

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 4 – Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

4 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 3.5, which addresses changes in accounting policies.

4.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (Note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

4 Material accounting policies (Cont'd)

4.1 Basis of consolidation (Cont'd)

(i) Business combinations (Cont'd)

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary, and are recorded as part of 'capital reserve' in equity.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iv) Acquisitions from entities under common control

Business combinations that involve entities under common control are excluded from the scope of SFRS(I) 3. Where the Company is a newly formed entity that becomes the new parent of another entity in the Group and:

- the Company issues equity instruments as consideration in the restructuring;
- there is no change in the Group's assets or liabilities as a result of the restructuring; and
- there is no change in the interest of the shareholders, either absolute or relative, as a result of the restructuring.

The Company has elected to measure the investment in the subsidiary at cost which is determined as its share of total equity shown in the separate financial statements at the date of the restructuring.

(v) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

4 Material accounting policies (Cont'd)

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis depending on whether foreign currency movements are in a net gain or net loss position. Foreign currency gains and losses are recorded in 'other income' and 'other expenses' respectively, in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ("OCI"). However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of that monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the currency translation reserve in equity.

4.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

For interest-free loans with related parties, the difference between the fair value and face value of the loans represents transactions with owners in the Group's financial statements.

4 Material accounting policies (Cont'd)

4.3 Financial instruments (Cont'd)

(i) Recognition and initial measurement (Cont'd)

Non-derivative financial assets and financial liabilities (Cont'd)

The difference between the fair value and face value of the loans to/from subsidiaries represents a contribution from the Company/a return of investment to the Company, and is recognised as additional investment/against the cost of investment in the subsidiaries in the Company's separate financial statements.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

4 Material accounting policies (Cont'd)

4.3 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

The difference between the new and old fair value of loan from major shareholders arising from significant modifications to the cash outflows and significant changes to the repayment terms, i.e. modification gain/loss will be accounted for as adjustments to transactions with owners in the Group's financial statements.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

4 Material accounting policies (Cont'd)

4.3 Financial instruments (Cont'd)

(iii) Derecognition (Cont'd)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asst is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

Modifications to interest-free loans to subsidiaries resulting in derecognition of financial assets are accounted for as adjustments to deemed return of investment in the subsidiaries in the Company's separate financial statements.

Financial liabilities

The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss.

Modifications to interest-free loans from related parties resulting in derecognition of financial liabilities are accounted for as adjustments to transactions with owners representing a return of investment in the Company in the Group's financial statements.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

4 Material accounting policies (Cont'd)

4.3 Financial instruments (Cont'd)

(vii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

4.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset are those borrowing costs that would have been avoided if the expenditure on the asset had not been made. When the Group borrows funds specifically for the purpose of obtaining a particular asset, the borrowing costs that directly relate to that asset can be readily identified, including foreign exchange gains or losses. Foreign exchange losses of borrowings which are not in the respective Group entities' functional currency can be capitalised in the asset to the extent that they are regarded as an adjustment to interest costs, i.e. the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred for foreign currency borrowings. The Group determines the amount of foreign exchange differences based on either interest rates on similar borrowings in the Group entity's functional currency, or forward currency rates at the inception of the loan. The amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expense that would have been incurred had the Group entity borrowed in its functional currency.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

4 Material accounting policies (Cont'd)

4.4 Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold properties	2 to 46 years
• Freehold building	10 to 50 years
• Plant and machinery	4 to 30 years
• Furniture and fittings	2 to 15 years
• Motor vehicles	5 to 20 years
• Computers	2 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

4.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 4.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Computer software, subsoil rights and licences are accounted for as intangible assets with finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

• Computer software	2 to 10 years
• Subsoil rights	5 to 30 years
• Licence	20 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

4 Material accounting policies (Cont'd)

4.6 Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in revaluation reserve is transferred to accumulated profits.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

4.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

4 Material accounting policies (Cont'd)

4.7 Leases (Cont'd)

(i) As a lessee (Cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'trade and other payables' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leasehold properties, plant and machinery, and motor vehicles. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks or rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property, plant and machinery and motor vehicles under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

4 Material accounting policies (Cont'd)

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The write-down of inventories to net realisable value is included in 'cost of sales' in profit or loss.

4.9 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- contract assets.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

4 Material accounting policies (Cont'd)

4.9 Impairment (Cont'd)

(i) Non-derivative financial assets and contract assets (Cont'd)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

4 Material accounting policies (Cont'd)

4.9 Impairment (Cont'd)

(ii) Non-financial assets (Cont'd)

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Restoration costs

Restoration costs relate to the cost of dismantling and removing assets and restoring the premises to its original condition:

- as stipulated in the lease agreements – the Group expects to incur the liability upon termination of the leases; or
- in accordance with applicable legal requirements – the Group expects to incur the liability upon the end of the expected economic useful lives of its operations.

4 Material accounting policies (Cont'd)

4.11 Provisions (Cont'd)

(iii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

4.12 Revenue

Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

4.13 Finance income and finance costs

Finance income comprises fair value adjustments on long-term trade and other payables, interest income on cash and cash equivalents and unwinding of discount in relation to the present value of loan to non-controlling interest. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs mainly comprise interest expense on lease liabilities, payables to the EPC contractor, unwinding of discount in relation to the present value of loans from related parties and provision for restoration costs, and are recognised in profit or loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4 Material accounting policies (Cont'd)

4.14 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

4.15 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4 Material accounting policies (Cont'd)

4.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

4.17 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

(i) Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024. The Group is in the process of assessing the potential impact of the amendments on its financial statements.

(ii) Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024. The Group is in the process of assessing the impact of the amendments, particularly with respect to the collation of information needed to meet the new disclosure requirements.

(iii) Others

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position:

- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

5 Property, plant and equipment

	Leasehold properties $'000	Freehold land $'000	Freehold building $'000	Plant and machinery $'000	Furniture and fittings $'000	Motor vehicles $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Group									
Cost									
At 1 January 2022	2,092	505	102,129	164,638	1,348	9,125	1,012	42,816	323,665
Additions	922	671	3,808	34,446	925	580	102	51,391	92,845
Acquisition of asset (Note 26)	1,396	–	–	–	–	–	–	–	1,396
Disposals/Write-offs	(1,098)	–	–	(1,132)	(96)	(130)	(41)	(3,638)	(6,135)
Reclassification	–	–	3,121	51,787	–	–	2	(54,910)	–
Translation differences on consolidation	(89)	(64)	9,728	(7,089)	(39)	(243)	39	(986)	1,257
At 31 December 2022	3,223	1,112	118,786	242,650	2,138	9,332	1,114	34,673	413,028
At 1 January 2023	3,223	1,112	118,786	242,650	2,138	9,332	1,114	34,673	413,028
Additions	200	–	233	3,830	285	4,441	195	129,338	138,522
Disposals/Write-offs	–	–	(221)	(203)	(68)	(355)	(30)	(276)	(1,153)
Modification of contracts	–	–	–	(26,111)	–	–	–	–	(26,111)
Reclassification	–	–	23,330	26,111	350	955	8	(50,754)	–
Reversal of provision for restoration costs (Note 16)	(29)	–	(524)	(798)	–	–	–	–	(1,351)
Translation differences on consolidation	(20)	2	(10,004)	(4,704)	(24)	(284)	(44)	(2,344)	(17,422)
At 31 December 2023	3,374	1,114	131,600	240,775	2,681	14,089	1,243	110,637	505,513

5 Property, plant and equipment (Cont'd)

	Leasehold properties $'000	Freehold land $'000	Freehold building $'000	Plant and machinery $'000	Furniture and fittings $'000	Motor vehicles $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Group									
Accumulated depreciation and impairment losses									
At 1 January 2022	1,322	–	8,736	27,285	909	1,993	761	3,236	44,242
Depreciation for the year	135	–	2,688	11,292	135	336	89	–	14,675
Disposals/Write-offs	(1,098)	–	–	(275)	(15)	(124)	(36)	(3,173)	(4,721)
Impairment loss	784	–	–	–	–	–	–	–	784
Translation differences on consolidation	(9)	–	1,126	66	4	15	26	(63)	1,165
At 31 December 2022	1,134	–	12,550	38,368	1,033	2,220	840	–	56,145
At 1 January 2023	1,134	–	12,550	38,368	1,033	2,220	840	–	56,145
Depreciation for the year	178	–	3,335	7,473	147	1,347	111	–	12,591
Disposals/Write-offs	–	–	(32)	(65)	(25)	(211)	(15)	–	(348)
Impairment loss	–	–	–	–	–	–	1	–	1
Translation differences on consolidation	(3)	–	(1,268)	(1,530)	(12)	(102)	(28)	–	(2,943)
At 31 December 2023	1,309	–	14,585	44,246	1,143	3,254	909	–	65,446
Carrying amounts									
At 1 January 2022	770	505	93,393	137,353	439	7,132	251	39,580	279,423
At 31 December 2022	2,089	1,112	106,236	204,282	1,105	7,112	274	34,673	356,883
At 31 December 2023	2,065	1,114	117,015	196,529	1,538	10,835	334	110,637	440,067

5 Property, plant and equipment (Cont'd)

	Leasehold property $'000	Furniture and fittings $'000	Motor vehicles $'000	Computers $'000	Total $'000
Company					
Cost					
At 1 January 2022	860	112	199	7	1,178
Additions	–	5	–	4	9
Write-offs	(285)	–	–	–	(285)
At 31 December 2022	575	117	199	11	902
At 1 January 2023	575	117	199	11	902
Additions	200	–	–	5	205
At 31 December 2023	775	117	199	16	1,107
Accumulated depreciation					
At 1 January 2022	433	33	80	5	551
Depreciation for the year	111	22	40	1	174
Write-offs	(285)	–	–	–	(285)
At 31 December 2022	259	55	120	6	440
At 1 January 2023	259	55	120	6	440
Depreciation for the year	118	23	40	3	184
At 31 December 2023	377	78	160	9	624
Carrying amounts					
At 1 January 2022	427	79	119	2	627
At 31 December 2022	316	62	79	5	462
At 31 December 2023	398	39	39	7	483

As at 31 December 2023, property, plant and equipment includes right-of-use assets amounting to: (i) $1,881,000 and $398,000 (2022: $1,857,000 and $316,000) relating to leasehold properties of the Group and Company respectively; and (ii) $39,000 (2022: $79,000) relating to motor vehicles of the Group and Company.

As at 31 December 2023, the Group's leasehold properties, freehold building, and plant and machinery include provision for restoration costs with net carrying amounts of $1,710,000 (2022: $3,087,000), while the Company's leasehold property include provision for restoration costs with net carrying amounts of $31,000 (2022: $8,000).

Modification of contracts

During the year, an indirect subsidiary and its EPC contractor modified the construction contracts resulting in a reduction in construction costs which were recognised in 2022 as property, plant and equipment and payables for purchase of property, plant and equipment. As a result, cost of plant and equipment amounting to $26,111,000 was reversed and revision to depreciation was recognised prospectively from date of modification.

Depreciation charge

The depreciation charge for the year included in the financial statements was as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Charged to profit or loss	12,587	13,785	184	174
Capitalised to construction-in-progress	4	890	–	–
	12,591	14,675	184	174

5 Property, plant and equipment (Cont'd)

Property, plant and equipment under construction

As at 31 December 2023, construction-in-progress mainly pertained to:

- construction of additional facilities in a cement plant in Kazakhstan; and
- construction of a new cement plant in Kazakhstan.

As at 31 December 2022, apart from the above mentioned, construction-in-progress also included: construction of a new gypsum plasterboard plant in Tajikistan which has been completed in 2023.

Security

As at 31 December 2023, property, plant and equipment of the Group with a net carrying amount of $225,998,000 (2022: $129,074,000) was pledged to the EPC contractors to secure deferred payment arrangements for the construction of two cement plants in Kazakhstan (Note 15).

Impairment loss

Leasehold properties, furniture and fittings, and computers

As at 31 December 2022, as impairment indicators were identified for the plant and equipment in the loss-making aluminium segment, the Group performed an impairment assessment to determine the recoverable amount of these property, plant and equipment. The recoverable amount was estimated using fair value less costs to sell, except for right-of-use assets which was estimated using value-in-use. As the recoverable amount was lower than the carrying amount of the CGU, an impairment loss of $784,000 was recognised.

