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

Condensed Consolidated Interim Financial Statements
Six months and full year ended 31 December 2023

Condensed consolidated interim statement of profit or loss

	Note	Six months ended 31 December 2023 $'000	Six months ended 31 December 2022 $'000	Increase/ (Decrease) %	Full year ended 31 December 2023 $'000	Full year ended 31 December 2022 $'000	Increase/ (Decrease) %
Revenue	4	134,300	132,873	1	257,398	225,195	14
Cost of sales		(87,099)	(78,648)	11	(167,453)	(131,352)	27
Gross profit		47,201	54,225		89,945	93,843	
Other income		249	1,204	(79)	3,280	1,991	65
Selling and distribution expenses		(596)	(2,087)	(71)	(1,397)	(2,723)	(49)
Administrative expenses		(24,344)	(17,878)	36	(40,612)	(30,230)	34
(Provision for)/Reversal of loss allowance on trade and other receivables and contract assets		(937)	87	*n/m*	(743)	175	(525)
Other expenses		(1,848)	(5,296)	(65)	(3,933)	(13,312)	(70)
Results from operating activities		19,725	30,255		46,540	49,744	
Finance income		5,790	36	*n/m*	5,816	51	*n/m*
Finance costs		(906)	(1,102)	(18)	(3,743)	(3,115)	20
Net finance income/(costs)		4,884	(1,066)		2,073	(3,064)	
Profit before tax	5	24,609	29,189		48,613	46,680	
Tax expense	6	(12,922)	(3,984)	224	(18,210)	(7,850)	132
Profit for the period/year		11,687	25,205		30,403	38,830	
Profit attributable to:							
Owners of the Company		5,302	17,868	(70)	16,830	28,940	(42)
Non-controlling interests		6,385	7,337	(13)	13,573	9,890	37
Profit for the period/year		11,687	25,205		30,403	38,830	
Earnings per share (cents)							
Basic earnings per share	7	0.09	0.31		0.29	0.50	
Diluted earnings per share	7	0.09	0.31		0.29	0.50	

The notes on pages 9 to 38 are an integral part of these condensed interim financial statements.

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

	Six months ended 31 December 2023 $'000	Six months ended 31 December 2022 $'000	Increase/ (Decrease) %	Full year ended 31 December 2023 $'000	Full year ended 31 December 2022 $'000	Increase/ (Decrease) %
Profit for the period/year	11,687	25,205		30,403	38,830	
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences – foreign operations	(5,271)	(2,476)	113	(13,858)	10,600	(231)
	(5,271)	(2,476)		(13,858)	10,600	
Other comprehensive income for the period/year, net of tax	(5,271)	(2,476)		(13,858)	10,600	
Total comprehensive income for the period/year	6,416	22,729		16,545	49,430	
Total comprehensive income attributable to:						
Owners of the Company	342	15,747	(98)	6,814	35,587	(81)
Non-controlling interests	6,074	6,982	(13)	9,731	13,843	(30)
Total comprehensive income for the period/year	6,416	22,729		16,545	49,430	

n/m – Not meaningful

The notes on pages 9 to 38 are an integral part of these condensed interim financial statements.

Condensed interim statements of financial position

		Group		Company	
	Note	31 December 2023 $'000	31 December 2022 $'000	31 December 2023 $'000	31 December 2022 $'000
Non-current assets					
Property, plant and equipment	8	440,067	356,883	483	462
Intangible assets and goodwill	9	32,507	38,247	–	–
Investment properties		128	138	–	–
Subsidiaries		–	–	176,009	176,009
Trade and other receivables		5,537	13,078	66,385	69,726
Contract assets		335	327	–	–
Deferred tax assets		2,416	2,159	–	–
		480,990	410,832	242,877	246,197
Current assets					
Inventories		40,935	37,441	–	–
Trade and other receivables		27,695	24,878	56	39
Contract assets		1,607	2,747	–	–
Cash and cash equivalents		6,478	11,632	185	49
		76,715	76,698	241	88
Total assets		557,705	487,530	243,118	246,285
Equity attributable to owners of the Company					
Share capital	10	276,824	276,824	198,647	198,647
Capital reserve		(15,497)	(19,838)	10,173	5,832
Currency translation reserve		(37,212)	(27,196)	–	–
Accumulated profits/(losses)		20,996	4,166	(18,012)	(11,994)
		245,111	233,956	190,808	192,485
Non-controlling interests		47,241	55,322	–	–
Total equity		292,352	289,278	190,808	192,485
Non-current liabilities					
Loans and borrowings	11	31,838	38,466	31,838	38,466
Trade and other payables		147,427	77,844	249	242
Provisions	12	2,110	3,163	33	15
Deferred tax liabilities		12,471	12,788	–	–
		193,846	132,261	32,120	38,723
Current liabilities					
Loans and borrowings	11	5,301	3,416	–	–
Tax payable		5,074	209	–	–
Trade and other payables		55,351	60,247	20,190	15,077
Contract liabilities		5,399	1,837	–	–
Provisions	12	382	282	–	–
		71,507	65,991	20,190	15,077
Total liabilities		265,353	198,252	52,310	53,800
Total equity and liabilities		557,705	487,530	243,118	246,285

The notes on pages 9 to 38 are an integral part of these condensed interim financial statements.

