International Cement Group Ltd.
and its subsidiaries
Registration Number: 201539771E

Condensed Consolidated Interim Financial Statements
Six months and full year ended 31 December 2021

Condensed consolidated interim statement of profit or loss

	Note	Six months ended 31 December 2021 $'000	Six months ended 31 December 2020 $'000	Increase/ (Decrease) %	Full year ended 31 December 2021 $'000	Full year ended 31 December 2020 $'000	Increase/ (Decrease) %
Revenue	4	96,487	78,534	23	181,429	141,626	28
Cost of sales		(58,833)	(47,180)	25	(106,629)	(85,026)	25
Gross profit		37,654	31,354		74,800	56,600	
Other income		995	1,046	(5)	1,519	4,085	(63)
Selling and distribution expenses		(1,459)	(2,420)	(40)	(3,520)	(2,682)	31
Administrative expenses		(9,342)	(7,835)	19	(17,816)	(15,395)	16
Reversal of loss allowance on trade and other receivables and contract assets		27	94	(71)	100	187	(47)
Other expenses		(1,314)	(8,048)	(84)	(3,585)	(12,731)	(72)
Results from operating activities		26,561	14,191		51,498	30,064	
Finance income		19	40	(53)	36	43	(16)
Finance costs		(3,075)	(1,598)	92	(4,811)	(3,878)	24
Net finance costs		(3,056)	(1,558)		(4,775)	(3,835)	
Profit before tax	5	23,505	12,633		46,723	26,229	
Tax expense	6	(4,771)	(4,935)	(3)	(9,339)	(7,335)	27
Profit for the period/year		18,734	7,698		37,384	18,894	
Profit attributable to:							
Owners of the Company		13,321	2,787	378	26,350	8,788	200
Non-controlling interests		5,413	4,911	10	11,034	10,106	9
Profit for the period/year		18,734	7,698		37,384	18,894	
Earnings per share (cents)							
Basic earnings per share	7	0.23	0.05		0.46	0.15	
Diluted earnings per share	7	0.23	0.05		0.46	0.15	

The notes on pages 9 to 33 are an integral part of these condensed interim financial statements.

Condensed consolidated interim statement of comprehensive income (cont'd)

	Six months ended 31 December 2021 $'000	Six months ended 31 December 2020 $'000	Increase/ (Decrease) %	Full year ended 31 December 2021 $'000	Full year ended 31 December 2020 $'000	Increase/ (Decrease) %
Profit for the period/year	18,734	7,698		37,384	18,894	
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Deficit on revaluation of property, plant and equipment	–	(26)	(100)	–	(26)	(100)
Tax on deficit on revaluation of property, plant and equipment	–	6	(100)	–	6	(100)
	–	(20)		–	(20)	
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations	–	(1,011)	(100)	–	(1,257)	(100)
Foreign currency translation differences – foreign operations	(158)	(24,642)	(99)	3,703	(30,431)	n/m
	(158)	(25,653)		3,703	(31,688)	
Other comprehensive income for the period/year, net of tax	(158)	(25,673)		3,703	(31,708)	
Total comprehensive income for the period/year	18,576	(17,975)		41,087	(12,814)	
Total comprehensive income attributable to:						
Owners of the Company	15,201	(14,540)	n/m	29,487	(13,413)	n/m
Non-controlling interests	3,375	(3,435)	n/m	11,600	599	n/m
Total comprehensive income for the period/year	18,576	(17,975)		41,087	(12,814)	

n/m – Not meaningful

The notes on pages 9 to 33 are an integral part of these condensed interim financial statements.

Condensed interim statements of financial position

		Group		Company	
	Note	31 December 2021 $'000	31 December 2020 $'000	31 December 2021 $'000	31 December 2020 $'000
Non-current assets					
Property, plant and equipment	8	279,423	238,746	627	796
Intangible assets and goodwill	9	39,700	38,851	–	–
Investment properties		128	125	–	–
Subsidiaries		–	–	178,522	185,453
Trade and other receivables		2,627	–	65,833	38,313
Contract assets		1,028	1,348	–	–
Deferred tax assets		129	38	–	–
		323,035	279,108	244,982	224,562
Current assets					
Inventories		27,237	21,082	–	–
Trade and other receivables		29,352	25,537	40	98
Contract assets		1,174	1,230	–	–
Cash and cash equivalents		12,390	10,105	47	142
		70,153	57,954	87	240
Assets held for sale		–	361	–	–
		70,153	58,315	87	240
Total assets		393,188	337,423	245,069	224,802
Equity attributable to owners of the Company					
Share capital	10	276,824	276,824	198,647	198,647
Capital reserve		4,544	2,517	4,140	2,113
Revaluation reserve		–	156	–	–
Currency translation reserve		(33,899)	(37,036)	–	–
Accumulated losses		(23,211)	(49,717)	(26,776)	(18,820)
		224,258	192,744	176,011	181,940
Non-controlling interests		48,294	46,485	–	–
Total equity		272,552	239,229	176,011	181,940
Non-current liabilities					
Loans and borrowings	11	36,738	14,001	59,269	35,629
Trade and other payables		25,876	28,203	379	513
Provisions		28	112	15	14
Deferred tax liabilities		10,581	10,089	–	–
		73,223	52,405	59,663	36,156
Current liabilities					
Trade and other payables		44,435	42,366	9,395	6,706
Contract liabilities		2,472	3,390	–	–
Provisions		506	33	–	–
		47,413	45,789	9,395	6,706
Total liabilities		120,636	98,194	69,058	42,862
Total equity and liabilities		393,188	337,423	245,069	224,802

The notes on pages 9 to 33 are an integral part of these condensed interim financial statements.

Condensed interim statements of changes in equity

	Note	Share capital $'000	Capital reserve $'000	Revaluation reserve $'000	Currency translation reserve $'000	Accumulated losses $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group									
At 1 January 2021		276,824	2,517	156	(37,036)	(49,717)	192,744	46,485	239,229
Total comprehensive income for the year									
Profit for the year		–	–	–	–	26,350	26,350	11,034	37,384
Other comprehensive income									
Realisation of revaluation reserve		–	–	(156)	–	156	–	–	–
Foreign currency translation differences – foreign operations		–	–	–	3,137	–	3,137	566	3,703
Total other comprehensive income		–	–	(156)	3,137	156	3,137	566	3,703
Total comprehensive income for the year		–	–	(156)	3,137	26,506	29,487	11,600	41,087
Transactions with owners, recognised directly in equity									
Contribution by and distribution to owners									
Dividends declared to non-controlling interest	10	–	–	–	–	–	–	(11,330)	(11,330)
Fair value adjustments on loans from major shareholders	11	–	2,027	–	–	–	2,027	–	2,027
Fair value adjustments on loan from non-controlling interest	11	–	–	–	–	–	–	(774)	(774)
Total contributions by and distributions to owners		–	2,027	–	–	–	2,027	(12,104)	(10,077)
Changes in ownership interests in subsidiaries									
Acquisition of subsidiaries with non-controlling interests		–	–	–	–	–	–	(8)	(8)
Incorporation of subsidiaries with non-controlling interests		–	–	–	–	–	–	2,321	2,321
Total changes in ownership and interests in subsidiaries		–	–	–	–	–	–	2,313	2,313
Total transactions with owners		–	2,027	–	–	–	2,027	(9,791)	(7,764)
At 31 December 2021		276,824	4,544	–	(33,899)	(23,211)	224,258	48,294	272,552

The notes on pages 9 to 33 are an integral part of these condensed interim financial statements.