Useful lives

During 2022, the Group conducted an operational review at a cement plant in Kazakhstan, which resulted in changes in the expected usage of certain property, plant and equipment. The property, plant and equipment, which management has previously intended to remain in production ranging from 2 to 20 years from the date of completion of construction of the plant, is now expected to remain in production ranging from 8 to 50 years from the date of completion of construction of the plant. As a result, the expected useful life of the property, plant and equipment increased. The effect of these changes on actual and expected depreciation expense, included in 'cost of sales', 'selling and distribution expenses' and 'administrative expenses', was as follows:

	2022 $'000	2023 $'000	2024 $'000	2025 $'000	2026 $'000	Later $'000
Group						
(Decrease)/Increase in depreciation expense	(3,055)	(3,071)	(3,070)	(3,043)	(2,988)	15,227

6 Intangible assets and goodwill

	Computer software $'000	Subsoil rights* $'000	Goodwill^ $'000	Licence# $'000	Total $'000
Group					
Cost					
At 1 January 2022	197	29,953	17,693	2,423	50,266
Additions	4	122	–	–	126
Translation differences on consolidation	18	2,919	1,724	(182)	4,479
At 31 December 2022	219	32,994	19,417	2,241	54,871
At 1 January 2023	219	32,994	19,417	2,241	54,871
Translation differences on consolidation	(18)	(2,738)	(1,615)	–	(4,371)
At 31 December 2023	201	30,256	17,802	2,241	50,500
Accumulated amortisation and impairment losses					
At 1 January 2022	64	10,502	–	–	10,566
Amortisation for the year	23	2,627	–	–	2,650
Impairment losses	–	–	–	2,331	2,331
Translation differences on consolidation	7	1,160	–	(90)	1,077
At 31 December 2022	94	14,289	–	2,241	16,624
At 1 January 2023	94	14,289	–	2,241	16,624
Amortisation for the year	24	2,620	–	–	2,644
Translation differences on consolidation	(8)	(1,267)	–	–	(1,275)
At 31 December 2023	110	15,642	–	2,241	17,993
Carrying amounts					
At 1 January 2022	133	19,451	17,693	2,423	39,700
At 31 December 2022	125	18,705	19,417	–	38,247
At 31 December 2023	91	14,614	17,802	–	32,507

* *Subsoil rights mainly relate to the Group's subsoil use contracts and licences with the relevant authorities in Tajikistan and Kazakhstan to extract limestone, clay and siltstone.*

^ *Goodwill arose from the Group's acquisition of 100% interest in an indirect subsidiary, HYD Tajikistan Investment Pte. Ltd., in 2017.*

\# *This relates to the Group's licence to carry out activities for the purchase and further sale of electricity to consumers.*

Impairment loss on intangible assets

As at 31 December 2022, as impairment indicators were identified for the electricity licence that was acquired in 2021, the Group performed an impairment assessment to determine the recoverable amount of this intangible asset. The recoverable amount for the electricity licence was estimated using value-in-use to determine the expected cost savings arising from the acquisition of this electricity licence. As the expected cost savings was lower than previously forecasted, the recoverable amount of the electricity licence was assessed to be zero, and a full impairment loss amounting to $2,331,000 was recognised during the year.

6 Intangible assets and goodwill (Cont'd)

Impairment testing for CGU containing goodwill

For purposes of impairment testing, goodwill has been allocated to the Group's CGU of International Manufacturing Company Chzhungtsai Mohir Cement LLC and its operating subsidiary.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the cement industry and have been based on historical data from internal sources.

	2023	**2022**
	%	**%**
Forecasted revenue growth rate	2.2	1.6
Forecasted gross profit margin	41.6	45.0
Pre-tax discount rate	29.8	30.8
Terminal growth rate	6.5	6.5

In estimating the forecasted revenue growth rate, management took into account the estimated sales volume and price growth for the next 5 years, as well as the production capacity of the cement plant in Tajikistan.

Forecasted gross profit margin was based on historical information, adjusted for expected inflation.

The forecasted revenue growth and forecasted gross profit are inherently judgemental, and subject to political and regulatory risks in an emerging market environment.

The discount rate was estimated based on the historical industry average weighted-average cost of capital. The cash flow projections included specific estimates for 5 years and a terminal growth rate thereafter. A long-term growth rate into perpetuity has been determined as the long-term inflation rate of the country in which the CGU operates, consistent with the assumptions that a market participant would make.

As at 31 December 2023, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately $17,406,000 (2022: $2,667,000). As such, no impairment loss on goodwill was recognised.

In 2023, management has assessed that no reasonably possible change in key assumptions could cause the carrying amount to exceed the recoverable amount.

In 2022, management has identified that a reasonably possible change in four key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these four assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for the carrying amount to equal the recoverable amount
	2022
	%
Sales volume	(1.6)
Selling price	(0.3)
Pre-tax discount rate	0.6
Terminal growth rate	(0.9)

7 Subsidiaries

	Company	
	2023	2022
	$'000	$'000
Unquoted equity shares, at cost	195,456	195,456
Deemed investment	5,152	5,152
Deemed return of investment	(24,599)	(24,599)
	176,009	176,009

Deemed investment relates to the difference between the fair value and face value of the loans to an indirect subsidiary at initial recognition.

Deemed return of investment relates to the difference between the fair value and face value of the loans from a subsidiary at initial recognition and waiver of loans from a subsidiary.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Group effective ownership interest	
		2023	2022
		%	%
Held by the Company			
International Cement Holdings Pte. Ltd. (1)	Singapore	100	100
Compact Metal Industries Pte. Ltd. (1)	Singapore	100	100
Held by subsidiaries			
Held by International Cement Holdings Pte. Ltd.			
HYD Tajikistan Investment Pte. Ltd. ("HYD") (1)	Singapore	100	100
International Cement Kazakhstan Pte. Ltd. ("ICK") (1)	Singapore	100	100
International Cement Korday Pte. Ltd. (1)	Singapore	100	100
International Cement Shar Pte. Ltd. (1)	Singapore	100	100
International Cement Investment Management LLP	Kazakhstan	100	100
Cement Manufacturing International (Mauritius) (3)	Mauritius	90	90
Held by International Cement Kazakhstan Pte. Ltd.			
Alacem LLP (2)	Kazakhstan	87.5	87.5
Held by Alacem LLP			
Jetysu Terminal LLP	Kazakhstan	87.5	87.5
Held by International Cement Korday Pte. Ltd.			
Korcem LLP (2)	Kazakhstan	87.5	87.5
Held by International Cement Shar Pte. Ltd.			
Sharcem LLP (2)	Kazakhstan	75	75
Held by Sharcem LLP			
Shygys Zharyq LLC	Kazakhstan	75	75
Held by HYD Tajikistan Investment Pte. Ltd.			
International Manufacturing Company Chzhungtsai Mohir Cement LLC ("IMCCMC") (2)	Tajikistan	65	65
Mohir Investment LLC (2)	Tajikistan	65	65

7 Subsidiaries (Cont'd)

Name of subsidiaries	Principal place of business/ Country of incorporation	Group effective ownership interest	
		2023 %	2022 %
Held by the Company			
Held by IMCCMC			
Mohir Cement LLC (2)	Tajikistan	65	65
Held by Compact Metal Industries Pte. Ltd.			
Compact Metal Industries Sdn. Bhd.	Malaysia	100	100
FacadeMaster Sdn. Bhd. (4)	Malaysia	–	100
Integrate Private Limited (1)	Singapore	100	100
Selaco Aluminium Berhad (5)	Malaysia	98.2	98.2
Held by Compact Metal Industries Sdn. Bhd.			
Compact Bricks Sdn. Bhd.	Malaysia	100	100

(1) Audited by KPMG LLP, Singapore.
(2) Audited by other member firms of KPMG International for Group consolidation purposes.
(3) Deregistered subsequent to the year end.
(4) Liquidated during the year.
(5) Liquidated subsequent to the year end.

KPMG LLP Singapore is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

Impairment loss

During 2022, a subsidiary waived loans owing from the Company which was recognised as deemed return of investment from the subsidiary. As the deemed return of investment from the subsidiary was higher than the carrying amount, impairment losses previously recognised amounting to $17,144,000 was reversed.

8 Trade and other receivables

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables	5,613	6,921	–	–
Accrued receivables	14	38	–	–
Allowance for doubtful receivables	(3,012)	(3,305)	–	–
	2,615	3,654	–	–
Tax-related receivables	15,830	12,467	–	–
Other receivables	2,712	1,471	–	–
Allowance for doubtful receivables	(110)	(120)	–	–
	18,432	13,818	–	–
Non-trade amounts due from indirect subsidiaries	–	–	3,131	3,053
Non-trade amounts due from non-controlling interest	–	4,445	–	–
Loan to non-controlling interest	2,898	–	–	–
Loans to indirect subsidiaries	–	–	63,254	66,673
	23,945	21,917	66,385	69,726
Deposits	227	205	37	32
Prepayments	9,253	15,834	19	7
	33,425	37,956	66,441	69,765
Non-current	5,537	13,078	66,385	69,726
Current	27,888	24,878	56	39
	33,425	37,956	66,441	69,765

Non-trade amounts due from indirect subsidiaries are unsecured, interest-free and repayable on demand. As at 31 December 2023, these amounts were assessed to be collectible after 12 months from the reporting date, therefore they were classified as 'non-current' in the statement of financial position.

As at 31 December 2022, non-trade amounts due from non-controlling interest are unsecured, interest-free and repayable on demand. These amounts were repaid during the year.

Loan to non-controlling interest is unsecured, interest-free and due in 2025. The difference between the fair value and face value of the loan at initial recognition, was recognised in 'non-controlling interests' under equity, representing distribution to non-controlling interest. During the year, the Group provided a new loan with face value of $4,098,000. The difference between the fair value and face value of the loan at initial recognition of $1,257,000 was recognised in 'non-controlling interests' under equity.

Loans to indirect subsidiaries are unsecured, interest-free and due between 2024 and 2025 (2022: 2024 and 2025), and the Company has the right to demand for payment before the due date. As at 31 December 2023 and 2022, as all loans to indirect subsidiaries were assessed to be collectible after 12 months from the reporting date, they were classified as 'non-current' in the Company's separate financial statements.

Tax-related receivables mainly pertained to value-added/Goods and Services tax receivable amounting to $11,950,000 (2022: $9,095,000).

Other receivables mainly pertained to receivables arising from the sale of spare parts amounting to $1,327,000 (2022: $nil) and rental income receivables amounting to $737,000 (2022: $nil).

Prepayments mainly pertained to amounts prepaid to suppliers for the acquisition of property, plant and equipment amounting to $2,508,000 (2022: $8,879,000). Remaining prepayments pertained to amounts prepaid for the acquisition of spares (inventories) and other expenses.

The Group's and the Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in Note 24.

9 Inventories

	Group	
	2023	2022
	$'000	$'000
Raw materials and consumables	14,266	11,457
Work-in-progress	9,088	5,926
Finished goods	3,223	2,824
Spares	14,365	17,234
	40,942	37,441

In 2023, inventories of $75,748,000 (2022: $60,292,000) were recognised as an expense during the year and included in 'cost of sales'.

The Group writes down inventories when inventory items are identified as slow-moving or obsolete. Obsolescence is based on the physical and internal condition of inventory items and is established when these inventory items are no longer marketable. Obsolete inventory items, when identified, are written off to profit or loss. In addition to specifically identified obsolete inventory, write-down of inventory is also estimated based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence as at each reporting date. The Group reviews the condition of its inventories on a regular basis.

10 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at bank and in hand	6,434	11,531	185	49
Fixed deposits	44	101	–	–
Cash and cash equivalents in the statements of financial position	6,478	11,632	185	49
Deposits pledged	(44)	(101)		
Cash and cash equivalents in the consolidated statement of cash flows	6,434	11,531		

The weighted average effective interest rate per annum relating to cash and cash equivalents at the reporting date for the Group is 0.8% (2022: 0.4%).

The Group's fixed deposits of $44,000 (2022: $101,000) are pledged with financial institutions as securities for banker guarantees.

11 Share capital

	Company No. of shares	
	2023	2022
Fully paid ordinary shares, with no par value		
In issue at 1 January and 31 December	5,734,732,849	5,734,732,849

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

11 Share capital (Cont'd)

Shares issued for cash

On 3 June 2019, the Company issued and allotted 70,916,430 new ordinary shares in the capital of the Company under the confirmed tranche pursuant to a conditional placement agreement dated 9 May 2019 for an issue price for each placement share of $0.045 (the "Placement") amounting to $3,191,000. On 21 June 2019, the Company was informed by the SGX-ST that the SGX-ST was not satisfied that the source of funds for the Placement originating from the placee and that the placement was funded by undisclosed sources. The approval in-principle granted on 21 May 2019 by the SGX-ST for the listing and quotation of placement shares had lapsed and the SGX-ST would not allow the listing of the 70,916,430 Placement shares to proceed. Accordingly, these shares were not listed on the SGX-ST as at 31 December 2023.