Condensed interim statements of changes in equity

	Note	Share capital $'000	Capital reserve $'000	Currency translation reserve $'000	Accumulated profits $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group								
At 1 January 2023		276,824	(19,838)	(27,196)	4,166	233,956	55,322	289,278
Total comprehensive income for the year								
Profit for the year		–	–	–	16,830	16,830	13,573	30,403
Other comprehensive income								
Foreign currency translation differences – foreign operations		–	–	(10,016)	–	(10,016)	(3,842)	(13,858)
Total other comprehensive income		–	–	(10,016)	–	(10,016)	(3,842)	(13,858)
Total comprehensive income for the year		–	–	(10,016)	16,830	6,814	9,731	16,545
Transactions with owners, recognised directly in equity								
Contribution by and distribution to owners								
Dividends declared to non-controlling interests	10	–	–	–	–	–	(16,555)	(16,555)
Fair value adjustments on loans from major shareholders	11	–	4,341	–	–	4,341	–	4,341
Fair value adjustment on loan to non-controlling interest		–	–	–	–	–	(1,257)	(1,257)
Total contributions by and distributions to owners		–	4,341	–	–	4,341	(17,812)	(13,471)
Total transactions with owners		–	4,341	–	–	4,341	(17,812)	(13,471)
At 31 December 2023		276,824	(15,497)	(37,212)	20,996	245,111	47,241	292,352

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

	Note	Share capital $'000	Capital reserve $'000	Currency translation reserve $'000	Accumulated (losses)/profits $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group								
At 1 January 2022		276,824	4,544	(33,899)	(23,211)	224,258	48,294	272,552
Total comprehensive income for the year								
Profit for the year		–	–	–	28,940	28,940	9,890	38,830
Other comprehensive income								
Foreign currency translation differences – foreign operations		–	–	6,647	–	6,647	3,953	10,600
Total other comprehensive income		–	–	6,647	–	6,647	3,953	10,600
Total comprehensive income for the year		–	–	6,647	28,940	35,587	13,843	49,430
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends declared to non-controlling interest	10	–	–	–	–	–	(8,346)	(8,346)
Fair value adjustments on loans from major shareholders		–	1,692	–	–	1,692	–	1,692
Total contributions by and distributions to owners		–	1,692	–	–	1,692	(8,346)	(6,654)
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests		–	–	–	–	–	24	24
Acquisition of non-controlling interest without a change in control		–	(26,074)	56	(1,563)	(27,581)	1,507	(26,074)
Total changes in ownership and interests in subsidiaries		–	(26,074)	56	(1,563)	(27,581)	1,531	(26,050)
Total transactions with owners		–	(24,382)	56	(1,563)	(25,889)	(6,815)	(32,704)
At 31 December 2022		276,824	(19,838)	(27,196)	4,166	233,956	55,322	289,278

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 2023		198,647	5,832	(11,994)	192,485
Total comprehensive income for the year					
Loss for the year		–	–	(6,018)	(6,018)
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Fair value adjustments on loans from major shareholders	11	–	4,341	–	4,341
Total contributions by and distributions to owners		–	4,341	–	4,341
Total transaction with owners		–	4,341	–	4,341
At 31 December 2023		198,647	10,173	(18,012)	190,808
At 1 January 2022		198,647	4,140	(26,776)	176,011
Total comprehensive income for the year					
Profit for the year		–	–	14,782	14,782
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Fair value adjustments on loans from major shareholders		–	1,692	–	1,692
Total contributions by and distributions to owners		–	1,692	–	1,692
Total transaction with owners		–	1,692	–	1,692
At 31 December 2022		198,647	5,832	(11,994)	192,485

Condensed consolidated interim statement of cash flows

	Note	Six months ended 31 December 2023 $'000	Six months ended 31 December 2022 $'000	Full year ended 31 December 2023 $'000	Full year ended 31 December 2022 $'000
Cash flows from operating activities					
Profit for the period/year		11,687	25,205	30,403	38,830
Adjustments for:					
Amortisation of intangible assets	5	1,314	1,426	2,644	2,650
Bad debts written off		280	–	280	–
Depreciation of property, plant and equipment	5	4,968	8,756	12,587	13,785
Finance costs		906	1,102	3,743	3,115
Finance income		(5,790)	(36)	(5,816)	(51)
Gain on disposal of property, plant and equipment	5	(2)	–	(7)	(13)
Impairment loss on intangible assets	5	–	2,331	–	2,331
Impairment loss on property, plant and equipment	5	1	–	1	784
Provision for/(Reversal of) loss allowance on trade and other receivables and contract assets		937	(87)	743	(175)
Provision for/(Reversal of) onerous contracts	5	27	(119)	27	(119)
Provision for/(Reversal of) warranties	5	62	(22)	62	(22)
Unrealised exchange loss/(gain)	5	613	1,088	(1,279)	7,986
Write-off/(Write-back) of inventories	5	251	(426)	251	(426)
Write-off of property, plant and equipment	5	160	424	655	875
Tax expense	6	12,922	3,984	18,210	7,850
		28,336	43,626	62,504	77,400
Changes in:					
- inventories		(6,039)	4,503	(4,889)	(7,540)
- contract assets		912	(355)	927	(888)
- trade and other receivables		6,970	8,096	(197)	(5,148)
- contract liabilities		2,663	(627)	3,749	(767)
- trade and other payables		15,150	(25)	23,008	5,751
Cash generated from operations		47,992	55,218	85,102	68,808
Tax paid		(2,828)	(2,978)	(4,810)	(4,818)
Net cash from operating activities		45,164	52,240	80,292	63,990
Cash flows from investing activities					
Acquisition of property, plant and equipment		(27,836)	(34,721)	(40,149)	(47,637)
Acquisition of intangible assets		–	(8)	–	(126)
Decrease in deposits pledged		57	–	57	–
Interest received		41	36	67	51
Loan to non-controlling interest		(4,098)	–	(4,098)	–
Proceeds from disposal of investment in subsidiary, net of cash disposed of		–	–	–	521
Proceeds from disposal of property, plant and equipment		150	42	155	61
Net cash used in investing activities		(31,686)	(34,651)	(43,968)	(47,130)