Condensed interim statements of changes in equity (cont'd)

	Note	Share capital $'000	Capital reserve $'000	Revaluation reserve $'000	Currency translation reserve $'000	Accumulated losses $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group									
At 1 January 2020		276,824	1,437	357	(14,855)	(58,686)	205,077	58,855	263,932
Total comprehensive income for the year									
Profit for the year		–	–	–	–	8,788	8,788	10,106	18,894
Other comprehensive income									
Deficit on revaluation of property, plant and equipment		–	–	(26)	–	–	(26)	–	(26)
Tax on deficit on revaluation of property, plant and equipment		–	–	6	–	–	6	–	6
Realisation of revaluation reserve		–	–	(181)	–	181	–	–	–
Foreign currency exchange differences on monetary items forming part of net investment in foreign operations		–	–	–	(1,100)	–	(1,100)	(157)	(1,257)
Foreign currency translation differences – foreign operations		–	–	–	(21,081)	–	(21,081)	(9,350)	(30,431)
Total other comprehensive income		–	–	(201)	(22,181)	181	(22,201)	(9,507)	(31,708)
Total comprehensive income for the year		–	–	(201)	(22,181)	8,969	(13,413)	599	(12,814)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends declared to non-controlling interest	10	–	–	–	–	–	–	(11,546)	(11,546)
Fair value adjustments on loans from major shareholders		–	1,080	–	–	–	1,080	–	1,080
Fair value adjustments on loan from non-controlling interest		–	–	–	–	–	–	(1,423)	(1,423)
Total contributions by and distributions to owners		–	1,080	–	–	–	1,080	(12,969)	(11,889)
Total transactions with owners		–	1,080	–	–	–	1,080	(12,969)	(11,889)
At 31 December 2020		276,824	2,517	156	(37,036)	(49,717)	192,744	46,485	239,229

The notes on pages 9 to 33 are an integral part of these condensed interim financial statements.

Condensed interim statements of changes in equity (cont'd)

	Note	Share capital $'000	Capital reserve $'000	Accumulated losses $'000	Total $'000
Company					
At 1 January 2021		198,647	2,113	(18,820)	181,940
Total comprehensive income for the year					
Loss for the year		–	–	(7,956)	(7,956)
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Fair value adjustments on loans from major shareholders	11	–	2,027	–	2,027
Total contributions by and distributions to owners		–	2,027	–	2,027
Total transaction with owners		–	2,027	–	2,027
At 31 December 2021		198,647	4,140	(26,776)	176,011
At 1 January 2020		198,647	1,033	(16,171)	183,509
Total comprehensive income for the year					
Loss for the year		–	–	(2,649)	(2,649)
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Fair value adjustments on loans from major shareholders		–	1,080	–	1,080
Total contributions by and distributions to owners		–	1,080	–	1,080
Total transaction with owners		–	1,080	–	1,080
At 31 December 2020		198,647	2,113	(18,820)	181,940

The notes on pages 9 to 33 are an integral part of these condensed interim financial statements.

Condensed consolidated interim statement of cash flows

	Note	Six months ended 31 December 2021 $'000	Six months ended 31 December 2020 $'000	Full year ended 31 December 2021 $'000	Full year ended 31 December 2020 $'000
Cash flows from operating activities					
Profit for the period/year		18,734	7,698	37,384	18,894
Adjustments for:					
Amortisation of intangible assets	5	1,277	1,356	2,511	2,821
Bad debts written off/(recovered)	5	119	(3)	119	(4)
Changes in fair value on investment properties	5	–	64	–	64
Depreciation of property, plant and equipment	5	8,800	7,994	14,573	10,740
Finance costs		3,075	1,598	4,811	3,878
Finance income		(19)	(40)	(36)	(43)
Gain on disposal of property, plant and equipment	5	(7)	(1)	(11)	(80)
Impairment loss on property, plant and equipment	5	825	247	825	247
Provision for onerous contracts	5	395	–	395	–
Reversal of provision for inventories obsolescence	5	(177)	(64)	(174)	(64)
Reversal of loss allowance on trade and other receivables and contract assets		(27)	(94)	(100)	(187)
Reversal of provision for warranties	5	(4)	(11)	(4)	(11)
Unrealised exchange loss		122	5,928	2,054	9,830
Write down of inventories to net realisable value	5	–	3	–	25
Write off of other payables	5	(540)	–	(540)	–
Write off of property, plant and equipment	5	135	369	140	578
Tax expense	6	4,771	4,935	9,339	7,335
		37,479	29,979	71,286	54,023
Changes in:					
- inventories		(7,493)	(5,289)	(5,659)	(3,838)
- contract assets		408	(109)	382	697
- trade and other receivables		(7,475)	(3,556)	(10,673)	81
- contract liabilities		50	2,814	(965)	2,682
- trade and other payables		3,974	1,543	2,217	(3,692)
Cash generated from operations		26,943	25,382	56,588	49,953
Tax paid		(2,290)	(22)	(4,629)	(48)
Net cash from operating activities		24,653	25,360	51,959	49,905

The notes on pages 9 to 33 are an integral part of these condensed interim financial statements.