Subsequent to year end, on 2 January 2024, following the Company's re-application to SGX-ST on 14 December 2023, SGX-ST granted the Company an in-principle approval in a reply letter in relation to the listing and quotation of the Placement shares subject to certain conditions. The Placement shares were successfully listed and quoted on the Main Board of the SGX-ST on 8 January 2024.

12 Reserves

Capital reserve

		Group		Company	
	Note	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**
Group's share of accumulated profits of its subsidiaries capitalised in a bonus issue of shares		404	404	–	–
Fair value adjustment arising from loans from major shareholders	14	10,173	5,832	10,173	5,832
Acquisition of non-controlling interest without a change in control	26	(26,074)	(26,074)	–	–
		(15,497)	(19,838)	10,173	5,832

Currency translation reserve

Currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company and foreign currency differences on monetary items which form part of the Group's net investment in foreign operations.

Accumulated profits

As at 31 December 2023, included in the Group's accumulated profits was an amount of $1,936,000 (2022: $1,819,000) relating to statutory reserve. According to the prevailing laws and regulations in Tajikistan, subsidiaries in Tajikistan are required to make an annual allocation of a minimum amount of 5% of each entity's net profit to the statutory reserve until the reserve balance reaches 15% of each entity's charter capital. The transfer to this reserve must be made before the distribution of dividends to its equity owners.

Dividends

The following dividends were declared by the Group:

	Group	
	2023 $'000	**2022 $'000**
Declared by subsidiaries to non-controlling interests	16,555	8,346

13 Non-controlling interests

The following subsidiaries have non-controlling interests ("NCI") that are material to the Group.

Name of subsidiaries	Principal place of business/Country of incorporation	Operating segment	Effective ownership interest held by NCI 2023 %	2022 %
IMCCMC and its subsidiaries ("IMCCMC Group")	Tajikistan	Cement	35	35
Alacem LLP and its subsidiary ("Alacem Group")	Kazakhstan	Cement	12.5	12.5
Sharcem LLP and its subsidiary ("Sharcem Group")	Kazakhstan	Cement	25	25
Korcem LLP ("Korcem")	Kazakhstan	Cement	12.5	12.5
Mohir Investment LLC ("Mohir Investment")	Tajikistan	Others	35	35

The following summarised financial information for the above subsidiaries is prepared in accordance with SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

	IMCCMC Group $'000	Alacem Group $'000	Sharcem Group $'000	Korcem $'000	Mohir Investment $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2023								
Revenue	141,944	81,019	28,185	–	337			
Profit for the year	31,606	11,664	204	2,216	191			
Other comprehensive income	(9,517)	(2,312)	(20)	(24)	(623)			
Total comprehensive income	22,089	9,352	184	2,192	(432)			
Attributable to NCI:								
Profit/(Loss) for the year	11,062	1,458	51	277	67	(9)	–	12,906
Other comprehensive income	(3,331)	(289)	(5)	(3)	(218)	8	–	(3,838)
Total comprehensive income	7,731	1,169	46	274	(151)	(1)	–	9,068
Non-current assets	152,122	117,321	57,262	113,640	39,123			
Current assets	43,731	24,242	15,884	3,704	5,941			
Non-current liabilities	(10,865)	(66,063)	(25,387)	(80,400)	(10,377)			
Current liabilities	(60,054)	(59,400)	(63,564)	(35,942)	(30,397)			
Net assets/(liabilities)	124,934	16,100	(15,805)	1,002	4,290			
Net assets/(liabilities) attributable to NCI	46,889	2,013	(3,951)	125	1,502	–	–	46,578
Cash flows from/(used in) operating activities	47,751	28,593	12,979	(744)	(3,163)			
Cash flows (used in)/from investing activities	(2,385)	(7,081)	(6,876)	(19,236)	(6,521)			
Cash flows (used in)/from financing activities (dividends to NCI: $17,075,000)	(18,514)	(3,698)	–	–	2,235			
Net increase/(decrease) in cash and cash equivalents	26,852	17,814	6,103	(19,980)	(7,449)			

13 Non-controlling interests (Cont'd)

	IMCCMC Group $'000	Alacem Group $'000	Sharcem Group $'000	Korcem $'000	Mohir Investment $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2022								
Revenue	126,356	87,014	3,644	–	–			
Profit/(Loss) for the year	28,220	21,528	(10,504)	(480)	49			
Other comprehensive income	11,077	(2,256)	464	24	657			
Total comprehensive income	39,297	19,272	(10,040)	(456)	706			
Attributable to NCI:								
Profit/(Loss) for the year	9,877	2,691	(2,626)	(60)	17	(9)	–	9,890
Other comprehensive income	3,877	(282)	116	3	230	9	–	3,953
Total comprehensive income	13,754	2,409	(2,510)	(57)	247	–	–	13,843
Non-current assets	160,922	135,853	56,754	10,727	25,701			
Current assets	21,523	21,010	20,524	1,295	843			
Non-current liabilities	(16,813)	(105,283)	(19,847)	–	(3,675)			
Current liabilities	(18,222)	(18,301)	(68,706)	(12,587)	(15,441)			
Net assets/(liabilities)	147,410	33,279	(11,275)	(565)	7,428			
Net assets/(liabilities) attributable to NCI	51,594	4,160	(2,819)	(71)	2,600	(142)	–	55,322
Cash flows from/(used in) operating activities	46,674	36,395	(15,275)	(1,031)	18			
Cash flows used in investing activities	(1,222)	(13,886)	(9,993)	(8,209)	(14,417)			
Cash flows used in financing activities (dividends to NCI: $8,081,000)	(11,153)	(1,662)	–	–	–			
Net increase/(decrease) in cash and cash equivalents	34,299	20,847	(25,268)	(9,240)	(14,399)			

14 Loans and borrowings

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Loans from major shareholders	31,838	38,466	31,838	38,466
Loans from non-controlling interest	5,301	3,416	–	–
	37,139	41,882	31,838	38,466
Non-current	31,838	38,466	31,838	38,466
Current	5,301	3,416	–	–
	37,139	41,882	31,838	38,466

14 Loans and borrowings (Cont'd)

Interest-free loans from major shareholders were measured at fair value at initial recognition and the difference between the fair value and face value of the loans was recognised in 'capital reserve', representing a contribution from owners of the Company (Note 12).

(i) During the year, certain loans of the Group and Company which were due in 2024 (2022: due in 2023), were extended by 3 years to 2027 (2022: extended by 2 years to 2025), and the difference between the new and old fair value amounting to $4,531,000 (2022: $1,273,000) was recognised in 'capital reserve' of the Group and Company (Note 12).

(ii) During the year, the Group and Company made early repayment of $2,958,000 (2022: $4,152,000) and this significant modification of the cash outflow of the loan resulted in a loss of $190,000 (2022: $324,000) which was recognised in 'capital reserve' of the Group and Company (Note 12).

(iii) During 2022, the Group and Company obtained new loans with face value of $7,523,000 and the difference between the fair value and face value of the loan at initial recognition of $743,000 was recognised in 'capital reserve' of the Group and Company.

Loans from non-controlling interest are unsecured, interest-free and due in 2027 (2022: due in 2027), and the non-controlling interest has the right to demand for payment before the due date. During the year, the non-controlling interest provided additional loans to the Group with face value of $1,885,000 (2022: $3,416,000).

Information about the Group's and the Company's exposure to interest rate, currency and liquidity risks related to loans and borrowings are disclosed in Note 24.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

			2023		2022	
	Currency	**Year of maturity**	**Face value $'000**	**Carrying amount $'000**	**Face value $'000**	**Carrying amount $'000**
Group						
Loans from major shareholders	CNY, USD	2025 – 2027 (2022: 2024 – 2025)	37,136	31,838	41,095	38,466
Loans from non-controlling interest	TJS	2027	5,301	5,301	3,416	3,416
			42,437	37,139	44,511	41,882
Company						
Loans from major shareholders	CNY, USD	2025 – 2027 (2022: 2024 – 2025)	37,136	31,838	41,095	38,466
			37,136	31,838	41,095	38,466

14 Loans and borrowings (Cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			
	Loans from major shareholders $'000	Loans from non-controlling interest $'000	Lease liabilities (Note 15) $'000	Total $'000
Group				
At 1 January 2022	36,738	–	614	37,352
Changes from financing cash flows				
Interest paid*	–	–	(32)	(32)
Payment of lease liabilities	–	–	(372)	(372)
Proceeds from loans from major shareholders	7,523	–	–	7,523
Repayment of loans from major shareholders	(4,152)	–	–	(4,152)
Total changes from financing cash flows	3,371	–	(404)	2,967
Other changes				
Liability-related				
Interest expense	1,389	–	32	1,421
Fair value adjustments	(1,692)	–	–	(1,692)
Loans from non-controlling interest#	–	3,416	–	3,416
New leases	–	–	784	784
	(303)	3,416	816	3,929
Effect of changes in foreign exchange rates	(1,340)	–	–	(1,340)
At 31 December 2022	38,466	3,416	1,026	42,908
At 1 January 2023	38,466	3,416	1,026	42,908
Changes from financing cash flows				
Interest paid*	–	–	(32)	(32)
Payment of lease liabilities	–	–	(401)	(401)
Proceeds from loans from non-controlling interest	–	2,235	–	2,235
Repayment of loans from major shareholders	(2,958)	–	–	(2,958)
Total changes from financing cash flows	(2,958)	2,235	(433)	(1,156)
Other changes				
Liability-related				
Interest expense	1,508	–	32	1,540
Fair value adjustments	(4,341)	–	–	(4,341)
Lease modification	–	–	154	154
	(2,833)	–	186	(2,647)
Effect of changes in foreign exchange rates	(837)	(350)	–	(1,187)
At 31 December 2023	31,838	5,301	779	37,918

* *Interest paid in the consolidated statement of cash flows includes interest paid to EPC contractor under a deferred payment arrangement (Note 15) of $1,447,000 (2022: $1,662,000).*

\# *Proceeds from loans from non-controlling interest has been disclosed as a non-cash transaction in the consolidated statement of cash flows.*

15 Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade payables	38,112	22,518	–	–
Retention monies	384	500	–	–
Accrued operating expenses	3,680	2,945	752	570
Payables for purchase of property, plant and equipment	142,858	80,919	–	–
Non-trade amounts due to non-controlling interests	2,704	20,873	–	–
Non-trade amounts due to subsidiaries	–	–	19,214	14,367
Lease liabilities	779	1,026	397	379
Tax-related payables	4,695	3,411	–	–
Value-added/Goods and Services tax payable	70	85	–	–
Withholding tax payable on dividends	4,104	723	–	–
Other payables	6,616	5,091	76	3
	204,002	138,091	20,439	15,319
Non-current	147,427	77,844	249	242
Current	56,575	60,247	20,190	15,077
	204,002	138,091	20,439	15,319

Trade payables of $18,002,000 (2022: $9,979,000) are unsecured, interest-free and due in 2025.

Retention monies relate to amounts withheld by the Group until the successful completion of the project works. These amounts are only payable upon completion of the construction contracts and after the defects liability period.

As at the reporting date, certain payables for purchase of property, plant and equipment amounting to $22,642,000 (2022: $48,873,000) are interest-bearing at 8.4% (2022: 8.4%) per annum and due from 2025 to 2026 (2022: 2024 to 2027). They are secured by way of property, plant and equipment with a net carrying amount of $112,469,000 (2022: $129,074,000) (Note 5) and shares of two indirect subsidiaries, HYD and ICK (2022: HYD and ICK), as part of deferred payment arrangements with an EPC contractor for the construction of cement plant of Alacem LLP. The Company and an indirect subsidiary, IMCCMC, have provided financial guarantee to the EPC contractor for the deferred payment arrangement. The Group has assessed the fair value of the financial guarantee on inception to be insignificant. At the reporting date, the Group has not recognised a provision as the Group does not consider it probable that a claim will be made against the Group under the guarantee.