The notes on pages 9 to 38 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 2023 $'000	Six months ended 31 December 2022 $'000	Full year ended 31 December 2023 $'000	Full year ended 31 December 2022 $'000
Cash flows from financing activities					
Acquisition of non-controlling interest		(753)	(7,669)	(17,928)	(7,669)
Dividends paid to non-controlling interest		(9,921)	(4,423)	(17,075)	(8,081)
Withholding tax paid on dividends declared by a subsidiary	6	(936)	(1,045)	(3,690)	(3,072)
Interest paid		(499)	(1,680)	(1,479)	(1,694)
Payment of lease liabilities		(203)	(196)	(401)	(372)
Proceeds from loans from major shareholders		–	2,092	–	7,523
Proceeds from loans from non-controlling interest	11	485	–	2,235	–
Repayment of loans due to major shareholders	11	(2,958)	(4,152)	(2,958)	(4,152)
Net cash used in financing activities		(14,785)	(17,073)	(41,296)	(17,517)
Net (decrease)/increase in cash and cash equivalents		(1,307)	516	(4,972)	(657)
Cash and cash equivalents at beginning of the period/year		7,710	10,950	11,531	12,283
Effect of exchange rate fluctuations on cash held		31	65	(125)	(95)
Cash and cash equivalents at end of the period/year		6,434	11,531	6,434	11,531
Represented by:					
Cash at bank and on hand		6,434	11,531	6,434	11,531
Fixed deposits		44	101	44	101
Less: Fixed deposits pledged		(44)	(101)	(44)	(101)
Cash and cash equivalents at end of the period/year		6,434	11,531	6,434	11,531

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 $26,153,000 which was recognised in 2022 as property, plant and equipment and payables for purchase of property, plant and equipment.

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 11).

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 2023 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) the production and/or sale of gypsum plasterboards and related products.

2 Basis of accounting

These interim financial statements for the six months and full year ended 31 December 2023 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 material 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 2023.

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 Notes 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 2023. 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 13 *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 the building materials division, which relates to 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 Chief Executive Officer (2022: Group's Chief Executive Officer), who is responsible for allocating resources and assessing the performance of the operating segments.

Information about reportable segments

	Aluminium		Cement		Others		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
Six months ended 31 December								
External revenues	2,469	4,605	131,494	128,268	337	–	134,300	132,873
Finance income	1	2	4,849	34	940	–	5,790	36
Finance costs	(8)	(12)	(898)	(1,090)	–	–	(906)	(1,102)
Depreciation of property, plant and equipment	(18)	(18)	(4,816)	(8,738)	(134)	–	(4,968)	(8,756)
Amortisation of intangible assets	–	–	(1,314)	(1,426)	–	–	(1,314)	(1,426)
Reportable segment (loss)/profit before tax	(2,340)	92	26,339	29,166	610	(69)	24,609	29,189
Other material non-cash items:								
- Impairment loss on intangible assets	(1)	–	–	(2,331)	–	–	(1)	(2,331)
- (Provision for)/Reversal of loss allowance on trade and other receivables and contract assets	(666)	66	(271)	21	–	–	(937)	87
- (Provision for)/Reversal of onerous contracts	(27)	119	–	–	–	–	(27)	119
- Unrealised exchange (loss)/gain	(137)	(613)	(402)	(472)	(74)	(3)	(613)	(1,088)
- Write-off of property, plant and equipment	–	–	(160)	(424)	–	–	(160)	(424)
Capital expenditure	1	1	101,061	50,019	10,241	17,002	111,303	67,022

	Aluminium		Cement		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Full year ended 31 December								
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	(4,151)	(2,035)	52,640	48,667	124	48	48,613	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	(160)	64	–	–	(743)	175
- (Provision for)/Reversal of onerous contracts	(27)	119	–	–	–	–	(27)	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)
Capital expenditure	5	818	117,253	74,737	21,264	18,812	138,522	94,367
As at 31 December								
Reportable segment assets	6,814	8,617	505,827	452,369	45,064	26,544	557,705	487,530
Reportable segment liabilities	3,540	4,596	239,403	184,277	22,410	9,379	265,353	198,252

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 customer A and customer B from the cement segment represented approximately $26,586,000 (2022: $32,676,000) and $nil (2022: $23,471,000) respectively 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. There are no reconciling items to be presented between disaggregated revenue and the Group's reportable segments (see Note 3).

	Aluminium		**Cement**		**Others**		**Total**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
Six months ended 31 December								
Primary geographical markets								
Singapore	2,469	4,605	–	–	–	–	2,469	4,605
Afghanistan	–	–	4,798	4,048	–	–	4,798	4,048
Kazakhstan	–	–	56,339	53,282	–	–	56,339	53,282
Tajikistan	–	–	70,350	70,142	337	–	70,687	70,142
Uzbekistan	–	–	7	796	–	–	7	796
	2,469	4,605	131,494	128,268	337	–	134,300	132,873
Major products/service line								
Construction contracts	1,529	3,786	–	–	–	–	1,529	3,786
Sale of goods	940	819	131,494	128,268	337	–	132,771	129,087
	2,469	4,605	131,494	128,268	337	–	134,300	132,873
Timing of revenue recognition								
Products and services transferred over time	1,529	3,786	–	–	–	–	1,529	3,786
Products transferred at a point in time	940	819	131,494	128,268	337	–	132,771	129,087
	2,469	4,605	131,494	128,268	337	–	134,300	132,873

	Aluminium		**Cement**		**Others**		**Total**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
Full year ended 31 December								
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

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 November 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 2023 $'000	**Six months ended 31 December 2022 $'000**	**Full year ended 31 December 2023 $'000**	**Full year ended 31 December 2022 $'000**
Other income:				
- gain on disposal of property, plant and equipment	(2)	–	(7)	(13)
- government grant income	(5)	(13)	(9)	(83)
- rental income	(940)	(375)	(1,366)	(469)
Amortisation of intangible assets	1,314	1,426	2,644	2,650
Bad debts written off	280	–	280	–
Contributions to defined contribution plans, included in staff and related costs	569	493	1,270	910
Depreciation of property, plant and equipment	4,968	8,756	12,587	13,785
Foreign exchange (gain)/loss, included in 'other income'/'other expenses':				
- realised	819	(422)	736	(679)
- unrealised	613	1,088	(1,279)	7,986
Impairment loss on intangible assets	–	2,331	–	2,331
Impairment loss on property, plant and equipment	1	–	1	784
Finance income:				
- fair value adjustments on long-term trade and other payables	(5,645)	–	(5,645)	–
- interest income from financial institutions	(42)	(36)	(68)	(51)
- unwinding of discount in relation to the present value of loan to non-controlling interest	(103)	–	(103)	–
Interest on loans and borrowings:				
- payables to Engineering, Procurement and Construction ("EPC") Contractor	497	403	1,923	1,692
- unwinding of discount in relation to the present value of loans from major shareholders	839	679	1,508	1,389
Provision for/(Reversal of) onerous contracts	27	(119)	27	(119)
Provision for/(Reversal of) warranties	62	(22)	62	(22)
Staff and related costs	9,351	7,848	17,205	13,952
Write-off/(Write-back) of inventories	251	(426)	251	(426)
Write-off of property, plant and equipment	160	424	655	875