Condensed consolidated interim statement of cash flows (cont'd)

	Note	Six months ended 31 December 2021 $'000	Six months ended 31 December 2020 $'000	Full year ended 31 December 2021 $'000	Full year ended 31 December 2020 $'000
Cash flows from investing activities					
Acquisition of property, plant and equipment		(45,840)	(17,594)	(58,922)	(26,101)
Acquisition of intangible assets		(2,506)	(135)	(2,507)	(135)
Deposits pledged		(49)	–	(49)	–
Interest received		19	24	36	27
Proceeds from disposal of assets held for sale		360	–	360	–
Proceeds from disposal of property, plant and equipment		471	12	475	91
Net cash used in investing activities		(47,545)	(17,693)	(60,607)	(26,118)
Cash flows from financing activities					
Dividends paid to non-controlling interest		(3,755)	(9,673)	(6,254)	(16,136)
Withholding tax paid on dividends declared by a subsidiary	6	(1,627)	(2,126)	(3,626)	(4,180)
Interest paid		(1,260)	(1,662)	(1,276)	(1,665)
Payment of lease liabilities		(214)	(204)	(409)	(407)
Proceeds from loans from major shareholders	11	24,361	–	24,361	–
Repayment of loan from non-controlling interest		–	(3,375)	(2,020)	(3,375)
Net cash generated from/(used in) financing activities		17,505	(17,040)	10,776	(25,763)
Net (decrease)/increase in cash and cash equivalents		(5,387)	(9,373)	2,128	(1,976)
Cash and cash equivalents at beginning of the period/year		17,588	19,938	10,047	12,345
Effect of exchange rate fluctuations on cash held		82	(518)	108	(322)
Cash and cash equivalents at end of the period/year		12,283	10,047	12,283	10,047
Represented by:					
Cash at bank and on hand		12,283	10,047	12,283	10,047
Fixed deposits		107	58	107	58
Less: Fixed deposits pledged		(107)	(58)	(107)	(58)
Cash and cash equivalents at end of the period/year		12,283	10,047	12,283	10,047

The notes on pages 9 to 33 are an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

1 Corporate information

International Cement Group Ltd. (the "Company") is incorporated in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is primarily involved in: (i) the production and/or sale 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) investment holding.

2 Basis of accounting

These interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with SFRS(I) Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last interim financial statements for the six months ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

These interim 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.

2.1 New and amended standards adopted by the Group

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021. The application of these amendments to standards and interpretations does not have a material effect on the interim financial statements.

2.2 Use of judgements and estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

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.

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).

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 12 *Financial Instruments*.

3 Operating segments

The Group is organised into the following main business segments:

- 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:

- Investment holding division: investment in land and buildings for either development or capital appreciation purposes; and
- Building materials division: production, sales and/or distribution of gypsum plasterboards and related products.

These operating segments are reported in a manner consistent with internal reporting provided to the Group's Executive Chairman, who is responsible for allocating resources and assessing the performance of the operating segments.

Information about reportable segments

	Aluminium		Cement		Others		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
	$’000	**$’000**	**$’000**	**$’000**	**$’000**	**$’000**	**$’000**	**$’000**
Group								
Six months ended 31 December								
External revenues	3,054	4,770	93,433	73,764	–	–	96,487	78,534
Finance income	–	3	19	37	–	–	19	40
Finance costs	(5)	(13)	(3,070)	(1,585)	–	–	(3,075)	(1,598)
Depreciation of property, plant and equipment	(75)	(320)	(8,725)	(7,674)	–	–	(8,800)	(7,994)
Amortisation of intangible assets	–	–	(1,277)	(1,356)	–	–	(1,277)	(1,356)
Reportable segment (loss)/profit before tax	(2,489)	(767)	26,302	13,556	(308)	(156)	23,505	12,633
Other material non-cash items:								
- Impairment loss on property, plant and equipment	(42)	(16)	–	–	(783)	(231)	(825)	(247)
- Provision for onerous contracts	(395)	–	–	–	–	–	(395)	–
- Reversal of/(loss allowance) on trade and other receivables and contract assets	80	(52)	(53)	146	–	–	27	94
- Unrealised exchange gain/(loss)	204	(571)	(316)	(5,366)	(10)	9	(122)	(5,928)
- Write off of other payables	–	–	–	–	540	–	540	–
Capital expenditure	290	98	52,332	15,386	377	–	52,999	15,484

	Aluminium		Cement		Others		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
Full year ended 31 December								
External revenues	7,378	8,703	174,051	132,923	–	–	181,429	141,626
Finance income	–	3	36	40	–	–	36	43
Finance costs	(13)	(26)	(4,798)	(3,852)	–	–	(4,811)	(3,878)
Depreciation of property, plant and equipment	(109)	(377)	(14,464)	(10,363)	–	–	(14,573)	(10,740)
Amortisation of intangible assets	–	–	(2,511)	(2,821)	–	–	(2,511)	(2,821)
Reportable segment (loss)/profit before tax	(3,559)	(1,282)	50,609	25,263	(327)	2,248	46,723	26,229
Other material non-cash items:								
- Impairment loss on property, plant and equipment	(42)	(16)	–	–	(783)	(231)	(825)	(247)
- Provision for onerous contracts	(395)	–	–	–	–	–	(395)	–
- Reversal of/(loss allowance) on trade and other receivables and contract assets	132	(45)	(32)	232	–	–	100	187
- Unrealised exchange (loss)/gain	(167)	78	(1,874)	(9,911)	(13)	3	(2,054)	(9,830)
- Write off of other payables	–	–	–	–	540	–	540	–
Capital expenditure	300	149	56,302	25,504	377	–	56,979	25,653
As at 31 December								
Reportable segment assets	8,050	12,337	377,844	323,761	7,294	1,325	393,188	337,423
Reportable segment liabilities	3,197	3,198	117,373	94,447	66	549	120,636	98,194

Reconciliations of reportable segment profit or loss, assets 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, liabilities and revenue of reportable segments and no adjustments to be presented for other material non-cash items to SFRS(I)s measures.

Major customers

Revenue from one customer from the cement segment represented approximately $27,302,000 (2020: $nil) of the Group's total revenue.

4 Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

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. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 3).

	Aluminium		**Cement**		**Others**		**Total**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
Six months ended 31 December								
Primary geographical markets								
Singapore	3,054	4,048	–	–	–	–	3,054	4,048
Malaysia	–	4	–	–	–	–	–	4
Australia	–	718	–	–	–	–	–	718
Afghanistan	–	–	3,490	9,145	–	–	3,490	9,145
Kazakhstan	–	–	41,348	12,548	–	–	41,348	12,548
Tajikistan	–	–	48,357	50,225	–	–	48,357	50,225
Uzbekistan	–	–	238	1,846	–	–	238	1,846
	3,054	4,770	93,433	73,764	–	–	96,487	78,534
Major products/service line								
Construction contracts	2,195	3,383	–	–	–	–	2,195	3,383
Sale of goods	859	1,387	93,433	73,764	–	–	94,292	75,151
	3,054	4,770	93,433	73,764	–	–	96,487	78,534
Timing of revenue recognition								
Products and services transferred over time	2,195	3,383	–	–	–	–	2,195	3,383
Products transferred at a point in time	859	1,387	93,433	73,764	–	–	94,292	75,151
	3,054	4,770	93,433	73,764	–	–	96,487	78,534