As at the reporting date, certain payables for purchase of property, plant and equipment amounting to $58,242,000 (2022: $nil) are interest-bearing at 6.5% (2022: nil) per annum and due from 2025 to 2026 (2022: nil). They are secured by way of property, plant and equipment with a net carrying amount of $113,529,000 (2022: $nil) (Note 5) as part of deferred payment arrangement with another EPC contractor for the construction of cement plant of Korcem LLP.

Payables for purchase of property, plant and equipment of $129,084,000 (2022: $67,173,000) are classified as non-current liabilities.

Non-trade amounts due to non-controlling interests relate to dividends payable of $2,702,000 (2022: $2,944,000). In 2022, non-trade amounts due to non-controlling interests of $17,928,000 related to part of the purchase consideration for the acquisition of non-controlling interest.

Non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Other payables include amounts due to a major shareholder of $1,500,000 (2022: $1,500,000) which is unsecured, interest-free and repayable on demand.

As at the reporting date, the Group's and Company's lease liabilities have face value of $818,000 and $427,000 (2022: $1,072,000 and $399,000) respectively, at nominal interest rate of 2.7% to 5.0% and 2.8% to 5.0% (2022: 2.7% to 3.3% and 2.8% to 2.9%) respectively and mature between 2024 to 2026 and 2025 to 2026 (2022: 2023 to 2025 and 2023 to 2025) respectively.

15 Trade and other payables (Cont'd)

The Group's and the Company's exposure to interest rate, currency and liquidity risks related to trade and other payables are disclosed in Note 24.

16 Provisions

	Warranties		Restoration costs		Onerous contracts		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Group								
At 1 January	24	46	3,145	93	276	395	3,445	534
Provision made/(reversed) during the year	44	(22)	(1,334)	3,050	28	(119)	(1,262)	2,909
Unwinding of discount	–	–	280	2	–	–	280	2
Translation differences on consolidation	–	–	12	–	–	–	12	–
At 31 December	68	24	2,103	3,145	304	276	2,475	3,445
Non-current	–	18	2,103	3,145	–	–	2,103	3,163
Current	68	6	–	–	304	276	372	282
	68	24	2,103	3,145	304	276	2,475	3,445
Company								
At 1 January	–	–	15	15	–	–	15	15
Provision made during the year	–	–	17	–	–	–	17	–
Unwinding of discount	–	–	1	–	–	–	1	–
At 31 December	–	–	33	15	–	–	33	15
Non-current	–	–	33	15	–	–	33	15

Warranties

Provision for warranties is made only for those contracts for which warranty for defects is provided and when those contracts are completed. The provision is based on estimates made from historical warranty data associated with similar completed contracts.

Restoration costs

In accordance with the applicable legal requirements in Kazakhstan, the Group is expected to perform recultivation works by the end of its operations. Due to the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs for recultivation works that will be incurred. In particular, the Group has assumed that sites for the respective subsidiaries will be restored using technology and materials that are available currently. The provision has been calculated using a discount rate of 11.4% (2022: 8.6%), which is the risk-free rate in Kazakhstan. During the year, the Group reversed provision for restoration costs of $1,351,000 due to change in discount rate. The Group expects to incur the liability upon the end of the expected economic useful lives of its respective operations in Kazakhstan.

Onerous contracts

Provision for onerous contracts is made for only ongoing contracts which are loss-making. The provision is based on estimates made on incremental costs and allocation of other direct costs to fulfil the contracts.

17 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Group				
Property, plant and equipment	–	–	7,674	6,284
Intangible assets	–	–	1,864	2,385
Undistributed profits of subsidiaries	–	–	4,407	6,019
Tax losses carried forward	(3,413)	(3,895)	–	–
Other items	(150)	(164)	–	–
Deferred tax (assets)/liabilities	(3,563)	(4,059)	13,945	14,688
Set off of tax	1,540	1,900	(1,540)	(1,900)
Net deferred tax (assets)/liabilities	(2,023)	(2,159)	12,405	12,788

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

	At 1 January 2022 $'000	Recognised in profit or loss (Note 21) $'000	Exchange differences $'000	At 31 December 2022 $'000	Recognised in profit or loss (Note 21) $'000	Exchange differences $'000	At 31 December 2023 $'000
Group							
Property, plant and equipment	4,085	1,940	259	6,284	1,760	(370)	7,674
Intangible assets	2,568	(330)	147	2,385	(331)	(190)	1,864
Undistributed profits of subsidiaries	4,085	2,205	(271)	6,019	(1,510)	(102)	4,407
Tax losses carried forward	(135)	(3,921)	161	(3,895)	492	(10)	(3,413)
Other items	(151)	2	(15)	(164)	(1)	15	(150)
	10,452	(104)	281	10,629	410	(657)	10,382

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	Group	
	2023 $'000	2022* $'000
Deductible temporary differences	995	1,145
Unutilised capital allowances	10	–
Unutilised tax losses	16,271	13,478
	17,276	14,623

* The comparatives have been changed to reflect the revised deductible temporary differences and unutilised tax losses after the tax authorities finalised the tax status of certain outstanding years of assessment.

The unutilised tax losses and capital allowances are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The tax losses do not expire under current tax legislation.

18 Revenue

	Group	
	2023	**2022**
	$'000	**$'000**
Construction contracts	4,068	6,506
Sale of goods	253,330	218,689
	257,398	225,195

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Aluminium segment – Construction contracts

Nature of goods or services	The Group supplies and installs aluminium and glazing works for main contractors in the building construction industry. This integrated service is provided based on specifically negotiated contracts with customers.
When revenue is recognised	The Group has assessed that these construction contracts qualify for over time revenue recognition as the Group's performance in the agreements does not create an asset with an alternative use to the Group due to contractual restrictions and the Group has enforceable rights to payment for performance completed till date. The stage of completion is measured by reference to the certification of works performed.
Significant payment terms	Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified construction milestones. If the value of the construction services rendered exceeds the certification of works performed, a contract asset is recognised. Progress payment claims are made monthly based on the actual value of work done on site. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.
Obligations for warranties	All contracts with customers come with assurance-type warranties of 1 to 10 years, under which customers are able to request for replacement or rectification of any defective products.

The Group accounts for contract modifications as continuation of the original contract and recognises as a cumulative adjustment to revenue at the date of modification as these contract modifications do not add distinct goods or services.

Aluminium segment – Sale of goods

Nature of goods or services	The Group manufactures and sells aluminium related building materials such as aluminium extrusions, aluminium panels and associated architectural aluminium feature products.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Payment is due within 30 days when goods are delivered to the customers. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.
Nature of goods or services	The Group manufactures and sells cement and cement related materials such as concrete bricks and culvert pipes. The Group also produces and sells gypsum plasterboards and related products.

18 Revenue (Cont'd)

Cement and Others segments – Sale of goods

When revenue is recognised	Revenue is recognised when goods are delivered to customers and all criteria for acceptance have been satisfied. For sale of goods where there are no written contracts with customers, revenue is only recognised when consideration is received.
Significant payment terms	Payment is due within 15 to 90 days when goods are delivered to the customers. For some customers, prepayment for goods is required before delivery of goods. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. There are no reconciling items to be presented between disaggregated revenue and the Group's reportable segments (Note 23).

	Aluminium		Cement		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets								
Singapore	5,913	8,181	–	–	–	–	5,913	8,181
Afghanistan	–	–	12,413	13,368	–	–	12,413	13,368
Kazakhstan	–	–	109,203	90,658	–	–	109,203	90,658
Tajikistan	–	–	129,067	111,913	337	–	129,404	111,913
Uzbekistan	–	–	465	1,075	–	–	465	1,075
	5,913	8,181	251,148	217,014	337	–	257,398	225,195
Major products/service line								
Construction contracts	4,068	6,506	–	–	–	–	4,068	6,506
Sale of goods	1,845	1,675	251,148	217,014	337	–	253,330	218,689
	5,913	8,181	251,148	217,014	337	–	257,398	225,195
Timing of revenue recognition								
Products and services transferred over time	4,068	6,506	–	–	–	–	4,068	6,506
Products transferred at a point in time	1,845	1,675	251,148	217,014	337	–	253,330	218,689
	5,913	8,181	251,148	217,014	337	–	257,398	225,195

Contract balances

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	Group	
	2023	2022
	$'000	$'000
Trade receivables	2,601	3,616
Contract assets	1,942	3,074
Contract liabilities	(5,399)	(1,837)

18 Revenue (Cont'd)

Contract balances (Cont'd)

Contract assets relate to:

(i) retention sums which are withheld by main contractors from the Group until the successful completion of the project works and are only payable upon completion of the construction contracts and after the defects liability period; and
(ii) the Group's rights to consideration for work completed on construction contracts but not billed at the reporting date.

These are transferred to trade receivables when the rights become unconditional, which usually occurs when the Group invoices the customers.

Contract liabilities relate to advance consideration received from customers.

As at 31 December 2023, contract assets included allowance for loss allowance amounting to $260,000 (2022: $54,000).

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Contract assets		Contract liabilities	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Group				
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	–	1,837	2,472
Increases due to cash received, excluding amounts recognised as revenue during the year	–	–	(5,399)	(1,837)
Contract assets reclassified to trade receivables	(1,397)	(748)	–	–
Recognition of revenue, net of reclassification to trade receivables during the year	471	1,637	–	–
Impairment loss on contract assets	(206)	(17)	–	–

Transaction price allocated to the remaining performance obligations

No disclosures relating to transaction price allocated to the remaining performance obligations as the Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

19 Finance income and finance costs

	Note	Group 2023 $'000	Group 2022 $'000
Finance income			
Gain arising from modification of financial liabilities:			
- long-term trade and other payables		1,554	–
- long-term payables of property, plant and equipment		4,091	–
Interest income on cash and cash equivalents		67	51
Unwinding of discount in relation to the present value of loan to non-controlling interest		104	–
		5,816	51

19 Finance income and finance costs (Cont'd)

	Note	Group 2023 $'000	2022 $'000
Finance costs			
Interest expense on:			
- lease liabilities	14	(32)	(32)
- payables to EPC contractor		(1,923)	(1,692)
Unwinding of discount in relation to the present value of loans from major shareholders	14	(1,508)	(1,389)
Unwinding of discount in relation to the present value of provision for restoration costs.	16	(280)	(2)
		(3,743)	(3,115)
Net finance income/(costs) recognised in profit or loss		2,073	(3,064)

20 Profit before tax

The following items have been included in arriving at profit before tax:

	Note	Group 2023 $'000	2022 $'000
Audit fees paid to:			
- auditors of the Company		506	305
- other member firms of KPMG International		720	538
- other auditors		2	3
Non-audit fees paid to:			
- auditors of the Company		30	33
- other member firms of KPMG International		18	22
- other auditors		–	1
Other income:			
- gain on disposal of property, plant and equipment		(7)	(13)
- gain on sale of spares		(649)	–
- government grant income		(9)	(83)
- rental income		(1,366)	(727)
- write-off of trade and other payables		(390)	(257)
Amortisation of intangible assets	6	2,644	2,650
Bad debts written off		280	–
Depreciation of property, plant and equipment	5	12,587	13,785
Foreign exchange (gain)/loss, net, included in 'other income'/ 'other expenses'			
- realised		736	(679)
- unrealised		(1,279)	7,986
Impairment loss on intangible assets	6	–	2,331
Impairment loss on property, plant and equipment	5	1	784
Provision for/(Reversal of) onerous contracts	16	28	(119)
Provision for/(Reversal of) warranties	16	44	(22)
Write-down/(Write-back) of inventories		244	(426)
Write-off of property, plant and equipment		655	875
Contributions to defined contribution plans		1,270	910
Salaries, bonuses and other costs		15,935	13,042

21 Tax expense

	Note	Group 2023 $'000	Group 2022 $'000
Current tax expense			
Current year		8,381	4,276
Under provision in respect of prior years		1,936	606
		10,317	4,882
Deferred tax expense			
Origination and reversal of temporary differences		(40)	(104)
Under provision in respect of prior years		450	–
	17	410	(104)
Withholding tax on dividends declared by subsidiaries		7,813	3,072
Tax expense		18,540	7,850

Reconciliation of effective tax rate

	2023 $'000	2022 $'000
Profit before tax	47,594	46,680
Tax using Singapore tax rate of 17% (2022: 17%)	8,091	7,936
Effect of different tax rates in foreign jurisdictions	582	(1,341)
Tax exempt income	(227)	(889)
Non-deductible expenses	4,280	1,819
Current year benefits of deferred tax assets not recognised	504	308
Recognition of tax effect of previously unrecognised tax losses	(29)	(28)
Tax incentives*	(3,018)	(5,504)
Withholding tax on dividends declared by subsidiaries	7,813	3,072
Changes in deferred tax recognised on undistributed profits of subsidiaries	(1,842)	1,871
Under provision in respect of prior years	2,386	606
	18,540	7,850

* *Pursuant to the investment agreements signed with authorities in Tajikistan and Kazakhstan, the Group's subsidiaries, Mohir Cement LLC and Alacem LLP, are under a five-year tax holiday and ten-year tax holiday ending on 24 June 2024 and 31 December 2029 respectively.*

Judgement is required in determining the deductibility of certain expenses, taxability of certain income and the applicable tax rates for the entities in the Group during the estimation of the provision of taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business, including any potential tax impact that may arise from contracts modification and the deductibility of certain expenses. These potential tax impacts have not been recognised in these financial statements because the Group believes that they have sufficient basis to support the non-taxability of these items. However, should the outcome be unfavourable, the impact may potentially be material. A subsidiary is currently in discussion with the tax authority in which it operates, on the interpretation of the tax legislation with regards to the categorisation of its principal activities and the corresponding applicable tax rates. Given the uncertainty of the outcome, there is a possibility that the outcome of the discussion is significantly different from the current tax provision. Management has exercised judgment and made a best estimate of the tax amount expected to be settled.