6 Tax expense

Income tax expense for the period/year

	Group			
	Six months ended 31 December 2023 $'000	**Six months ended 31 December 2022 $'000**	**Full year ended 31 December 2023 $'000**	**Full year ended 31 December 2022 $'000**
Current tax expense	6,096	2,283	8,381	4,276
Deferred tax (income)/expense	(95)	50	80	(104)
Under provision in respect of prior years	1,657	606	1,936	606
Withholding tax payable on dividends declared by subsidiaries	4,328	–	4,123	–
Withholding tax paid on dividends declared by subsidiaries	936	1,045	3,690	3,072
	12,922	3,984	18,210	7,850

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 the modification of contracts with vendors. Should the outcome be unfavorable, impact may be material. 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.

Deferred tax (income)/expense for the six months and full year ended 31 December 2023 and 2022 mainly comprised deferred tax arising from temporary differences on property, plant and equipment and intangible assets, and recognition of unutilised tax losses carried forward.

The Group's consolidated effective tax rate for the six months and full year ended 31 December 2023 was 52% and 37% respectively (six months and full year ended 31 December 2022: 14% and 17% respectively). Excluding the effect arising from income which are tax exempted, under tax holidays, non-deductible expenses, under provision in respect of prior years, and withholding tax on dividends, the Group's adjusted effective tax rate for the six months and full year ended 31 December 2023 would have been 18% (six months and full year ended 31 December 2022: 15%).

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 2023 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 2023 $'000	**Six months ended 31 December 2022 $'000**	**Full year ended 31 December 2023 $'000**	**Full year ended 31 December 2022 $'000**
Profit for the period/year, representing profit attributable to ordinary shareholders	5,302	17,868	16,830	28,940

Weighted average number of ordinary shares

	Company			
	Six months ended 31 December 2023 $'000	**Six months ended 31 December 2022 $'000**	**Full year ended 31 December 2023 $'000**	**Full year ended 31 December 2022 $'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 2023, the Group acquired assets with a cost of $111,303,000 and $138,522,000 respectively. This amount was mainly incurred for the construction of additional facilities for an existing cement plant in Kazakhstan, upgrading works and construction of additional facilities for another cement plant in Kazakhstan, and construction of a new cement plant in Kazakhstan and a new gypsum plasterboard plant in Tajikistan (six months and full year ended 31 December 2022: $66,896,000 and $94,241,000 respectively for the construction of additional facilities for an existing cement plant in Kazakhstan, upgrading works and construction of additional facilities for another cement plant in Kazakhstan, and construction of a new cement plant in Kazakhstan and a new gypsum plasterboard plant in Tajikistan).

During the six months and full year ended 31 December 2023, the Group's property, plant and equipment decreased mainly due to modification of contracts of $26,111,000 which arose from the annulment of the contracts with EPC contractor.

There were no significant disposals/write-offs during the six months and full year ended 31 December 2023 and 2022.

Capital commitments

As at 31 December 2023, the Group had contracted $142,171,000 of capital expenditure for the construction of 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 (31 December 2022: $126,254,000 for the construction of additional facilities of an existing cement plant in Kazakhstan, upgrading works and construction of additional facilities for another cement plant in Kazakhstan, and construction of a new cement plant in Kazakhstan and a new gypsum plasterboard plant in Tajikistan).

Significant estimations on 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 every reporting period and adjusted where necessary, with the corresponding adjustment to property, plant and equipment being recognised prospectively from the date that the change has occurred.

9 Intangible assets and goodwill

Additions and disposals

There were no significant additions and disposals during the six months and full year ended 31 December 2023 and 2022.

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. As the expected cost savings arising from the acquisition of this electricity licence was lower than previously forecasted, a full impairment loss amounting to $2,331,000 was recognised.

Reconciliation of carrying amount of goodwill

	Group $'000
At 1 January 2023	19,417
Translation differences on consolidation	(1,615)
At 31 December 2023	17,802

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 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.

	31 December 2023 %	31 December 2022 %
Forecasted revenue growth rate	2.2	1.6
Forecasted gross profit margin	41.6	45.0
Pre-tax discount rate	31.7	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.

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	
	31 December 2023	**31 December 2022**
	%	**%**
Sales volume	(12.7)	(1.6)
Selling price	(0.8)	(0.3)
Discount rate	3.8	0.5
Terminal growth rate	(6.1)	(0.9)

10 Capital and reserves

Share capital

	Company No. of shares	
	31 December 2023	**31 December 2022**
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 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.

The Group did not issue any treasury shares during the six months and full year ended 31 December 2023 (six months and full year ended 31 December 2022: nil). The Company did not hold any treasury shares and had no outstanding warrants as at 31 December 2023 (31 December 2022: nil).

Dividends

During the full year ended 31 December 2023, two subsidiaries (where the Company has an indirect interest of 65% and 87.5%) declared dividends totalling $71,110,000 (full year ended 31 December 2022: $27,098,000). On a prorated basis the Company (through its intermediate holding companies) share was $54,555,000 and $16,555,000 to the respective non-controlling interests (full year ended 31 December 2022: $17,614,000 and $9,484,000 respectively).