	Aluminium		Cement		Others		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
Full year ended 31 December								
Primary geographical markets								
Singapore	7,371	7,294	–	–	–	–	7,371	7,294
Malaysia	7	11	–	–	–	–	7	11
Australia	–	1,398	–	–	–	–	–	1,398
Afghanistan	–	–	14,781	18,748	–	–	14,781	18,748
Kazakhstan	–	–	67,189	12,548	–	–	67,189	12,548
Tajikistan	–	–	91,340	98,371	–	–	91,340	98,371
Uzbekistan	–	–	741	3,256	–	–	741	3,256
	7,378	8,703	174,051	132,923	–	–	181,429	141,626
Major products/service line								
Construction contracts	5,293	6,385	–	–	–	–	5,293	6,385
Sale of goods	2,085	2,318	174,051	132,923	–	–	176,136	135,241
	7,378	8,703	174,051	132,923	–	–	181,429	141,626
Timing of revenue recognition								
Products and services transferred over time	5,293	6,385	–	–	–	–	5,293	6,385
Products transferred at a point in time	2,085	2,318	174,051	132,923	–	–	176,136	135,241
	7,378	8,703	174,051	132,923	–	–	181,429	141,626

Seasonality of operations

The Group's cement segment is subject to seasonal fluctuations as a result of weather conditions. In particular, the sale of cement in key geographic areas are adversely affected by wet and/or winter conditions, which occur primarily from December to March. This segment typically has higher revenues and results for the second half of the year.

5 Profit before tax

The following items have been included in arriving at profit before tax:

	Group			
	Six months ended 31 December 2021 $'000	**Six months ended 31 December 2020 $'000**	**Full year ended 31 December 2021 $'000**	**Full year ended 31 December 2020 $'000**
Other income:				
- gain on disposal of property, plant and equipment	(7)	(1)	(11)	(80)
- government grant income	20	(488)	(153)	(756)
- refund of land premium from authorities	–	–	–	(2,649)
- rental income	(65)	(79)	(146)	(165)
- write off of other payables	(540)	–	(540)	–
Adjustment for (over)/under provision of tax in respect of prior periods	(919)	1,276	(745)	1,276
Amortisation of intangible assets	1,277	1,356	2,511	2,821
Bad debts written off/(recovered)	119	(3)	119	(4)
Changes in fair value on investment properties	–	64	–	64
Depreciation of property, plant and equipment	8,800	7,994	14,573	10,740
Exchange loss:				
- realised	169	352	208	925
- unrealised	122	5,928	2,054	9,830
Interest income from financial institutions	(19)	(24)	(36)	(27)
Interest on loans and borrowings				
- payables to Engineering, Procurement and Construction ("EPC") Contractor	2,422	397	3,717	2,521
- unwinding of discount in relation to the present value of related party loans	638	1,188	1,063	1,319
Impairment loss on property, plant and equipment	825	247	825	247
Provision for onerous contracts	395	–	395	–
Reversal of provision for inventories obsolescence	(177)	(64)	(174)	(64)
Reversal of provision for warranties	(4)	(11)	(4)	(11)
Write down of inventories to net realisable value	–	3	–	25
Write off of property, plant and equipment	135	369	140	578

6 Tax expense

Income tax expense for the period/year

	Group			
	Six months ended 31 December 2021 $'000	**Six months ended 31 December 2020 $'000**	**Full year ended 31 December 2021 $'000**	**Full year ended 31 December 2020 $'000**
Current tax expense	2,290	19	4,629	40
Deferred tax expense	854	2,790	1,084	3,115
Withholding tax paid on dividends declared by subsidiaries	1,627	2,126	3,626	4,180
	4,771	4,935	9,339	7,335

The Group's consolidated effective tax rate for the six months and full year ended 31 December 2021 was 20% (six months and full year ended 31 December 2020: 39% and 28% respectively).

Deferred tax expense for the six months and full year ended 31 December 2021 and 2020 mainly comprised deferred tax arising from temporary differences on property, plant and equipment and intangible assets. Disregarding deferred tax expense of subsidiaries which are on tax holidays and over/under provision for tax in respect of prior years, total tax expense for the six months and full year ended 31 December 2021 would have been $3,035,000 and $5,327,000 respectively (six months and full year ended 31 December 2020: $19,000 and $40,000).

The Group's profit before tax for the six months and full year ended 31 December 2021 was $23,505,000 and $46,723,000 respectively (six months and full year ended 31 December 2020: $12,633,000 and $26,229,000 respectively). Disregarding non-deductible expenses (mainly foreign exchange losses and corporate expenses) of $6,580,000 and $10,988,000 respectively (six months and full year ended 31 December 2020: $3,752,000 and $9,594,000) and profits from subsidiaries which are on tax holidays of $7,773,000 and $19,648,000 respectively (six months and full year ended 31 December 2020: $10,523,000 and $29,553,000 respectively), the Group's profit before tax would have been $22,312,000 and $38,063,000 respectively (six months and full year ended 31 December 2020: $5,862,000 and $6,270,000 respectively).

The Group's adjusted effective tax rate for the six months and full year ended 31 December 2021 would have been 14% (six months and full year ended 31 December 2020: <1%).

The increase in effective tax rate was mainly due to corporate tax paid by the Group's subsidiary, International Manufacturing Company Chzhungtsai Mohir Cement LLC, since the expiry of its five-year tax holiday in December 2020. The corporate tax rate for enterprises producing goods in Tajikistan is 13%.

7 Earnings per share

Basic and diluted earnings per share

The calculations of basic and diluted earnings per share for the six months and full year ended 31 December 2021 were based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

	Group			
	Six months ended 31 December 2021 $'000	**Six months ended 31 December 2020 $'000**	**Full year ended 31 December 2021 $'000**	**Full year ended 31 December 2020 $'000**
Profit for the period/year, representing profit attributable to ordinary shareholders	13,321	2,787	26,350	8,788

Weighted average number of ordinary shares

	Company			
	Six months ended 31 December 2021 $'000	**Six months ended 31 December 2020 $'000**	**Full year ended 31 December 2021 $'000**	**Full year ended 31 December 2020 $'000**
Issued ordinary shares at 1 January	5,734,733	5,734,733	5,734,733	5,734,733
Effect of shares issued	–	–	–	–
Weighted average number of ordinary shares during the period/year	5,734,733	5,734,733	5,734,733	5,734,733

8 Property, plant and equipment

Additions and disposals

During the six months and full year ended 31 December 2021, the Group acquired assets with a cost of $50,493,000 and $54,472,000 respectively (six months and full year ended 31 December 2020: $15,349,000 and $25,518,000 respectively). This amount was mainly incurred for the construction of additional facilities for an existing cement plant in Kazakhstan, acquisition of cement-related assets for a cement plant in Kazakhstan and cost incurred for its upgrading works, and construction of a new cement plant in Kazakhstan.

