



MEDIA RELEASE

For Immediate Release

International Cement Group 1H2022 net profit down 15% on forex losses

- *Excluding foreign exchange losses, the Group would have registered a net profit attributable to shareholders of S\$17.7 million in 1H2022, compared to S\$15.0 million a year-ago period*
- *Contributions from the Alacem cement plant in Kazakhstan, which commenced sales in 3Q2020, boosted revenue by S\$37.4 million*
- *Non-Independent Director, Mr Zhang Zengtao, redesignated as Chief Executive Officer to spearhead the Group's cement business and expansion plan in the Central Asia region*

S\$'000	1H2022	1H2021	Change (%)
Revenue	92,322	84,942	9
- Cement	88,746	80,618	10
- Aluminium	3,576	4,324	(17)
Gross Profit	41,222	37,146	11
Profit Before Tax	17,491	23,218	(25)
Profit After Tax	13,625	18,650	(27)
Net Profit Attributable to Shareholders	11,072	13,029	(15)

SINGAPORE, 8 August 2022 – Mainboard-listed **International Cement Group** (“**ICG**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), a cement producer and distributor in the Central Asia region, today reported a 15% decline in net profit attributable to shareholders to S\$11.1 million for the half year ended 30 June 2022 (“**1H2022**”) primarily due to foreign exchange losses.

The Group’s 1H2022 performance was affected by significant foreign exchange losses of S\$6.6 million arising from the depreciation of the Kazakhstani tenge (“**KZT**”) against the United States dollar (“**USD**”) and Chinese yuan (“**CNY**”). The Russian-Ukraine conflict has caused significant fluctuations in the local currencies of the Central Asia countries. As the Group’s operations in Kazakhstan have substantial foreign currency exposures arising from payables denominated in USD and CNY, major movements of the KZT against USD and CNY will result in significant fluctuations in the Group’s profitability.

Excluding the foreign exchange losses, the Group would have registered a net profit attributable to shareholders of S\$17.7 million in 1H2022, compared to S\$15.0 million a year ago.

Despite the challenging operating environment, the Group revenue rose by 9% to S\$92.3 million. This was due to higher revenue contribution from the cement segment thanks to the higher sales achieved by the Alacem cement plant in Kazakhstan of S\$37.4 million in 1H2022 compared with S\$25.8 million during the same period a year ago. However, this was partially offset by a dip in revenue from the Group’s Tajikistan operations, as export sales to Afghanistan were affected by a temporary border closure between Tajikistan and Afghanistan for a few weeks during 1H2022. Revenue from the aluminium segment was also lower due to a slowdown in construction activities as a result of labour shortages in Singapore.

In line with the higher revenue, gross profit increased by 11% year-on-year to S\$41.2 million. Gross profit margin held steady at 45% in 1H2022, up by 1 percentage point from 44% the year before.

In the latest half-year results, the Group posted earnings per share of 0.19 Singapore cents, down from 0.23 Singapore cents in the previous period.

Financial Position

As at 30 June 2022, the Group's net assets attributable to owners of the Company was S\$245.9 million, which translates into a net asset value per share of 4.29 Singapore cents, compared with 3.91 Singapore cents as at 31 December 2021. Cash and cash equivalents stood at S\$11.1 million.

Said ICG's Chief Executive Officer, Mr Zhang Zengtao, *"We are firmly on track in building our cement capacities in the Central Asia region with the completion of upgrading works of our new cement plant in the East Kazakhstan region which is expected to commence sales during the third quarter of 2022. With this capacity expansion, we are able to reach out to a broader market and better meet the increasing demand for building materials in Kazakhstan while continuing to strengthen our position to become one of the leading cement producers in Central Asia.*

I am excited to work alongside the Board and capable management team and look forward to leading the Group's cement business through its next growth phase."

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 8 August 2022.

Issued on behalf of International Cement Group by:

GC Consultants Pte Ltd

Grace Choong (M): (65) 9026 7978 grace@gcconsultants.io

About International Cement Group (www.internationalcementgroup.com)

International Cement Group Ltd. and its subsidiaries (the "Group") is a cement producer with operations in the Central Asia region. The Group owns and operates the largest cement plant in the Khatlon Region in Tajikistan in Central Asia, with an annual production capacity of 1.2 million metric tonnes. In addition, the Group owns and operates a grinding station in Kolkhozabad, Tajikistan, with an annual production capacity of 0.6 million metric tonnes.

In addition to its Tajikistan operations, the Group also owns and operates a cement plant in the Almaty region of Kazakhstan. The plant, which has an annual production capacity of 1.2 million metric tonnes, commenced commercial sales in the third quarter of 2020.

In September 2021, the Group entered into a joint venture to build a new cement plant in the Korday district, Jambyl region in Kazakhstan, with an annual production capacity of 1.5 million metric tonnes. Construction of the new cement plant commenced in the last quarter of 2021 and is expected to be completed by end-2023.

In November 2021, the Group completed the acquisition of a cement plant in the Jarminsky district in the East Kazakhstan region. The plant, which has an annual production capacity of 1.0 million metric tonnes, is expected to commence sales during the third quarter of 2022.

Formerly listed as Compact Metal Industries Ltd on the Mainboard of SGX-ST, the Group also has an established business in manufacturing and marketing aluminium extrusions used for the construction industry in Singapore.