11 Loans and borrowings

	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000
Group					
At 1 January 2023				44,511	41,882
Additions					
Loans from non-controlling interest	TJS	–	2027	2,235	2,235
Repayment					
Loans from major shareholders	USD	–	2025	(2,958)	(2,958)
Other movements					
Interest expense				–	1,508
Fair value adjustments arising from modification of loans				–	(4,341)
Effect of changes in foreign exchange rates				(1,350)	(1,187)
At 31 December 2023				42,438	37,139
Company					
At 1 January 2023				41,095	38,466
Repayment					
Loans from major shareholders	USD	–	2025	(2,958)	(2,958)
Other movements					
Interest expense				–	1,508
Fair value adjustments arising from modification of loans				–	(4,341)
Effect of changes in foreign exchange rates				(1,001)	(837)
At 31 December 2023				37,136	31,818

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 2023:

(i) a loan of the Group and Company which were due in 2024, were extended by 3 years to 2027, and the difference between the new and old fair value amounting to $4,531,000 was recognised in 'capital reserve' of the Group and Company; and
(ii) the Group and Company made early repayment of $2,958,000 and this significant modification of the cash outflow of the loan resulted in a loss of $190,000 which was recognised in 'capital reserve' of the Group and Company.

A non-controlling interest provided new interest-free loans to the Group during the year, with face value of $2,235,000 and due in 2027, for the construction of a new gypsum plasterboard plant in Tajikistan and the non-controlling interest has the right to demand for payment before the due date.

Aggregate amount of the Group's borrowings and debt securities

	31 December 2023		**31 December 2022**	
	$'000	**$'000**	**$'000**	**$'000**
	Secured	**Unsecured**	**Secured**	**Unsecured**
Group				
Amount repayable in one year or less	–	5,301	–	3,416
Amount repayable after one year	–	31,838	–	38,466
	–	37,139	–	41,882

12 Provisions

Restoration costs

Restoration costs relate to the cost of dismantling and removing assets and restoring the premises to its original condition. In accordance with the applicable legal requirements in Kazakhstan, the Group is expected to perform recultivation works by the end of its operations. During the six months and full year ended 31 December 2023, the Group reversed provision for restoration costs of $1,351,000 due to change in discount rate.

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. The Group has engaged external experts to estimate the amount. The provision has been calculated using a discount rate of 11.4% (2022: 8.6%), which is the risk-free rate in Kazakhstan. The Group expects to incur the liability upon the end of the expected economic useful lives of its respective operations in Kazakhstan.

13 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 2023				
Financial assets not measured at fair value				
Trade and other receivables#	23,752	–	23,752	
Cash and cash equivalents	6,478	–	6,478	
	30,230	–	30,230	
Financial liabilities not measured at fair value				
Loans from major shareholders	–	(31,838)	(31,838)	(31,852)
Loans from non-controlling interest	–	(5,301)	(5,301)	
Trade and other payables*	–	(195,141)	(195,141)	(195,408)
	–	(232,280)	(232,280)	
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables#	21,917	–	21,917	
Cash and cash equivalents	11,632	–	11,632	
	33,549	–	33,549	
Financial liabilities not measured at fair value				
Loans from major shareholders	–	(38,466)	(38,466)	(37,991)
Loans from non-controlling interest	–	(3,416)	(3,416)	
Trade and other payables*	–	(133,872)	(133,872)	(129,126)
	–	(175,754)	(175,754)	

Excluding deposits and prepayments.
* *Excluding Value-added/Goods and Services tax payable and withholding tax payable on dividends.*

	Carrying amount			Fair value
	Amortised cost $'000	**Other financial liabilities $'000**	**Total $'000**	**Level 2 $'000**
Company				
31 December 2023				
Financial assets not measured at fair value				
Trade and other receivables#	66,385	–	66,385	
Cash and cash equivalents	185	–	185	
	66,570	–	66,570	
Financial liabilities not measured at fair value				
Loans from major shareholders	–	(31,838)	(31,838)	(31,852)
Trade and other payables	–	(20,438)	(20,438)	
	–	(52,276)	(52,276)	
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables#	69,726	–	69,726	
Cash and cash equivalents	49	–	49	
	69,775	–	69,775	
Financial liabilities not measured at fair value				
Loans from major shareholders	–	(38,466)	(38,466)	(37,991)
Trade and other payables	–	(15,319)	(15,319)	
	–	(53,785)	(53,785)	

Excluding deposits and prepayments.

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. 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.

Credit risk

The movement in the allowance for impairment in respect of trade and other receivables (excluding prepayments and deposits) and contract assets was as follows:

	Group $'000	Company $'000
At 1 January 2023	3,479	–
Impairment loss made	743	–
Amounts utilised	(613)	–
Translation differences on consolidation	(34)	–
At 31 December 2023	3,575	–

During the year ended 31 December 2023, the provision for loss allowance at the Group level was mainly due to the credit-impaired trade receivables from one customer of the aluminium segment and one customer of the cement segment. 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.

14 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. During the year, the third party was declared bankrupt. 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 litigation in progress against the subsidiary arising from this Acquisition and accordingly, no provision has been made as at 31 December 2023.

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 2023 $'000	31 December 2022 $'000	31 December 2023 $'000	31 December 2022 $'000	31 December 2023 $'000	31 December 2022 $'000
Group						
Purchase of services						
Non-controlling interest	(638)	(1,566)	(638)	(3,508)	–	–

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, 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 interim financial statements.

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.

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.

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*

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 2023, 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

Consolidated Statement of Profit or Loss

Revenue

The Group's revenue increased by $1.4 million from $132.9 million for the six months ended 31 December 2022 ("2H2022") to $134.3 million for the six months ended 31 December 2023 ("2H2023") and increased by $32.2 million from $225.2 million for the full year ended 31 December 2022 ("FY2022") to $257.4 million for the full year ended 31 December 2023 ("FY2023"). This was mainly contributed by:
(i) increase in sales volume from a cement plant in Tajikistan arising from the strong market demand due to large number of infrastructure projects and hydropower stations in Tajikistan;
(ii) commencement of sales of a cement plant in East Kazakhstan since August 2022; and
(iii) commencement of sales of a gypsum plasterboard plant in Tajikistan since December 2023;
which was offset by decrease in sales volume and selling prices from a cement plant in Almaty region in Kazakhstan due to decline in production during August 2023 caused by the frequent malfunction of equipment.