There were no significant disposals during the six months and full year ended 31 December 2021 and 2020.

Capital commitments

As at 31 December 2021, the Group had contracted $23,910,000 of capital expenditure for the construction of additional facilities of an existing cement plant in Kazakhstan and upgrading works for another cement plant in Kazakhstan (31 December 2020: $13,282,000 for the construction of additional facilities in an existing cement plant in Kazakhstan).

9 Intangible assets and goodwill

Additions and disposals

During the six months and full year ended 31 December 2021, the Group acquired assets with a cost of $2,506,000 and $2,507,000 respectively (six months and full year ended 31 December 2020: $135,000 and $135,000 respectively). The amount incurred during the current year was mainly for the acquisition of an electricity licence with the relevant authorities in Kazakhstan to purchase electricity directly from electric power stations (Note 13).

There were no significant disposals during the six months and full year ended 31 December 2021 and 2020.

Reconciliation of carrying amount of goodwill

	Group $'000
At 1 January 2021	17,305
Translation differences on consolidation	388
At 31 December 2021	17,693

Impairment testing for cash generating units ("CGUs") 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 subsidiaries.

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.

	31 December 2021 %	**31 December 2020 %**
Forecasted revenue growth rate	(0.1)	1.2
Forecasted gross profit margin	41.0	44.8
Pre-tax discount rate	20.2	28.7
Terminal growth rate	6.5	5.7

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.

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.

The estimated recoverable amount of the CGU exceeded its carrying amount as at 31 December 2021. As such, no impairment loss on goodwill was recognised.

10 Capital and reserves

Share capital

	Company No. of shares	
	31 December 2021	**31 December 2020**
Fully paid ordinary shares, with no par value		
In issue as at 1 January and end of year	5,734,732,849	5,734,732,849

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. The Company is still in discussions with the placee on the 70,916,430 Placement shares.

The Group did not issue any treasury shares during the six months and full year ended 31 December 2021 (six months and full year ended 31 December 2020: nil). The Company did not hold any treasury shares and had no outstanding warrants as at 31 December 2021 (31 December 2020: nil).

Dividends

During the full year ended 31 December 2021, a subsidiary of the Group declared dividends to a non-controlling interest amounting to $11,330,000 (full year ended 31 December 2020: $11,546,000). No dividends were declared during the six months ended 31 December 2021 (six months ended 31 December 2020: $nil).

11 Loans and borrowings

	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000
Group					
At 1 January 2021				16,199	14,001
New issue					
Loan from major shareholders	USD	–	2024	24,361	24,361
Repayment					
Loan from non-controlling interest	TJS	–	2023	(2,020)	(2,020)
Other movements					
Interest expense				–	1,063
Fair value adjustments				–	(1,253)
Effect of changes in foreign exchange rates				638	586
At 31 December 2021				39,178	36,738
Company					
At 1 January 2021				39,027	35,629
New issue					
Loan from major shareholders	USD	–	2024	24,361	24,361
Other movements					
Interest expense				–	2,001
Fair value adjustments				–	(2,027)
Effect of changes in foreign exchange rates				1,360	(695)
At 31 December 2021				64,748	59,269

Interest-free loan from non-controlling interest, was measured at fair value at initial recognition and the difference between the fair value and face value of the loan was accounted for as adjustments to transactions with non-controlling interest in the Group's financial statements. During the year ended 31 December 2021, the Group made early full repayment of this loan amounting to $2,020,000. This significant modification to the cash outflows of the loan resulted in a modification loss of $774,000 which was accounted for as adjustments to transactions with non-controlling interest in the Group's financial statements for year ended 31 December 2021.

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 loan is recognised in 'capital reserve', representing a contribution from owner of the Company. During the year ended 31 December 2021, the Group and Company obtained a new loan from a major shareholder with face value of $24,361,000 and the difference between the fair value and face value of the loan at initial recognition of $2,027,000 was recognised in 'capital reserve'.

Aggregate amount of the Group's borrowings and debt securities

	31 December 2021		31 December 2020	
	$'000 Secured	$'000 Unsecured	$'000 Secured	$'000 Unsecured
Group				
Amount repayable in one year or less	–	–	–	–
Amount repayable after one year	–	36,738	–	14,001
	–	36,738	–	14,001

12 Financial instruments

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.

	Carrying amount			Fair value
	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 2 $'000
Group				
31 December 2021				
Financial assets not measured at fair value				
Trade and other receivables	19,387	–	19,387	
Cash and cash equivalents	12,390	–	12,390	
	31,777	–	31,777	
Financial liabilities not measured at fair value				
Loans from major shareholders	–	(36,738)	(36,738)	(36,747)
Trade and other payables	–	(70,311)	(70,311)	(71,075)
	–	(107,049)	(107,049)	

	Carrying amount			Fair value
	Amortised cost $'000	**Other financial liabilities $'000**	**Total $'000**	**Level 2 $'000**
Group				
31 December 2020				
Financial assets not measured at fair value				
Trade and other receivables	22,059	–	22,059	
Cash and cash equivalents	10,105	–	10,105	
	32,164	–	32,164	
Financial liabilities not measured at fair value				
Loans from major shareholders	–	(12,815)	(12,815)	(12,815)
Loan from non-controlling interest	–	(1,186)	(1,186)	(1,186)
Trade and other payables	–	(70,569)	(70,569)	(71,671)
	–	(84,570)	(84,570)	
Company				
31 December 2021				
Financial assets not measured at fair value				
Trade and other receivables	65,833	–	65,833	65,833
Cash and cash equivalents	47	–	47	
	65,880	–	65,880	
Financial liabilities not measured at fair value				
Loans from major shareholders	–	(36,738)	(36,738)	(36,747)
Loans from subsidiary	–	(22,531)	(22,531)	(22,530)
Trade and other payables	–	(9,774)	(9,774)	(9,774)
	–	(69,043)	(69,043)	
31 December 2020				
Financial assets not measured at fair value				
Trade and other receivables	38,343	–	38,343	38,343
Cash and cash equivalents	142	–	142	
	38,485	–	38,485	
Financial liabilities not measured at fair value				
Loans from major shareholders	–	(12,815)	(12,815)	(12,815)
Loans from subsidiary	–	(22,814)	(22,814)	(22,604)
Trade and other payables	–	(7,219)	(7,219)	(7,233)
	–	(42,848)	(42,848)	

Measurement of fair values

Type	Valuation technique
Non-current trade and other receivables, non-current loans and borrowings and non-current other payables	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.
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.