The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for current and deferred taxes in the period in which such determination is made.

22 Earnings per share

Basic and diluted earnings per share

The calculations of basic and diluted earnings per share for the years ended 31 December 2023 and 2022 were based on following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding:

Profit attributable to ordinary shareholders

	Group	
	2023	**2022**
	$'000	**$'000**
Profit for the year, representing profit attributable to ordinary shareholders	16,148	28,940

Weighted average number of ordinary shares

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
Issued ordinary shares at 1 January and 31 December	11	5,734,733	5,734,733

23 Operating segments

In 2023, the Group has two (2022: two) reportable segments, as described below, which are the Group's strategic business units. These strategic business units offer different products and services, and are managed separately because they require different expertise and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer (2022: Group's Chief Executive Officer) (the Chief Operating Decision Maker) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments for 2023:

- Aluminium division: undertaking of aluminium architectural contracts and engineering works and sub-contracting of building construction projects, manufacture of aluminium extrusions and supply of all such related products; and
- Cement division: production, sales and/or distribution of cement.

Other operations mainly include the building materials division, which relates to production, sales and/or distribution of gypsum plasterboards and related products.

None of these segments under other operations meets any of the quantitative thresholds for determining reportable segments in 2023 or 2022.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment profit/(loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

23 Operating segments (Cont'd)

Information about reportable segments

	Aluminium		Cement		Others		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Group								
External revenues	5,913	8,181	251,148	217,014	337	–	257,398	225,195
Finance income	2	2	4,874	49	940	–	5,816	51
Finance costs	(18)	(19)	(3,725)	(3,096)	–	–	(3,743)	(3,115)
Depreciation of property, plant and equipment	(39)	(44)	(12,414)	(13,741)	(134)	–	(12,587)	(13,785)
Amortisation of intangible assets	–	–	(2,644)	(2,650)	–	–	(2,644)	(2,650)
Reportable segment (loss)/ profit before tax	(4,118)	(2,035)	51,588	48,667	124	48	47,594	46,680
Other material non-cash items:								
- Impairment loss on property, plant and equipment	(1)	(784)	–	–	–	–	(1)	(784)
- Impairment loss on intangible assets	–	–	–	(2,331)	–	–	–	(2,331)
- (Provision for)/Reversal of loss allowance on trade and other receivables and contract assets	(583)	111	35	64	–	–	(548)	175
- (Provision for)/Reversal of onerous contracts	(28)	119	–	–	–	–	(28)	119
- Unrealised exchange (loss)/gain	(819)	(747)	2,555	(7,375)	(457)	136	1,279	(7,986)
- Write-off of property, plant and equipment	–	–	(655)	(875)	–	–	(655)	(875)
Reportable segment assets	6,820	8,617	505,628	452,369	45,064	26,544	557,512	487,530
Capital expenditure	5	818	117,253	74,737	21,264	18,812	138,522	94,367
Reportable segment liabilities	3,515	4,596	240,569	184,277	22,410	9,379	266,494	198,252

Reconciliations of reportable segment profit or loss and liabilities to SFRS(I)s measures

There are no reconciling items to be presented for consolidated total revenue, profit or loss before tax, assets and revenue of reportable segments and no adjustments to be presented for other material non-cash items to SFRS(I)s measures.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

23 Operating segments (Cont'd)

Geographical segments (Cont'd)

	2023		2022	
	Revenue $'000	**Non-current assets* $'000**	**Revenue $'000**	**Non-current assets* $'000**
Singapore	5,913	948	8,181	947
Malaysia	–	272	–	299
Afghanistan	12,413	–	13,368	–
Kazakhstan	109,203	278,619	90,658	208,420
Tajikistan	129,404	197,860	111,913	201,166
Uzbekistan	465	–	1,075	–
	257,398	477,699	225,195	410,832

* *Non-current assets exclude financial instruments.*

Major customers

Revenue from customer A and customer B from the cement segment represented approximately $26,064,000 (2022: $32,676,000) and $nil (2022: $23,471,000) respectively of the Group's total revenue. Information has been presented based on revenue from transactions with customers amounting to 10 per cent or more of the Group's revenue.

24 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk

In addition, the Group has identified climate risk as an emerging risk arising from financial instruments that has a growing impact on the Group's activities. This note presents information about the Group's exposure to each of the above risks, considering climate.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's operations and the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, other receivables and cash and cash equivalents.

24 Financial instruments (Cont'd)

Credit risk (Cont'd)

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
(Provision for)/Reversal of loss allowance on trade and other receivables and contract assets	(548)	175

Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 18.

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. In monitoring credit risk, customers are grouped according to their credit characteristics, including their geographical location, industry, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

Exposure to credit risk

The exposure to credit risk for trade and other receivables (excluding prepayments and deposits) and contract assets at the reporting date by segment was as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Aluminium	2,661	4,237	–	–
Cement	23,077	20,696	–	–
Others	149	58	–	–
Subsidiaries	–	–	66,385	69,726
	25,887	24,991	66,385	69,726

Concentration of credit risk relating to trade and other receivables and contract assets is limited due to the Group's many varied customers and the Company's subsidiaries.

Expected credit loss assessment for customers (trade receivables and contract assets)

The Group uses an allowance matrix to measure the lifetime ECLs of trade receivables and contract assets. Loss rates are calculated using the 'provision matrix' method based on actual credit loss experience over the past three years. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Expected credit loss assessment for other receivables (excluding prepayments and deposits)

Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its other receivables have low credit risk based on actual credit loss experience with the counterparties. The amount of the allowance on other receivables is immaterial.

24 **Financial instruments (Cont'd)**

Credit risk (Cont'd)

Trade and other receivables and contract assets (Cont'd)

Expected credit loss assessment for non-trade amounts due from and loans to indirect subsidiaries

The Company measures credit risk of its subsidiaries by assessing the risk of default by each subsidiary during the exposure period. For subsidiaries where risk of default is deemed to be insignificant, impairment loss will not be recognised on these balances. For subsidiaries where there is a significant increase in credit risk since initial grant of the balances, management will assess the cash shortfalls which may be irrecoverable and will provide for these cash shortfalls in full.

The risk of default is deemed to be insignificant for non-trade amounts due from and loans to indirect subsidiaries as at 31 December 2023 and 2022, therefore impairment loss has not been recognised on these balances.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables (excluding prepayments and deposits) and contract assets:

	Weighted average loss rate %	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Group				
31 December 2023				
Current (not past due)	1%	22,726	(260)	Yes
Past due 1 – 30 days	–	278	–	No
Past due 31 – 120 days	–	2,633	–	No
Past due more than 120 days	86%	3,632	(3,122)	Yes
		29,269	(3,382)	
31 December 2022				
Current (not past due)	< 1%	22,782	(54)	No
Past due 1 – 30 days	< 1%	416	(4)	No
Past due 31 – 120 days	< 1%	1,273	(2)	No
Past due more than 120 days	86%	3,999	(3,419)	Yes
		28,470	(3,479)	
Company				
31 December 2023				
Current (not past due)	–	66,385	–	No
31 December 2022				
Current (not past due)	–	69,726	–	No

24 Financial instruments (Cont'd)

Credit risk (Cont'd)

Trade and other receivables and contract assets (Cont'd)

Movements in allowance for impairment in respect of trade and other receivables (excluding prepayments and deposits) and contract assets

The movement in the allowance for impairment in respect of trade and other receivables (excluding prepayments and deposits) and contract assets during the year was as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
At 1 January	3,479	3,668
Impairment loss made/(reversed)	548	(175)
Amounts utilised	(613)	(12)
Translation differences on consolidation	(32)	(2)
At 31 December	3,382	3,479

In 2023, the impairment loss made at the Group level was due to credit impaired receivables. In 2022, the reversal of loss allowance at the Group level was due to improvement in collection from customers. As a result, the weighted average loss rate for the 'past due 1 – 30 days', 'past due 31 – 120 days' and 'past due more than 120 days' age brackets decreased.

Based on the Group's and the Company's monitoring of credit risk, the Group and the Company believe that, apart from the above, no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade and other receivables and contract assets.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $6,478,000 (2022: $11,632,000) and $185,000 (2022: $49,000) respectively as at 31 December 2023, which represent their maximum credit exposures on these assets. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Guarantee

As at 31 December 2023 and 2022, the Company has issued a guarantee to an EPC contractor in respect of a deferred payment arrangement of a subsidiary for the construction of a cement plant in Kazakhstan (Note 15). The guarantee is subject to an impairment assessment under SFRS(I) 9. The Company has assessed that the subsidiary has strong financial capacity to meet the contractual obligations in the near future and hence, does not expect significant credit losses from the guarantee. The Company's assessment is based on qualitative and quantitative that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, any applying experienced credit judgement).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations as disclosed in Note 2; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

24 Financial instruments (Cont'd)

Liquidity risk (Cont'd)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting arrangements.

		Cash flows		
	Carrying amounts $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 1 to 5 years $'000**
Group				
31 December 2023				
Non-derivative financial liabilities				
Loans from major shareholders	31,838	(37,136)	–	(37,136)
Loans from non-controlling interest	5,301	(5,301)	(5,301)	–
Trade and other payables*	195,133	(205,729)	(58,111)	(147,618)
	232,272	(248,166)	(63,412)	(184,754)
31 December 2022				
Non-derivative financial liabilities				
Loans from major shareholders	38,466	(41,095)	–	(41,095)
Loans from non-controlling interest	3,416	(3,416)	(3,416)	–
Trade and other payables*	133,872	(145,364)	(59,733)	(85,631)
	175,754	(189,875)	(63,149)	(126,726)
Company				
31 December 2023				
Non-derivative financial liabilities				
Loans from major shareholders	31,838	(37,136)	–	(37,136)
Trade and other payables	20,439	(20,469)	(20,209)	(260)
	52,277	(57,605)	(20,209)	(37,396)
31 December 2022				
Non-derivative financial liabilities				
Loans from major shareholders	38,466	(41,095)	–	(41,095)
Trade and other payables	15,319	(15,339)	(15,088)	(251)
	53,785	(56,434)	(15,088)	(41,346)

* *Excluding tax-related payables, Value-added/Goods and Services tax payable and withholding tax payable on dividends.*

The maturity analysis shows the contractual undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

24 Financial instruments (Cont'd)

Market risk (Cont'd)

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, payables and borrowings, including inter-company balances, that are denominated in a currency other than the respective functional currencies of Group entities. The functional currencies of Group entities are primarily the Singapore dollar, Tajikistan Somoni ("TJS") and Kazakhstan Tenge ("KZT"). The Group does not enter into hedging instruments to manage its foreign currency risk.

The Group is exposed to currency risk on financial instruments that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily denominated in USD, TJS, KZT and CNY.