Gross profit

Gross profit margins declined from 41% to 35% in 2H2023 as compared to 2H2022, while overall gross profit margins for the full year declined from 42% in FY2022 to 35% in FY2023. Overall gross profit margins declined period-on-period was largely due to:
(i) decrease in gross profit margins of a cement plant in Almaty region in Kazakhstan, mainly due to decrease in selling prices and significant increase in cost of raw materials;
which was offset by:
(i) increase in gross profit margins of a cement plant in Tajikistan due to increase in selling prices and strong market demand which outweigh the increase in cost of raw materials; and
(ii) increase in gross profit margins of a cement plant in East Kazakhstan, mainly due to higher sales volume in FY2023 as compared to FY2022 since commencement of sales in August 2022.

Other income

Other income mainly comprised foreign exchange gains, government grants, sale of scrap and spare parts, rental income and utility recharges, and sale of fuel and rental income from suppliers for the extraction of raw materials in quarries. The increase in other income period-on-period was largely due to increase in rental income and utility recharges.

Selling and distribution expenses

Selling and distribution expenses mainly comprised staff costs of the selling and distribution departments, and advertising and marketing expenses. The decrease in selling and distribution expenses period-on-period was largely due to decrease in advertising and marketing activities in FY2023.

Administrative expenses

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, traveling expenses and office, rental and visa-related expenses. The increase in administrative expenses period-on-period was largely due to:

(i) commencement of operations of a cement plant in East Kazakhstan since August 2022;
(ii) commencement of operations of a gypsum plasterboard plant in Tajikistan since December 2023;
(ii) increase in tax-related expenses for the cement plants in Kazakhstan for the import of equipment and spare parts;
(iii) rising costs of the operations in Tajikistan and Kazakhstan; and
(iv) increase in staff headcount, audit fees, vehicle-related expenses, travelling expenses, and office and visa related expenses, which is in line with the significant increase in operations in FY2023.

Loss allowance on trade and other receivables and contract assets

During FY2023, the overall provision for loss allowance was mainly due to the credit-impaired trade receivables from one customer of the aluminium segment and one customer from the cement segment.

Other expenses

Other expenses in 2H2023 and FY2023 mainly comprised write-off of property, plant and equipment and donations. The decrease in other expenses period-on-period was largely due to:

(i) foreign exchange losses of $7.3 million in FY2022 as compared to foreign exchange gains of $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 $0.8 million in FY2022 arising from a warehouse lease signed in 2H2022 for the aluminium segment which was loss-making; and
(iii) the absence of impairment loss on intangible assets of $2.3 million was recognised as the expected cost savings arising from the acquisition of an electricity licence in 2021 was lower than previously forecasted.

which was offset by the increase in donations of $0.7 million.

Finance income

Finance income mainly pertained to fair value adjustments on long-term trade and other payables and unwinding of discount in relation to the present value of loan to non-controlling interest.

Finance costs

Finance costs mainly pertained to:
(i) interest expense on the outstanding payables to the EPC contractor for the construction of the cement plant in the Almaty region in Kazakhstan which are interest-bearing at 8.4% per annum, amounting to $1.9 million; and

(ii) unwinding of discount on present value of interest-free loans from major shareholders amounting to $1.5 million. The interest-free loans from major shareholders (Victory Gate Ventures Limited and Mr Ma Zhaoyang) were for the construction of the cement plant in the Almaty region in Kazakhstan, and acquisition of cement-related assets for a cement plant in East Kazakhstan and costs incurred for its upgrading works.

Tax expense

2H2023 and FY2023 tax expense mainly pertained to:
(i) current tax expense of $6.1 million and $8.4 million respectively (2H2022 and FY2022: $2.3 million and $4.3 million respectively), mainly for a subsidiary in Tajikistan;
(ii) under provision of tax mainly from a subsidiary in Tajikistan in respect of prior years of $1.7 and $1.9 million respectively (2H2022 and FY2022: $0.6 million and $0.6 million respectively);
(iii) withholding tax payable on dividends declared by subsidiaries of $4.3 million and $4.1 million respectively (2H2022 and FY2022: $nil); and
(iv) withholding tax paid on dividends declared by a subsidiary in Tajikistan of $0.9 million and $3.7 million respectively (2H2022 and FY2022: $1.0 million and $3.1 million respectively).

The increase in current tax expense was mainly due to the increase in profit before tax and increase in corporate income tax rate in one of the jurisdictions that the Group's subsidiaries operate in.

Statements of Financial Position

Property, plant and equipment

Increase in property, plant and equipment at the Group level during FY2023 was mainly due to:
(i) additions of $138.5 million, mainly arising from the construction of additional facilities for an existing cement plant in the Almaty region in Kazakhstan, upgrading works and construction of additional facilities for a cement plant in East Kazakhstan, and construction of a new cement plant in Kazakhstan and a new gypsum plasterboard plant in Tajikistan;
which was offset by:
(i) disposals and write-offs of $0.8 million;
(ii) depreciation charge of $12.6 million;
(iii) modification of contracts of $26.1 million which arose from the annulment of the contracts with EPC contractor; and
(iv) net translation difference for FY2023 was a loss of $14.5 million arising from the depreciation of Tajikistan Somoni ("TJS") against Singapore Dollar ("SGD") by 8%.

Intangible assets

Intangible assets and goodwill at the Group level mainly comprised subsoil rights, goodwill arising on the acquisition of a cement plant in Tajikistan in 2017 and an electricity licence. Decrease in intangible assets at the Group level during FY2023 was due to:
(i) amortisation charge of $2.6 million; and
(ii) translation loss of $3.1 million, arising from the depreciation of TJS against SGD by 8%.

<u>*Trade and other receivables*</u>

At the Group level, long-term trade and other receivables as at 31 December 2023 comprised:
(i) loan to non-controlling interest (Nurzhan Shakirov) of $2.9 million, which was provided in October 2023, and the loan is interest-free, due in 2025 and secured by Nurzhan Shakirov's shares in a subsidiary in Kazakhstan; and
(ii) prepayments of $2.6 million, mainly comprised amounts prepaid to suppliers .

Loan to non-controlling interest (Nurzhan Shakirov) was provided in October 2023. The loan is interest-free, due in 2025 and secured by Nurzhan Shakirov's shares in a subsidiary in Kazakhstan.