Credit risk

The movement in the allowance for impairment in respect of trade and other receivables and contract assets was as follows:

	Group $’000	Company $’000
At 1 January 2021	3,852	–
Impairment loss reversed	(100)	–
Amounts written off	(82)	–
Translation differences on consolidation	(2)	–
At 31 December 2021	3,668	–

During the year ended 31 December 2021, the reversal of loss allowance at the Group level was due to an improvement in collection from customers, i.e. an improvement in aging. The weighted average loss rate has not changed significantly on a year-on-year basis.

Liquidity risk

The Company is exposed to liquidity risk as the Company’s current liabilities exceeded its current assets. Management has plans to fund requirements via advances from subsidiaries.

13 Acquisition of assets

On 14 September 2021, the Group acquired Shygys Zharyq LLC through a subsidiary, Sharcem LLP. The assets in Shygys Zharyq LLC largely consist of a licence to carry out activities for the purchase and further sale of electricity to consumers without substantive processes.

The Group applied the concentration test and the acquisition of Shygys Zharyq LLC 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 Shygys Zharyq LLC was $2,421,000.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Group **$'000**
Intangible assets (electricity licence)	2,423
Trade and other payables	(2)
Total identifiable net assets	2,421
Total cash consideration	2,421

Asset acquisition in 2021: net cash outflow

	Group **$'000**
Cash consideration paid	2,421
Cash in acquired company	–
Total net cash outflow	2,421

14 Contingent liabilities

Certain subsidiaries of the Group are involved in certain regulatory matters in Tajikistan and Kazakhstan as at 31 December 2021. Due to the nature and status of these matters and also in view of the uncertainty of the outcome, the Group believes that the amount of exposure cannot currently be determinable. Accordingly, no provisions nor impairment for property, plant and equipment, or provision for restoration cost, where applicable, has been recorded.

15 Related parties

Other than disclosed elsewhere in the interim financial statements, transactions with related parties are as follows:

Related party transactions

	Transaction value for the six months ended		Transaction value for the full year ended		Balance outstanding	
	31 December 2021 $'000	31 December 2020 $'000	31 December 2021 $'000	31 December 2020 $'000	31 December 2021 $'000	31 December 2020 $'000
Group						
Sale of goods						
Non-controlling interest	–	156	–	714	5	5
Purchase of services						
Non-controlling interest	(1,767)	(2,229)	(3,596)	(4,489)	(156)	(77)
Purchase of property, plant and equipment						
Non-controlling interest	–	–	–	(120)	–	–

All outstanding balances with related parties are to be settled in cash within credit terms. None of the balances are secured.

16 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1 Review

The condensed interim financial statements of International Cement Group Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the condensed consolidated statement of financial position of the Group and the condensed statement of financial position of the Company as at 31 December 2021, the condensed consolidated statement of changes in equity of the Group and the condensed statement of changes in equity of the Company for the full year then ended, the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows of the Group for the six months and full year then ended, and selected explanatory notes to the interim financial statements, have not been audited or reviewed.

2 Review of performance of the Group, including turnover and earnings

Consolidated Statement of Profit or Loss

The Group's revenue increased by $18.0 million from $78.5 million for the six months ended 31 December 2020 ("2H2020") to $96.5 million for the six months ended 31 December 2021 ("2H2021") and increased by $39.8 million from $141.6 million for the full year ended 31 December 2020 ("FY2020") to $181.4 million for the full year ended 31 December 2021 ("FY2021"). This was mainly due to the commencement of sales of a cement plant in Kazakhstan since the third quarter of 2020 ("3Q2020") which contributed to $41.3 million and $67.2 million sales during 2H2021 and FY2021 respectively (2H2020 and FY2020: $12.5 million). This was offset by a decrease in revenue from the Group's cement operations in Tajikistan by $9.1 million and $13.5 million in 2H2021 and FY2021 respectively and decline in revenue from the aluminium segment in 2H2021 and FY2021 by $1.7 million and $1.3 million respectively, due to a slowdown of local construction activities arising from the COVID-19 pandemic in both Tajikistan and Singapore.

Gross profit margins remained relatively stable at approximately 40% during 2H2021 as compared to 2H2020. Overall gross profit margins for the full year increased from 40% in FY2020 to 41% in FY2021. The increase in gross profit margins was due to contribution from the cement plant in Kazakhstan which commenced sales since 3Q2020. Gross profit margins for the Group's cement operations in Kazakhstan are higher than its operations in Tajikistan due to the lower cost of raw materials in Kazakhstan as compared to Tajikistan. This was offset by gross losses made by the aluminium operations due to a significant increase in raw material prices (i.e. aluminium) and labour costs.

Other income in FY2020 was higher due to a one-off refund of land premium from JTC in March 2020 for the return of land in end 2019, amounting to $2.6 million.

Selling and distribution expenses were higher in 2H2020 of $2.4 million as compared to 2H2021 of $1.5 million due to additional marketing costs incurred to create brand awareness upon commencement of operations of a cement plant in Kazakhstan, and to boost sales in Tajikistan during more challenging times arising from the COVID-19 pandemic. Selling and distribution expenses increased year-on-year due to distribution costs incurred for the delivery of cement from the Kazakhstan plant to customers.

Administrative expenses also increased by $1.5 million from $7.8 million in 2H2020 to $9.3 million in 2H2021 and increased by $2.4 million from $15.4 million in FY2020 to $17.8 million in FY2021, mainly due to the commencement of operations of a cement plant in Kazakhstan in mid 2020.

As the collection and aging of trade and other receivables improved in Singapore in 2H2021, this resulted in an overall reversal of impairment losses of $0.1 million for FY2021. In accordance with SFRS(I) 9 *Financial Instruments*, the loss allowance was made in prior periods based on the ‘expected loss’ model, computed based on the Group’s assessment on the probability-weighted estimates of credit losses using historical information for the past 3 years on bad debt write offs and adjustments for forward looking indicators. ‘Expected credit losses’ were computed based on percentages of each aging bracket and do not relate to any specific counterparty.

Other expenses in 2H2021 and FY2021 mainly comprised foreign exchange losses of $0.3 million and $2.3 million respectively (2H2020: $6.3 million, FY2020: $10.8 million). This mainly arose from the revaluation of amounts owing to the Engineering, Procurement and Construction (“EPC”) Contractor and intercompany loans denominated in foreign currencies (US Dollar (“USD”) and Chinese Yuan (“CNY”)) where the Kazakhstani Tenge (“KZT”) depreciated by 4% against the USD and CNY during the current year (FY2020: 10%).