The summary of quantitative data about the Group's and the Company's exposure to foreign currencies as reported to the management of the Group is as follows:

	2023				2022		
	USD $'000	TJS $'000	KZT $'000	CNY $'000	USD $'000	TJS $'000	CNY $'000
Group							
Trade and other receivables*	93,850	21,760	16,064	16,775	109,079	10,558	16,354
Cash and cash equivalents	2,104	–	–	790	7,152	–	362
Trade and other payables*	(282,342)	–	–	(20,988)	(212,627)	–	(22,653)
Loans and borrowings	(19,506)	–	–	(12,332)	(26,183)	–	(12,283)
Net statement of financial position exposure	(205,894)	21,760	16,064	(15,755)	(122,579)	10,558	(18,220)
Company							
Trade and other receivables*	44,717	–	–	18,580	48,492	–	19,330
Cash and cash equivalents	136	–	–	–	25	–	–
Trade and other payables*	(3,924)	–	–	–	(1,200)	–	–
Loans and borrowings*	(19,506)	–	–	(12,332)	(26,183)	–	(12,283)
	21,423	–	–	6,248	21,134	–	7,047

* *Including inter-company balances.*

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the functional currencies of the Company and its subsidiaries against USD, TJS, KZT and CNY at 31 December would have increased/(decreased) profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit before tax		Company Profit before tax	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
USD (10% strengthening)	20,589	12,258	(2,142)	(2,113)
TJS (10% strengthening)	(2,176)	(1,056)	–	–
KZT (10% strengthening)	(1,606)	–	–	–
CNY (10% strengthening)	1,576	1,822	(625)	(705)

A 10% weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

24 Financial instruments (Cont'd)

Market risk (Cont'd)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group does not use any derivative financial instruments to hedge its interest rate risk.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's and Company's interest-earning/bearing financial instruments was as follows:

		Group		**Company**	
	Note	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**
Fixed rate instruments					
Fixed deposits	10	44	101	–	–
Lease liabilities		(26)	(50)	(26)	(50)
Payables for purchase of property, plant and equipment	15	(80,884)	(48,873)	–	–
		(80,866)	(48,822)	(26)	(50)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group is not exposed to significant risks arising from variable rate instruments.

Capital management

The Group's capital management policy is to ensure its ability to continue as a going concern in order to provide an adequate return to its shareholders and economic benefits for its stakeholders. Capital consists of share capital, reserves and accumulated profits.

The Group manages its capital structure and makes adjustments to it in consideration of many factors including changes in economic conditions, availability of comparatively advantageous financing strategies, cost of financing and impact of changes in the Group's liquidity and funding needs pertaining to its business activities.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except for subsidiaries in Tajikistan where companies are required to make an annual allocation of their annual profit to the statutory reserve up to 15% of share capital (Note 12).

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

24 Financial instruments (Cont'd)

Accounting classifications and fair values (Cont'd)

	Note	Carrying amount			Fair value
		Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 2 $'000
Group					
31 December 2023					
Financial assets not measured at fair value					
Trade and other receivables#	8	8,115	–	8,115	
Cash and cash equivalents	10	6,478	–	6,478	
		14,593	–	14,593	
Financial liabilities not measured at fair value					
Loans from major shareholders	14	–	(31,838)	(31,838)	(31,852)
Loans from non-controlling interest	14	–	(5,301)	(5,301)	
Trade and other payables*	15	–	(195,133)	(195,133)	(195,471)
		–	(232,272)	(232,272)	
31 December 2022					
Financial assets not measured at fair value					
Trade and other receivables#	8	9,450	–	9,450	
Cash and cash equivalents	10	11,632	–	11,632	
		21,082	–	21,082	
Financial liabilities not measured at fair value					
Loans from major shareholders	14	–	(38,466)	(38,466)	(37,991)
Loans from non-controlling interest	14	–	(3,416)	(3,416)	
Trade and other payables*	15	–	(133,872)	(133,872)	(129,126)
		–	(175,754)	(175,754)	
Company					
31 December 2023					
Financial assets not measured at fair value					
Trade and other receivables#	8	66,385	–	66,385	
Cash and cash equivalents	10	185	–	185	
		66,570	–	66,570	
Financial liabilities not measured at fair value					
Loans from major shareholders	14	–	(31,838)	(31,838)	(31,852)
Trade and other payables	15	–	(20,439)	(20,439)	
		–	(52,277)	(52,277)	
31 December 2022					
Financial assets not measured at fair value					
Trade and other receivables#	8	69,726	–	69,726	
Cash and cash equivalents	10	49	–	49	
		69,775	–	69,775	
Financial liabilities not measured at fair value					
Loans from major shareholders	14	–	(38,466)	(38,466)	(37,991)
Trade and other payables	15	–	(15,319)	(15,319)	
		–	(53,785)	(53,785)	

Excluding tax-related receivables, deposits and prepayments.

* *Excluding tax-related payables, Value-added/Goods and Services tax payable and withholding tax payable on dividends.*

24 Financial instruments (Cont'd)

Measurement of fair values

Type	Valuation technique
Non-current trade and other receivables, non-current loans and borrowings and non-current trade and other payables	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The carrying amount of the loan to an indirect subsidiary where the Company has the right to demand for payment before the due date is assumed to approximate its fair value.
Other financial assets and liabilities	The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

Other risks

'Climate-related risks' are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories, but due to their pervasive nature, they have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as snowstorms, and longer-term shifts in climate patterns, such as sustained higher or lower temperatures and heat waves. Transition risks arise as a result of measures to mitigate the effects of climate change and transition to a low-carbon economy, i.e. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Group has in place a Sustainability Governance Structure that oversees the development of group-wide policies, processes and controls to incorporate climate risks in the management of principal risk categories.

The Group is in the midst of developing a climate risk framework for:

- identifying risk factors and assessing their potential impact on the Group's financial statements; and
- allocating responsibilities for managing each identified risk factor.

The Group is also in the midst of setting out principles on how to incorporate climate-related risks into stress test scenarios. Presently, the Group incurs certain operating or capital expenditures to mitigate such climate-related risks and policies. The Group has provided $2,041,000 (2022: $3,040,000) to perform recultivation works by the end of its operations in accordance with the applicable legal requirements in Kazakhstan. The Group expects to incur the liability upon the end of the expected economic useful lives of its respective operations in Kazakhstan.

The Group has identified the following climate-related risk factors as having an impact on the Group's financial instruments and has included them in its principal risk management processes:

- Indirect customers exposed to increased transition risks: The Group has identified industries of customers that are subject to increased risk of climate regulation negatively affecting their business model.

Notwithstanding, there remains the risk that evolving demands for stronger protection over the environment, evolving laws and regulations and evolving decarbonisation policies may have a significant impact to the Group's financial performance in the future. The Group continues to monitor and assess the potential impact of such developments on its operations and financial performance.

25 Leases

Leases as lessee

The Group and Company lease properties (warehouse, factory and office facilities) and motor vehicles. The Group and Company entered into a hire purchase agreement for the purchase of a motor vehicle and repayment is over a period of 5 years. The leases for warehouse, factory and office facilities run for a period of 2 to 3 years. For the factory and office facilities, there is an option to renew the factory and office facilities leases after that date and the Group and Company are restricted from entering into any sub-lease arrangements. The Group and Company estimated that the potential future lease payments, should it exercise the option to renew, would result in an increase in lease liabilities of $1,180,000 and $390,000 (2022: $811,000 and $nil) respectively.

25 Leases (Cont'd)

Leases as lessee (Cont'd)

The Group also leases properties, plant and machinery, and motor vehicles with contract terms for one year which is deemed to be short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group and Company are lessees is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (Note 5).

	Leasehold properties $'000	Motor vehicles $'000	Total $'000
Group			
At 1 January 2022	735	119	854
Additions	2,048	–	2,048
Impairment loss	(784)	–	(784)
Depreciation charge for the year	(125)	(40)	(165)
Translation differences on consolidation	(17)	–	(17)
At 31 December 2022	1,857	79	1,936
At 1 January 2023	1,857	79	1,936
Addition	200	–	200
Depreciation charge for the year	(163)	(40)	(203)
Translation differences on consolidation	(13)	–	(13)
At 31 December 2023	1,881	39	1,920
Company			
At 1 January 2022	427	119	546
Depreciation charge for the year	(111)	(40)	(151)
At 31 December 2022	316	79	395
At 1 January 2023	316	79	395
Addition	200	–	200
Depreciation charge for the year	(118)	(40)	(158)
At 31 December 2023	398	39	437

	Group	
	2023 $'000	2022 $'000
Amount recognised in profit or loss		
Interest on lease liabilities	32	32
Expenses relating to short-term leases	7,024	904
Amount recognised in statement of cash flows		
Total cash outflow for leases	7,457	1,308

Leases as lessor

Operating lease

The Group leases out its investment property, plant and machinery and motor vehicles. The Group has classified the leases as operating lease, as the leases do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The leases run for a period between 1 to 10 years (2022: 10 years).

25 Leases (Cont'd)

Leases as lessor (Cont'd)

Operating lease (Cont'd)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2023	**2022**
	$'000	**$'000**
Operating leases		
Within one year	623	239
Between one and two years	219	239
Between two and three years	219	239
Between three and four years	219	239
Between four and five years	219	239
More than five years	128	379
	1,627	1,574

26 Acquisitions

Acquisition of assets in 2022

On 11 October 2022, the Group acquired Jetysu Terminal LLP through a subsidiary, Alacem LLP. The assets in Jetysu Terminal LLP largely consist of a leasehold land for industrial use.

The Group applied the concentration test and the acquisition of Jetysu Terminal LLP was assessed and accounted for as an acquisition of assets in the financial statements.

The total consideration, fully paid in cash, at the acquisition date for the acquisition of Jetysu Terminal LLP was $1,396,000.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Note	**$'000**
Property, plant and equipment	5	1,396
Cash and cash equivalents		#
Trade and other receivables		100
Trade and other payables		(100)
Total identifiable net assets		1,396
Total cash consideration		1,396

\# *Less than $1,000.*

Acquisition of non-controlling interest in 2022

On 22 November 2022, the Group completed its acquisition of an additional 15% interest in a subsidiary, Sharcem LLP, increasing its ownership from 60% to 75%. The carrying amount of Sharcem LLP's net liabilities in the Group's financial statements on the date of acquisition was $10,046,000.

	$'000
Carrying amount of non-controlling interest acquired ($10,046,000 * 15%)	(1,507)
Consideration paid/payable to non-controlling interest	(26,074)
Decrease in equity attributable to owners of the Company	(27,581)

26 Acquisitions (Cont'd)

Acquisition of non-controlling interest in 2022 (Cont'd)

The decrease in equity attributable to owners of the Company comprised:

(i) an increase in accumulated profits of $1,563,000;
(ii) an increase in currency translation reserve of $56,000; and
(iii) a decrease in capital reserve of $26,074,000.

27 Capital commitments

	Group	
	2023	**2022**
	$'000	**$'000**
Capital expenditure contracted to construct additional facilities of an existing cement plant in Kazakhstan, construction of a new cement plant in Kazakhstan and construction of a new freight and warehousing facilities in Kazakhstan (2022: construct additional facilities of an existing cement plant in Kazakhstan and upgrading works for another cement plant in Kazakhstan, construction of a new cement plant in Kazakhstan and a new gypsum plasterboard plant in Tajikistan) but not recognised in the financial statements	69,664	126,254

28 Contingent liabilities

In 2021, one of the Group's subsidiaries in Kazakhstan acquired cement-related assets in Kazakhstan from a bank and a third party (the "Acquisition"). These cement-related assets were distressed and put under forced sale by the bank. The subsidiary may be exposed to risk of this Acquisition being invalidated by creditors of the third party if the purchase price of the Acquisition is not deemed to be at fair value. As at the date of these financial statements, there are no claims or litigations in progress against the subsidiary arising from this Acquisition and accordingly, no provision has been made as at 31 December 2023.

29 Related parties

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	Transaction value		Balance outstanding	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Purchase of services				
Non-controlling interest	(641)	(3,508)	–	–

All outstanding balances with related parties are to be settled in cash within credit terms. None of the balances are secured.

Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling activities of the Group. The directors of the Company and members of the management team of the Group are considered to be key management personnel.