Prepayments mainly comprised amounts prepaid to suppliers for:
(i) upgrading works in the cement plants in Kazakhstan;
(ii) purchase of spares and consumables for repairs and maintenance works in the cement plants; and
(iii) construction of a new cement plant in Kazakhstan.
As these relate to advance payments in nature, there are no recoverability issues.

Decrease in long-term trade and other receivables of $7.5 million was mainly due to:
(i) decrease in prepayments from the cement segment of $4.9 million, mainly arising from deferred expenses of $4.1 million relating to repair and maintenance in FY2022 being fully amortised in FY2023 in Kazakhstan;
(ii) decrease in prepayments from the others segment of $5.5 million, arising from purchase of spares and equipment which has been transferred to property, plant and equipment for the construction of the gypsum plasterboard plant in Tajikistan;
which was offset by:
(i) increase in loan to non-controlling interest of $2.9 million provided in October 2023.

At the Group level, short-term trade and other receivables as at 31 December 2023 comprised:
(i) trade receivables of $2.4 million;
(ii) tax-related receivables of $15.8 million;
(iii) other receivables of $2.6 million;
(v) deposits and prepayments of $6.9 million.

Approximately 86% of short-term trade receivables are in the 'current' and 'past due 1 – 30 days' brackets, and there are no recoverability issues.

Tax-related receivables mainly comprised value-added tax receivables from the cement plants arising from purchase of raw materials and spares and consumables, which can be offset against the value-added tax payable from sales going forward, i.e. no recoverability issues.

Other receivables mainly arose from the sale of spare parts and rental income receivable to external parties of $2.0 million, which is expected to be collected in FY2024.

Deposits and prepayments mainly comprised amounts prepaid to suppliers for:
(i) upgrading works in the cement plants in Kazakhstan;
(ii) purchase of spares and consumables for repairs and maintenance works in the cement plants; and
(iii) construction of a new cement plant in Kazakhstan.
As these relate to advance payments in nature, there are no recoverability issues.

Increase in short-term trade and other receivables of $2.8 million was mainly due to:
(i) increase in prepayments from the others segment of $3.8 million, mainly arising from purchase of spares and consumables of $3.4 million as the operations of a gypsum plasterboard plant in Tajikistan commenced in December 2023;

(ii) increase in tax-related receivables from the cement segment of $3.3 million, mainly arising from increase in purchase of raw materials and spares and consumables;
(iii) increase in other receivables from the cement segment of $1.3 million, mainly arising from the sale of spare parts to external parties during FY2023;

which was offset by:

(i) decrease in trade receivables from the cement segment of $1.2 million, mainly arising from lower sales by the cement plant in Tajikistan and Kazakhstan during the fourth quarter of 2023 as compared to the fourth quarter of 2022; and
(ii) decrease in non-trade amounts due from non-controlling interest of $4.4 million due to repayments from non-controlling interest during 1H2023.

At the Company level, long-term trade and other receivables comprised:

(i) loans to subsidiaries of $63.3 million for the construction of the cement plant in the Almaty region in Kazakhstan and acquisition of cement-related assets for a cement plant in East Kazakhstan and its related upgrading works; and
(ii) non-trade receivables from subsidiaries of $3.1 million.

Deferred tax assets

Deferred tax assets at the Group level mainly pertained to temporary differences arising from property, plant and equipment and recognition of unutilised tax losses arising from the cement plant in East Kazakhstan.

Inventories

Increase in inventory balance at the Group level of $3.5 million was mainly due to increase in costs of raw materials during the fourth quarter of 2023 as compared to the fourth quarter of 2022.

Contract assets

At the Group level, contract assets as at 31 December 2023 pertained to retention sums which 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.

Capital reserve

At the Group level, capital reserve mainly pertained to the cash consideration paid in excess of the carrying amount of a cement plant in East Kazakhstan of $26.1 million arising from the step-up acquisition of 15% stake in a subsidiary in November 2022, offset by the fair value adjustment arising from interest-free loans from major shareholders of $10.6 million.

Currency translation reserve

Increase in currency translation reserve losses at the Group level of $10.0 million mainly arose from the depreciation of TJS against SGD by 8%.

Loans and borrowings

At the Group level, loans and borrowings comprised:
(i) unsecured interest-free loans from major shareholders (Victory Gate Ventures Limited and Mr Ma Zhaoyang) of $31.8 million for the construction of a cement plant in Almaty region in Kazakhstan and acquisition of cement-related assets for a cement plant in East Kazakhstan and its related upgrading works, and these loans are due between first quarter of 2025 and third quarter of 2027, therefore classified as long-term; and
(ii) unsecured interest-free loans from a non-controlling interest (Dastoni Mohir LLC) of $5.3 million for the construction of a new gypsum plasterboard plant in Tajikistan, and these loans are repayable on demand, therefore classified as short-term.

The decrease in long-term loans and borrowings of $6.7 million was mainly due to unwinding of discount in relation to the present value of the loans from major shareholders of $4.3 million, repayments to major shareholder of $3.0 million and foreign exchange gain of $0.9 million (depreciation of USD and CNY, against SGD).

The increase in short-term loans and borrowings of $1.9 million was mainly due to additional loans obtained from non-controlling interest of $2.2 million, which was offset by foreign exchange gain of $0.3 million (depreciation of TJS against SGD).

At the Company level, long-term loans and borrowings as at 31 December 2023 comprised interest-free loans from major shareholders, Victory Gate Ventures Limited and Mr Ma Zhaoyang. The decrease was mainly due to unwinding of discount in relation to the present value of the loans from major shareholders of $4.3 million, repayments to major shareholder of $3.0 million and foreign exchange gain of $0.9 million (depreciation of USD and CNY, against SGD).

Trade and other payables

The Group's long-term trade and other payables mainly pertained to amounts owing to:
(i) the EPC contractor of $22.6 million for the construction of a cement plant in the Almaty region in Kazakhstan under a deferred payment arrangement which are interest-bearing at 8.4% and due in fourth quarter of 2026;
(ii) another EPC contractor of $58.2 million for the construction of a new cement plant in Kazakhstan under a deferred payment arrangement which are interest-bearing at 6.5% and due in 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 $66.6 million, which are due in 2025.