2H2021 and FY2021’s finance costs mainly pertained to:
(i) interest expense on the outstanding payables to the EPC Contractor for the construction of the cement plant in Kazakhstan which are interest-bearing at 8.4% per annum, amounting to $2.4 million and $3.7 million respectively; and
(ii) unwinding of discount on present value of interest-free loans from non-controlling interest and major shareholders amounting to $0.6 million and $1.1 million respectively. The interest-free loans from the non-controlling interest in Tajikistan (Dastoni Mohir LLC) and the major shareholders (Victory Gate Ventures Limited and Mr Ma Zhaoyang) were for the construction of the grinding station, cement plant in Kazakhstan, and acquisition of cement-related assets for a cement plant in Kazakhstan and cost incurred for its upgrading works respectively.

The increase in finance costs during the year was mainly due to capitalisation of finance costs arising from the outstanding payables to EPC Contractor during the period of construction in 1Q2020, and additional shareholders loans during the year, resulting in higher unwinding of discount in relation to the present value of the loans.

2H2021 and FY2021 tax expense mainly pertained to:
(i) provision for withholding tax on unremitted profits from overseas subsidiaries of $1.1 million and $3.5 million respectively (2H2020: $2.3 million, FY2020: $4.9 million);
(ii) deferred tax expense arising from temporary differences of $1.3 million and $1.2 million respectively (2H2020: $2.6 million, FY2020: $2.4 million); and
(iii) current tax expense of $2.3 million and $4.6 million respectively (2H2020 and FY2020: <$0.1 million).

Increase in current tax expense was due to the expiry of the five-year tax holiday of the Group’s subsidiary, International Manufacturing Company Chzhungtsai Mohir Cement LLC, in December 2020.

<u>Statements of Financial Position</u>

The Group’s property, plant and equipment increased by $40.7 million to $279.4 million as at 31 December 2021 as compared to $238.7 million as at 31 December 2020. There were additions of $54.5 million mainly arising from the acquisition of cement-related assets for a cement plant in Kazakhstan and cost incurred for its upgrading works, construction of additional facilities for an existing cement plant in Kazakhstan, and construction of a new cement plant in Kazakhstan. There was also translation gain of $2.2 million mainly arising from the appreciation of Tajikistani Somoni (“TJS”) against Singapore Dollar (“SGD”) by 2.2%. This was offset by depreciation charge of $14.6 million, impairment loss of $0.8 million and disposals/write offs of $0.6 million.

Intangible assets and goodwill mainly comprised subsoil rights and goodwill arising on acquisition of a cement plant in Tajikistan in 2017, and an electricity licence. Increase of \$0.8 million was due to translation gain of \$0.8 million arising from the appreciation of TJS against SGD and acquisition of an electricity licence with the relevant authorities in Kazakhstan to purchase electricity directly from electric power stations in September 2021 amounting to \$2.4 million, offset by amortisation of \$2.5 million.

At the Company level, the decrease in investment in subsidiaries was mainly due to impairment loss recognised. As impairment indicators were identified for the Aluminium segment as at 31 December 2021, the recoverable amount was estimated using fair value less costs to sell. As the recoverable amount was lower than the carrying amount of the segment, an impairment loss of \$5.0 million was recognised during the current year.

The Group's inventory balance increased by \$6.2 million due to stocking up of raw materials in preparation for full production during the winter season in anticipation of higher cement sales in 2022 as compared to 2021, and purchase of spares and consumables for overhaul and repairs and maintenance during the first quarter of 2022.

At the Group level, trade and other receivables as at 31 December 2021 mainly comprised:
(i) trade receivables of \$2.0 million;
(ii) tax-related receivables of \$10.0 million; and
(iii) other receivables, deposits and prepayment of \$19.9 million.

The increase in non-current and current trade and other receivables was mainly due to increase in deposits and prepayments of \$9.2 million for the construction of additional facilities in an existing cement plant in Kazakhstan and construction of a gypsum plasterboard plant in Tajikistan. Non-current trade and other receivables of \$2.6 million related to deposits and prepayments for construction of additional facilities of an existing cement plant in Kazakhstan.

At the Company level, long-term trade and other receivables increased by \$27.5 mil, which mainly arose from loan to a subsidiary to acquire cement-related assets and its upgrading works for a cement plant in Kazakhstan.

Decrease in currency translation reserve losses of \$3.1 million mainly arose from the appreciation of TJS against SGD by 2.2%.

At the Group level, long-term loans and borrowings comprised interest-free loans from major shareholders, Victory Gate Ventures Limited and Mr Ma Zhaoyang, for the construction of a cement plant in Kazakhstan and acquisition of cement-related assets for another cement plant in Kazakhstan and its related upgrading works. These loans are due between 2023 to 2024. The \$1.2 million interest-free loan from a non-controlling interest (Dastoni Mohir LLC) as at 31 December 2020 for the construction of the grinding station in Tajikistan was fully repaid during the year. The increase was mainly due to additional loans obtained for the acquisition of cement-related assets and its related upgrading works amounting to \$24.4 million, offset by early repayment of the loan from the non-controlling interest.

At the Company level, long-term loans and borrowings comprised interest-free loans from the major shareholders, Victory Gate Ventures Limited and Mr Ma Zhaoyang, and interest-free loans from a subsidiary which was in turn lent to another subsidiary, both for the construction of a cement plant in Kazakhstan and acquisition of cement-related assets for another cement plant in Kazakhstan and its related upgrading works. The increase is due to additional loans obtained for the acquisition of cement-related assets and its related upgrading works.

At the Group level, trade and other payables as at 31 December 2021 mainly comprised:
(i) trade payables and accrued operating expenses of $12.7 million;
(ii) retention monies of $0.4 million;
(iii) payables for purchase of property, plant and equipment of $42.1 million;
(iv) dividends payable to non-controlling interest of $6.1 million;
(v) lease liabilities of $0.6 million;
(vi) tax-related payables of $5.2 million; and
(vii) other payables of $3.2 million.

The Group's long-term other payables mainly pertained to amounts owing to the EPC Contractor for the construction of a cement plant in Kazakhstan under a deferred payment arrangement which are due between 2022 to 2024. Increase in short-term trade and other payables at the Group level of $2.1 million pertained to increase in payables for property, plant and equipment for the upgrading works on a cement plant in Kazakhstan.

Deferred tax liabilities remained relatively consistent year-on-year and comprised $4.1 million provision for withholding taxes unremitted profits of overseas subsidiaries and $6.5 million temporary differences mainly arising from property, plant and equipment and intangible assets.

Contract liabilities as at 31 December 2021 pertained to advances received from customers.