Key management personnel compensation

Key management personnel compensation comprised:

	Group	
	2023	**2022**
	$'000	**$'000**
Short-term employee benefits	2,480	2,230
Contributions to defined contribution plans	85	54
	2,565	2,284

SHAREHOLDING STATISTICS

As at 13 March 2024

Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share
No. of issued and paid-up shares	:	5,734,732,849

ANALYSIS OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	278	4.05	12,939	0.00
100 - 1,000	2,664	38.83	1,092,931	0.02
1,001 - 10,000	1,898	27.66	8,208,713	0.14
10,001 - 1,000,000	1,914	27.90	268,920,881	4.69
1,000,001 AND ABOVE	107	1.56	5,456,497,385	95.15
	6,861	**100.00**	**5,734,732,849**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES HELD	%
1	UOB KAY HIAN PRIVATE LIMITED	3,011,521,800	52.51
2	CITIBANK NOMINEES SINGAPORE PTE LTD	649,845,850	11.33
3	HSBC (SINGAPORE) NOMINEES PTE LTD	364,123,400	6.35
4	DBSN SERVICES PTE. LTD.	249,923,900	4.36
5	ZHANG ZENGTAO	217,500,000	3.79
6	DBS NOMINEES (PRIVATE) LIMITED	184,331,009	3.21
7	SL CAPITAL VENTURES PTE LTD	108,000,000	1.88
8	BUCKLEY CAPITAL PTE LTD	106,793,200	1.86
9	PHILLIP SECURITIES PTE LTD	92,260,115	1.61
10	WU XINGHUI	70,916,430	1.24
11	MAYBANK SECURITIES PTE. LTD.	17,960,028	0.31
12	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	17,431,157	0.30
13	SIM LEE HOON	15,750,000	0.27
14	TAN ENG CHUA EDWIN	15,550,400	0.27
15	OCBC SECURITIES PRIVATE LIMITED	15,079,350	0.26
16	CHNG BENG HUA	14,500,000	0.25
17	QUEK HAN BOON	13,650,700	0.24
18	TIGER BROKERS (SINGAPORE) PTE. LTD.	13,198,500	0.23
19	ABN AMRO CLEARING BANK N.V.	11,048,700	0.19
20	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	10,482,500	0.18
		5,199,867,039	**90.64**

REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 13 MARCH 2024

	Direct interest No. of shares	% of total issued shares [1]	Deemed interest No. of shares	% of total issued shares [1]
Victory Gate Ventures Limited [2]	–	–	3,150,000,000	54.93
Zhang Zengtao [3]	217,500,000	3.79	3,150,000,000	54.93
Ma Zhaoyang [4]	–	–	1,467,500,000	25.59

Notes:

1. As a percentage of the issued share capital of the Company comprising 5,734,732,849 ordinary shares.
2. Victory Gate Ventures Limited's ("**VGVL**") interest in 3,150,000,000 shares were held under the name of nominees – Citibank Nominees Singapore Pte Ltd, DBSN Services Pte Ltd, HSBC (Singapore) Nominees Pte Ltd and UOB Kay Hian Pte Ltd.
3. Zhang Zengtao holds 100% shares in VGVL and is therefore deemed to be interested in the shares held by VGVL by virtue of Section 7(4) of the Companies Act 1967.
4. Ma Zhaoyang's deemed interest in the 1,467,500,000 Shares were held under the name of nominees – Citibank Nominees Singapore Pte Ltd, DBSN Services Pte Ltd, HSBC (Singapore) Nominees Pte Ltd and UOB Kay Hian Pte Ltd.

PERCENTAGE OF SHAREHOLDING IN THE HANDS OF PUBLIC

As at 13 March 2024, 15.17% of the issued share capital of the Company was held in the hands of the public (based on the information available to the Company). The Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The Company does not have treasury shares and subsidiary holdings.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Ma Zhaoyang, Mr Wong Chee Meng Lawrence and Mr David Tan Chao Hsiung are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 April 2024 ("AGM") ("Retiring Directors").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR MA ZHAOYANG	MR WONG CHEE MENG LAWRENCE	MR DAVID TAN CHAO HSIUNG
Date of appointment	5 November 2015	26 April 2021	15 December 2023
Date of last re-appointment	28 April 2022	-	-
Age	55	56	63
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Mr Ma is familiar with the cement manufacturing business as he has been a non-executive director of another cement manufacturing company listed on the Hong Kong Stock Exchange since 2010. The Board opined that Mr Ma has carried out his duties satisfactorily in FY2023 and that his knowledge and expertise are still required by the Group, and recommended his re-election. Refer to the disclosures set out under "Board diversity", "Directors' selection and nomination process" and "Directors' rotation and re-election" of the Corporate Governance Report in this Annual Report.	Mr Wong is an established corporate practitioner with extensive legal experience. He is currently a consultant with Donaldson & Burkinshaw LLP. His areas of practice include corporate and securities law, capital markets, mergers and acquisitions, corporate restructuring, joint ventures, corporate and commercial contracts, regulatory compliance and corporate governance advisory and corporate secretarial work. The Board opined that Mr Wong has carried out his duties satisfactorily in FY2023 and that his knowledge and expertise and still required by the Group, and recommended his re-election. Refer to the disclosures set out under "Board diversity", "Directors' selection and nomination process" and "Directors' rotation and re-election" of the Corporate Governance Report in this Annual Report.	Mr Tan has over 20 years of senior management experience in the banking and finance industry and has held positions in both local and foreign financial institutions. The Board is of the view that Mr Tan has the relevant professional qualifications and working experience to contribute to the diversity of the Board and the Company. The Board recommended his re-election. Refer to the disclosures set out under "Board diversity", "Directors' selection and nomination process" and "Directors' rotation and re-election" of the Corporate Governance Report in this Annual Report.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Ma has oversight of the Group's operations and performance.	Non-Executive.	Non-Executive.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION
(Cont'd)

	MR MA ZHAOYANG	MR WONG CHEE MENG LAWRENCE	MR DAVID TAN CHAO HSIUNG
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman and Executive Director	Independent Director Nominating Committee Chairman Audit Committee Member Remuneration Committee Member	Independent Director Audit Committee Member
Professional qualifications	Doctorate Degree in Management; and Masters Degree in Management from the Northwestern Polytechnic University (Shaanxi, China)	LL. B. (Hons) 1. Advocate & Solicitor (Supreme Court of Singapore) 2. Solicitor (High Court, Hong Kong SAR)	Felow Certified Practicing Accountant (CPA Australia) Master of Commerce (specialisation in finance) - University of New South Wales, Australia Bachelor of Economics (Accountancy) – Macquarie University, Australia
Working experience and occupation(s) during the past 10 years	Refer to the Director's profile of Mr Ma disclosed under the section titled "Board of Directors" of this Annual Report.	Refer to the Director's profile of Mr Wong disclosed under the section titled "Board of Directors" of this Annual Report.	Refer to the Director's profile of Mr Tan disclosed under the section titled "Board of Directors" of this Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interests (including any competing business)	Nil	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) Or Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries?	Yes	No	No
Shareholding Details	Mr Ma is deemed interested in 1,467,500,000 ordinary shares of the Company.	Not applicable	Not applicable

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION
(Cont'd)

	MR MA ZHAOYANG	MR WONG CHEE MENG LAWRENCE	MR DAVID TAN CHAO HSIUNG
Other principal commitments including directorships Past (for the last 5 years) Present	Refer to the Director's profile of Mr Ma disclosed under the section titled "Board of Directors" of this Annual Report.	Refer to the Director's profile of Mr Wong disclosed under the section titled "Board of Directors" of this Annual Report.	Refer to the Director's profile of Mr Tan disclosed under the section titled "Board of Directors" of this Annual Report.
Information required pursuant to Listing Rule 704(7) under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Mr Ma's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Mr Wong's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Mr Tan's responses under items (a) to (k) of the Appendix 7.4.1 of the SGX-ST Listing Manual are all "No"), except for (j)(i) and (j)(iv) are "Yes". Please refer to the below.

Singapore Exchange Limited (the "**SGX-ST**")

On 23 July 2008, the SGX-ST had written to Omega Capital Limited (the "**Omega Capital**") requiring Omega Capital to appoint an independent professional firm to conduct a review and recommend improvements to its internal processes, raise its due diligence standards and build up its expertise and resources. Following a review of Omega Capital, SGX-ST had concluded that Omega Capital had not fully met the standards expected of an issue manager and financial adviser. Mr David Tan Chao Hsiung ("**Mr Tan**") was the chief executive officer and substantial shareholder of Omega Capital.

Omega Capital duly complied with SGX-ST directive in appointing an independent professional firm and implemented the recommendations made by the professional firm.

Neither Mr Tan nor any representative of Omega Capital was called for any interview or to provide any statement to any regulatory authority in respect of the matters regarding Omega Capital.

Monetary Authority of Singapore (the "**MAS**")

CMS Licence renewal: Omega Capital's Capital Markets Service licence (the "**CMS Licence**"), which was issued by the MAS, was due for renewal in March 2009.

Omega Capital, on its own accord, did not seek a renewal of its CMS Licence.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION
(Cont'd)

Supervisory warnings:

1. On 21 August 2009, Omega Capital was given a written warning by the MAS for contravention of Section 96(1) of the Securities Future Act ("**SFA**"). This was related to the appointment of a director onto the board of directors of Omega Capital without prior approval of the MAS. No penalty was imposed against Omega Capital or its directors.
2. On 21 August 2009, Mr Tan was given a warning by the MAS for not promptly informing them on the disposal of his interest in a private company and the resignation of his directorship in that company. No penalty was imposed on Mr Tan.
3. On 12 February 2007, one of Omega Capital's directors was given a supervisory warning for contravention of Section 84(1)(b) of the SFA as Omega Capital has submitted its licence renewal application less than one month before the expiry. No penalty was imposed on the director concerned or Omega Capital or its directors.
4. On 8 November 2004, Omega Capital was given a written warning for non-compliance with Regulation 5 of the Securities & Futures (Licensing & Conduct of Business) Regulations on its failure to notify the MAS on changes to a representative's particulars. This was related to Mr Tan's resignation as an independent director in a listed company. No penalty was imposed against Omega Capital or Mr Tan.
5. On 18 October 2004, Omega Capital was given a written warning on the non-compliance with licence condition and the Securities and Futures (Financial & Margin Requirements for Holders of Capital Markets Services Licences) Regulations 2002 on the following issues:
   (i) Failure to promptly notify MAS of effective date of the change to shareholdings of one of the directors even if the change does not require prior approval from the MAS;
   (ii) Failure to comply with regulation 27 of the SFA – late lodgement of statement of assets and liabilities in Form 1 and statement of financial resources and total risk requirement in Form 5; and
   (iii) Failure to promptly notify MAS of the resignation of one of the directors. No penalty was imposed against Omega Capital or its directors.

Abstract from Mun Siong Engineering Limited announcement dated 6 April 2021

"Mun Siong Engineering Limited (the "**Company**") would like to announce that the Ministry of Manpower (the "**MOM**"), letter dated 5 April 2021, has debarred the Company from applying for new work passes until 29 December 2021. Besides the debarring, the MOM letter dated 18 March 2021, has also made an Administrative Financial Penalty against the Company of $15,000.

The MOM has found that the Company had breached Section 25(3) of the Employment of Foreign Manpower Act (Chapter 91A). One of its former employee made an inherent oversight in its submission to the MOM for the transferred of 6 work pass workers from their original employer. The said former employee relied on verbal representations, instead of seeking documentary proof, from each of the 6 said work pass workers. An investigation from MOM was conducted on 17 December 2020 with our Human Resource manager. On 18 March 2021, the Company received a letter from MOM informing the Company about the breach and imposed an Administrative Financial Penalty of $15,000 in which the Company had paid for it.

In response to the MOM letter dated 18 March 2021, the Company through its letter dated 25 March 2021, based on its own investigations, has disclosed that the said former employee exercised discretion on this matter without consulting management or immediate superior. Nevertheless, the management has acknowledged that it is an oversight on the Company's part."

Abstract from Mun Siong Engineering Limited announcement dated 22 April 2021

"The Company wishes to announce that on 13 April 2021, it has received a response from the Ministry of Manpower ("**MOM**") with respect to its appeal on the debarment. MOM, after reviewing the appeal, have reduced the debarred period from 12 months to 6 months, without any conditions imposed. The debarment will be lifted on 30 June 2021 after which the Company will be permitted to submit applications for the employment of new foreign workers, subject to the existing work pass criteria."