Consolidated Statement of Cash Flows

Cash and cash equivalents of the Group increased from $10.0 million as at 31 December 2020 to $12.4 million as at 31 December 2021. This was mainly due to cash flows from operating activities of $52.0 million and $24.4 million interest-free loans from major shareholders for the acquisition of cement-related assets and its related upgrading works, offset by:
(i) acquisition of property, plant and equipment of $58.9 million for a cement plant in Kazakhstan and cost incurred for its upgrading works, construction of additional facilities for an existing cement plant in Kazakhstan, and construction of a new cement plant in Kazakhstan;
(ii) acquisition of intangible assets of $2.5 million, mainly relating to an electricity licence with the relevant authorities in Kazakhstan to purchase electricity directly from electric power stations;
(iii) dividends paid to non-controlling interest of $6.3 million and repayment of loans from non-controlling interest of $2.0 million (the non-controlling interest is Dastoni Mohir LLC who is the non-controlling shareholder of the Group's subsidiaries in Tajikistan);
(iv) withholding tax paid on dividends declared by the Tajikistan subsidiary of $3.6 million; and
(v) interest paid of $1.3 million, mainly relating to interest on amounts owing to the EPC Contractor for the construction of a cement plant in Kazakhstan.

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Aluminium

The main customers of the Group's aluminium business are property developers in Singapore - specifically, private developers and the Housing Development Board. As such, business prospects for the aluminium segment depend heavily on the outlook of the local property development market.

The Group's revenue for the aluminium business has been negatively impacted for the second consecutive year on account of the circuit breaker measures in Singapore which led to a slowdown in construction activities and shortage of manpower in the industry. The Movement Control Order has also led to a significant slowdown in production in the Group's fabrication factory in Malaysia and the Group is working with main contractors on the delays in deliveries and manpower shortage, like all other sub-contractors. The Group continues to implement cost containment strategies in its procurement and payment services to conserve cash flows. Comprehensive health and precautionary measures continue to be implemented across the Group's aluminium operations in Singapore and Malaysia.

According to the Ministry of Trade and Industry Singapore ("MTI") advance estimates released on 3 January 2022, Singapore's construction sector grew 18.7 per cent year-on-year in 2021. In absolute terms, the value-added of the construction sector remained 26.0 per cent below its pre-COVID level, as activity at construction worksites continued to be weighed down by labour shortages due to border restrictions on the entry of migrant workers. Given the challenging operating environment, which includes rising raw material and labour costs, the Group expects the profitability of the aluminium segment will continue to be negatively affected.

As at 31 December 2021, the Group's order book stood at approximately $16.2 million, including variation orders. These projects are expected to be completed progressively over the next 3 to 5 years.

Cement

The Group's cement business is primarily dependent on the market conditions of the construction industry in the Central Asia region.

The Group's performance in Tajikistan had been slightly affected due to a slowdown of local construction activities arising from the COVID-19 pandemic. In addition, sales of cement to our primary export market, Afghanistan, were negatively impacted by the withdrawal of the United States troops and the Taliban takeover, which led to political unrest in the country. Moving ahead, as the export sales to Afghanistan may be unstable, we plan to focus more on domestic sales which we expect to remain robust with the Tajikistan government's continued focus on developing the country's infrastructure.

The Group's cement plant in Kazakhstan, Alacem LLP, commenced operations since the third quarter of 2020. This has contributed positively to the Group's revenue and profits during the year of review. Buoyed by the strong demand for construction materials in Kazakhstan, the Group expects the performance of the Kazakhstan's cement operations to remain strong in the year ahead.

During the year in review, the Group continued to expand its cement production capacity in the Central Asia region:

(i) In September 2021, International Cement Korday Pte. Ltd., a wholly-owned subsidiary of the Company, entered into a joint venture to construct a cement plant in the Korday district, Jambyl region in Kazakhstan. Construction of the new cement plant commenced in the last quarter of 2021 and is expected to be completed by mid-2023.

(ii) In November 2021, Sharcem LLP, a newly incorporated 60% owned subsidiary of the Company, acquired cement-related assets located at Jarminsky district in the East Kazakhstan region, for a cash consideration of approximately 7.1 billion Kazakhstan tenge (S$22.3 million). Upgrading works commenced in end-2021 and the plant is expected to start commercial production by mid-2022.

With the addition of these two new cement plants, the Group will nearly double its total annual cement production capacity from 3.0 million to 5.5 million, positioning the Group well for further growth.

In addition to growing the cement business, the Group is planning to broaden our product offerings in the Central Asia region to include drywall (gypsum plasterboard). The Group plans to invest US$23.0 million (S$31.1 million) to build a drywall (gypsum plasterboard) production line within our main Tajikistan cement plant, with an anticipated annual production capacity of 30.0 million square metres of drywall. Construction began in the last quarter of 2021 and is scheduled to be completed by end of 2022. The drywall business will enhance our product offerings within the construction sector and provide the Group with a new revenue stream. Tapping into our existing distribution network in Tajikistan, the Group is well-positioned to grow this new business segment and meet the local demand for building materials.

Moving forward, as the macro environment is expected to remain challenging, the Group will continue to cautiously pursue growth opportunities in the Central Asia region through both construction and acquisitions of cement plants where demand for cement continue to stay strong.

5 A breakdown of sales

	2021 $'000	**2020 $'000**	**Increase/ (Decrease) %**
Sales reported for first half year	84,942	63,092	35
Operating profit after tax before deducting non-controlling interests reported for first half year	18,650	11,196	67
Sales reported for second half year	96,487	78,534	23
Operating profit after tax before deducting non-controlling interests reported for second half year	18,734	7,698	143

6 Net asset value

	Group		Company	
	31 December 2021 ’cents	**31 December 2020 ’cents**	**31 December 2021 ’cents**	**31 December 2020 ’cents**
Net asset value per ordinary share based on issued share capital of 5,734,732,849 ordinary shares as at 31 December 2021 (31 December: 2020: 5,734,732,849)	3.91	3.36	3.07	3.17

7 Dividend information

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial period

Any dividend declared for the corresponding period of the immediately preceding financial period?

None.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

(e) A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year

Not applicable.

(f) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been recommended for the six months and full year ended 31 December 2021 as the Group is reinvesting its earnings for new projects in the cement business.

8 Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions.

9 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the issuer pursuant to the Rule 704(13)

Name	**Age**	**Family relationship with any director, chief executive officer and/or substantial shareholder**	**Current position and duties, and the year the position was held**	**Details of changes in duties and position held, if any, during the year**
Chng Tze Sian, Milton	28	Son of Chng Beng Hua, Executive Director of the Company	Assistant General Manager (Corporate Affairs) appointed since 2018 to oversee the corporate affairs of the Group	None

10 Use of proceeds

The net proceeds arising from the Share Placement in June 2019, amounting to $3.2 million, have not been utilised to date. The Board of Directors will continue to make periodic announcements on utilisation of the proceeds as and when the proceeds are materially disbursed.

11 Confirmation that the issue has procured undertaking from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Ma Zhaoyang
Executive Chairman
24 February 2022