None of the directors of Mun Siong Engineering Limited was fined or received a letter of warning.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of INTERNATIONAL CEMENT GROUP LTD. (the "**Company**") will be held at Kent Ridge Guild House at 9 Kent Ridge Drive, Singapore 119241 on Friday, 26 April 2024 at 2:00 p.m., for the following purposes:

AS ORDINARY BUSINESSES

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2023 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Ma Zhaoyang, a Director who is retiring pursuant to Regulation 102 of the Company's Constitution.
   [See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr Wong Chee Meng, Lawrence, a Director who is retiring pursuant to Regulation 102 of the Company's Constitution.
   [See Explanatory Note (ii)] **(Resolution 3)**

4. To re-elect Mr David Tan Chao Hsiung, a Director who is retiring pursuant to Regulation 106 of the Company's Constitution.
   [See Explanatory Note (iii)] **(Resolution 4)**

5. To approve the payment of Directors' fees of SGD185,000.00 for the financial year ending 31 December 2024 and to authorise the Directors of the Company an option to pay the said fees quarterly in arrears. (2023: SGD185,000.00) **(Resolution 5)**

6. To approve Messrs Deloitte & Touche LLP, as the Company's auditors to hold office until the conclusion of the next AGM in place of Messrs KPMG LLP, the retiring auditors, (the "**Proposed Change of Auditors**") and to authorise the Directors of the Company to fix their remuneration.
   [See Explanatory Note (iv)] **(Resolution 6)**

7. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

8. Authority to allot and issue shares

   "That pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (i) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and

   (ii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,

   at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities outstanding or subsisting at the time this resolution is passed;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
[See Explanatory Note (v)] **(Resolution 7)**

By Order of the Board

Sharon Lim Siew Choo
Company Secretary

Singapore, 8 April 2024

Explanatory Notes:

(i) **Ordinary Resolution 2:** Mr Ma Zhaoyang will, upon re-election as a Director of the Company, remain as the Executive Director and Chairman of the Board of Directors. Key information on Mr Ma can be found under the sections titled "Board of Directors", "Corporate Governance Report" and "Disclosure of Information on Directors Seeking Re-election" of the Company's 2023 Annual Report.

(ii) **Ordinary Resolution 3:** Mr Wong Chee Meng, Lawrence will, upon re-election as a Director of the Company, remain as the Independent Director, Chairman of the Nominating Committee, and member of the Audit Committee and Remuneration Committee. Mr Wong will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Key information on Mr Wong can be found under the sections titled "Board of Directors", "Corporate Governance Report" and "Disclosure of Information on Directors Seeking Re-election" of the Company's 2023 Annual Report.

(iii) **Ordinary Resolution 4:** Mr David Tan Chao Hsiung will, upon re-election as a Director of the Company, remain as the Independent Director, and member of the Audit Committee. Mr Tan will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Key information on Mr Tan can be found under the sections titled "Board of Directors", "Corporate Governance Report" and "Disclosure of Information on Directors Seeking Re-election" of the Company's 2023 Annual Report.

(iv) **Ordinary Resolution 6**: To approve Messrs Deloitte & Touche LLP, as the Company's auditors to hold office until the conclusion of the next AGM in place of Messrs KPMG LLP, the retiring auditors, (the "**Proposed Change of Auditors**") and to authorise the Directors of the Company to fix their remuneration[1].

(v) **Ordinary Resolution 7:** This resolution, if passed, will authorise and empower the Directors of the Company from the date of the above AGM until the next AGM to issue shares in the capital of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

For the purpose of Resolution 7, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

(1) The AGM of the Company will be held, in a wholly physical format at Kent Ridge Guild House at 9 Kent Ridge Drive, Singapore 119241 on Friday, 26 April 2024 at 2:00 p.m..
There will be no option for members to participate virtually.

(2) This Notice of AGM, Proxy Form, 2023 Annual Report and its Appendix will be sent to members by electronic means via publication on the Company's corporate website at the URL https://internationalcementgroup.com/agm-information/ and is also made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this Notice of AGM and Proxy Form will also be sent by post to members.

(3) In view of the guidance note issued by the Singapore Exchange Regulation, members may also submit questions relating to the resolutions to be tabled for approval at the AGM in the following:

(a) submitting question via mail to the Company's registered office at 100 Tras Street, #18-01, 100 AM, Singapore 079027, or email to contactus@internationalcementgroup.com prior to the AGM manner by 2:00 p.m. on **15 April 2024**; or

(b) "live" at the AGM.

When submitting the questions, please provide the Company with the following details, for verification purpose:–

(i) Full name;
(ii) NRIC number;
(iii) current address;
(iv) contact number; and
(v) number of Shares held.

Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

[1] *Please refer to the Appendix to this Notice of AGM dated 8 April 2024, which sets out additional information on the Proposed Change of Auditors.*

Shareholders are encouraged to submit their questions before **2:00 p.m. on 15 April 2024** as this will allow Company to have sufficient time to address all substantial and relevant submitted questions. The Company will respond to these questions and publish it on the (i) SGX's website and (ii) the Company's corporate website **on or before 2:00 p.m. on 19 April 2024** (at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms). The minutes of the AGM will be published on (i) the SGX's website (ii) the Company's corporate website, within one (1) month after the date of the AGM.

(4) A member who is not a relevant intermediary*, entitled to attend, speak and vote at the AGM is entitled to appoint not more than two proxies or Chairman to attend, speak and vote in his/her stead at the AGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.

(5) A member who is a relevant intermediary* may appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Relevant intermediary has the meaning ascribed to it in section 181 of the Companies Act.

*Relevant intermediary is either:

(i) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
(ii) a capital markets services license holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
(iii) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1963, in respect of shares purchased on behalf of CPF investors.

(6) The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

(7) In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of a proxy(ies) for that resolution will be treated as invalid.

(8) The instrument appointing proxy(ies), together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must be deposited to the Company in the following manner:-

(a) mail to the Company's registered office at 100 Tras Street, #18-01, 100 AM, Singapore 079027; or

(b) email to contactus@internationalcementgroup.com.

in each case, by 2:00 p.m. on 23 April 2024, being no later than 72 hours before the time fixed for the AGM, and in default the instrument of proxy shall not be treated as valid.

(9) Investors who hold shares through CPF Investment Scheme or Supplementary Retirement Scheme ("**SRS**"):-

(a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes

at least seven (7) working days before the AGM (i.e. by **2:00 p.m. on 16 April 2024**).

(10) The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).

(11) In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

(12) The Company's 2023 Annual Report has been published and may be accessed at the Company's corporate website at the URL https://internationalcementgroup.com/annual-report and is also made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

(13) If you wish to receive a printed copy of the 2023 Annual Report, please complete and return the request form to the Company's office at 100 Tras Street #18-01, Singapore 079027 at by no later than 15 April 2024.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, or (b) submitting any question prior or at the AGM of the Company in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;

(iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities; and

(v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the AGM of the Company and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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INTERNATIONAL CEMENT GROUP LTD.
(Company Registration No. 201539771E)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

[TO BE EFFECTIVE THIS FORM MUST BE SUBMITTED NO LATER THAN 2:00 P.M. ON 23 APRIL 2024]

IMPORTANT:
1. The AGM of the Company will be held, in a wholly physical format at Kent Ridge Guild House at 9 Kent Ridge Dr, Singapore 119241, on Friday, 26 April 2024 at 2:00 p.m.. There will be no option for members to participate virtually.
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR THEIR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2024.
5. A relevant intermediary may appoint more than two proxies to attend the AGM and vote (please see Note 3 for the definition of "relevant intermediary").

PLEASE READ THE NOTES TO THE PROXY FORM

I/We, ____________________ (Name) ____________________ (NRIC/Passport No./

Company Registration No.), of ____ (Address)

being a *member/members of **International Cement Group Ltd.** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing whom, Chairman of the Annual General Meeting ("**AGM**" or "**Meeting**"), as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be convened and held at Kent Ridge Guild House, at 9 Kent Ridge Dr, Singapore 119241 on Friday, 26 April 2024 at 2:00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated below. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
Ordinary Businesses				
1	To receive and adopt Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023, together with the Auditors' Report thereon.			
2	To re-elect Mr Ma Zhaoyang as a Director of the Company.			
3	To re-elect Mr Wong Chee Meng, Lawrence as a Director of the Company.			
4	To re-elect Mr David Tan Chao Hsiung as a Director of the Company.			
5	To approve Directors' fees for the financial year ending 31 December 2024.			
6	To appoint Messrs Deloitte & Touche LLP as auditors in place of retiring auditors, Messrs KPMG LLP and to authorise the Directors to fix their remuneration.			
Special Businesses				
7	Authority to allot and issue shares			

* Delete where inapplicable.
** If you wish to exercise all your votes "**For**" or "**Against**", or "**Abstain**" please tick with "√" within the box provided. Alternatively, please indicate the number of votes "**For**" or "**Against**", or "**Abstain**" each resolution.

Note: Please note that the short descriptions given above of the resolutions to be passed do not in any way whatsoever reflect the intentand purpose of the resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the resolutions to be passed.

Dated this____________day, ____________ of 2024

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

Signature of Member(s) and/or Common Seal of Corporate Shareholder

IMPORTANT – PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members,you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate numberof Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to allthe Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. A proxy need not be a member of the Company.

3. A member who is a Relevant Intermediary* entitled to attend and vote at the AGM is entitled to appoint more than two (2) proxies to attend and vote at the AGM instead of such member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   * Relevant Intermediary means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. The instrument appointing a proxy(ies) or Chairman of the Meeting as proxy must be deposited in the following manner;

   i) if submitted by post, be deposited at the Company's registered office at 100 Tras Street, #18-01, 100 AM, Singapore 079027; or

   ii) if submitted electronically, be submitted via email to the Company at contactus@internationalcementgroup.com.

   in either case, by 2:00 p.m. on 23 April 2024 being not less than seventy-two (72) hours before the time appointed for holding the AGM.

5. The instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney dulyauthorized in writing. Where the instrument appointing proxy(ies) or the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing proxy(ies) or the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorize by resolution of its directors or other governing body such personas it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, 1967.

7. Investors who hold shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme ("**CPF Investors**") or the Supplementary Retirement Scheme ("**SRS Investors**"), and who wish to appoint the Chairman of the AGM as a proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the AGM (i.e. by 2:00 p.m. on 16 April 2024).

8. The Company shall be entitled to reject the instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy.

9. In the case of members whose Shares entered against their names in the Depository Register, the Company mayreject any instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy lodged if such members, being the appointor, are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the virtual AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 April 2024.

INTERNATIONAL CEMENT GROUP

SINGAPORE

CORPORATE HEADQUARTERS

International Cement Group Ltd.
100 Tras Street #18-01 100 AM
Singapore 079027
Tel: (65) 6486 7858
Fax: (65) 6486 7851
Email: contactus@internationalcementgroup.com
Website: www.internationalcementgroup.com

ALUMINIUM SEGMENT

Compact Metal Industries Pte. Ltd.
100 Tras Street #18-01 100 AM
Singapore 079027
Tel: (65) 6486 7858
Fax: (65) 6486 7851
Email: info@compact.com.sg

Integrate Private Limited
100 Tras Street #18-01 100 AM
Singapore 079027
Tel: (65) 6486 7858
Fax: (65) 6486 7851
Email: info@integrate.com.sg

MALAYSIA

ALUMINIUM SEGMENT

Compact Metal Industries Sdn. Bhd.
35½ Miles, Jalan Johor Bahru / Ayer Hitam,
81000 Kulai, Johor,
Malaysia
Tel: (60) 76513699
Fax: (60) 76513491

TAJIKISTAN

CEMENT SEGMENT

International Manufacturing Company
Chzhungtsai Mohir Cement LLC
19 Promzona Street, Dahana Town,
Yovon District, Khatlon Region,
Tajikistan
Tel: (992) 99999 8808

Mohir Cement LLC
Industrial Zone, Village Council of Madaniyat Village,
Jaloliddin Balkhi District, Khatlon Region,
Tajikistan
Tel: (992) 99999 8824

OTHERS SEGMENT

Mohir Investment LLC
19 Promzona Street, Dahana Town,
Yovon District, Khatlon Region,
Tajikistan
Tel: (992) 99999 8808

KAZAKHSTAN

CENTRAL ASIA HEADQUARTERS

International Cement Investment Management LLP
Nursultan Nazarbayev Avenue, 269A,
Medeu District, Almaty City,
Kazakhstan

CEMENT SEGMENT

Alacem LLP
Building 1, 8-th km, Kyzylzhar Shosse,
Kerbulak District, Kyzylzhar Village, Almaty Oblast,
Kazakhstan
Tel: (7) 777 156 10 62

Sharcem LLP
Building 20, Zhanazhol Street, Konyrbiik Village,
Karasu Rural District, Zharma District, East Kazakhstan Region,
Kazakhstan
Tel: (7) 775 693 06 15

Korcem LLP
Building 148, St. Baydibek, Korday Village,
Korday District, Zhambyl Region,
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Tel: (7) 701 111 26 50