Increase in long-term trade and other payables was mainly due to construction of a new cement plant in Kazakhstan and new gypsum plasterboard plant in Tajikistan.

The Group's short-term trade and other payables at the Group level mainly comprised:
(i) trade payables of $20.1 million;
(ii) accrued operating expenses of $3.7 million;
(iii) dividend payable of $2.7 million;
(iv) tax-related payables of $7.7 million;
(v) payables for property, plant and equipment of $13.8 million; and
(vi) other payables of $6.6 million.

More than 94% of short-term trade and other payables are in the 'current' bracket, i.e. not overdue.

Trade payables mainly pertained to the purchase of raw materials, and spares and consumables.

Dividend payable pertained to amounts owing to the non-controlling interests in Tajikistan and Kazakhstan for dividends declared in FY2023.

Tax-related payables mainly pertained to taxes collected on sales and tax payable on import of property, plant and equipment, and spares and consumables (Value-Added Tax/Goods and Services Tax) and withholding tax payable on dividends.

Other payables mainly pertained to amounts payable for distribution expenses and professional fees.

Decrease in short-term trade and other payables at the Group level was mainly due to:
(i) decrease in non-trade payables to non-controlling interest of $17.9 million arising from payments made during the period; and

which was offset by:
(i) increase in trade payables of $7.6 million, mainly due to purchase of raw materials, and spares and consumables;
(ii) increase in tax-related payables of $3.0 million, mainly due to increase in withholding tax payable on dividends; and
(ii) increase in other payables of $2.0 million, mainly due to increase in payables for distribution expenses and professional fees of the cement plant in East Kazakhstan.

At the Company level, trade and other payables increased due to increase in non-trade payables to subsidiaries arising from the payment on behalf of administrative expenses of the Company during the year.

Provisions

At the Group level, provisions mainly pertained to 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

Decrease in deferred tax liabilities at the Group level was mainly due to the decrease in temporary differences arising from property, plant and equipment and intangible assets.

Contract liabilities

Contract liabilities as at 31 December 2023 pertained to advance consideration received from customers.

Consolidated Statement of Cash Flows

Cash and cash equivalents of the Group decreased from $11.6 million as at 31 December 2022 to $6.5 million as at 31 December 2023. This was mainly due to cash flows from operating activities of $80.3 million and additional loans obtained from non-controlling interest of $2.2 million, which was offset by:
(i) acquisition of property, plant and equipment of $40.1 million for the construction of additional facilities for an existing cement plant in the Almaty region in Kazakhstan, upgrading works and construction of additional facilities for a cement plant in East Kazakhstan, and construction of a new cement plant in Kazakhstan and a new gypsum plasterboard plant in Tajikistan;
(ii) loan to non-controlling interest of $4.1 million;
(iii) partial payment of the consideration for the step-up acquisition of 15% stake in a subsidiary in November 2022 of $17.9 million;

(iv) dividends paid to non-controlling interests of $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 $3.7 million;
(vi) interest paid to EPC contractor under the deferred payment arrangement of $1.5 million; and
(vii) repayment of loans due to major shareholder of $3.0 million.

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

Cement

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

Our operations in Tajikistan continued to deliver steady growth in revenue driven by increasing local construction demand. Additionally, we boosted sales in Tajikistan by closely working with our distributors to execute incentivized promotions, such as offering sales volume rebates. In 2024, we are expecting keener competition with the entrance of a new cement producer as it commences operation in Tajikistan.

During the year, our operations at the Group's cement plant located in the Almaty region in Kazakhstan were affected by lower cement prices and an unexpected equipment breakdown during the peak season. To further expand our market presence in the Almaty region, we will continue to focus on enhancing our distribution network and differentiating the Group from our competitors by offering high-quality products and reliable deliveries and services.

Our second cement plant in Kazakhstan, located in the Jarminsky district in the East Kazakhstan region, has enabled the Group to broaden our customer base by penetrating domestic markets in the east of Kazakhstan and the capital, Astana. As this plant has only commenced sales in August 2022, we plan to intensify our marketing and promotion activities to enhance brand and product awareness while expanding our distribution networks to grow our customer base and increase sales.

We have made good progress in the construction of our third cement plant in Kazakhstan in the Korday district, Jambyl region in Kazakhstan. Scheduled for completion in mid-2024, this plant, with an annual production capacity of 1.5 million metric tonnes, will increase our combined annual cement production capacity to 5.5 million. With this capacity expansion, the Group is well-positioned to capture the strong demand for cement in Kazakhstan. Strategically located in the neighbouring region of the Alacem plant in south-eastern Kazakhstan with direct export routes to Kyrgyzstan, this new plant will enhance the Group's existing operations and strengthen our market leadership position in the south-eastern region of Kazakhstan.

In November 2023, we achieved another new milestone with the commencement of commercial production of our drywall (gypsum plasterboard) plant, located next to our main Tajikistan cement plant in the Yovon district. With an annual production capacity of 30.0 million square metres of drywall, this new plant will widen our product offerings to cater to a more diverse customer base and provide the Group with a new revenue stream. We intend to bring this new product line to the local market by leveraging our well-established distribution network in Tajikistan and selling directly to large construction companies.

Looking forward, we expect the demand for cement in the Central Asia region to remain robust 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].

As we move ahead, we will remain committed to growing our cement operations and increasing our market share to fortify our position in Central Asia through our two-pronged strategy. Firstly, to ensure the timely completion of construction of the Korcem cement plant, expediting its contribution to the revenue of the Group. Secondly, to strengthen our existing distribution network while actively securing new distributors to increase our market presence and capture a bigger market share in the Central Asia region.

Aluminium

The main customers of the Group's aluminium segment comprise property developers for public housing projects by the Housing Development Board in Singapore. Therefore, our aluminium business is mainly dependent on the prospects of the local construction sector.

As at 31 December 2023, the Group's order book stood at approximately $6.0 million, including variation orders. These projects are expected to be completed progressively over the next 3 years.

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[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)

Working Capital

The Group's business strategy is to further establish itself as one of the key dominance players in both the Kazakhstan and Tajikistan markets. Over the years, the Group has been generating positive operating cashflow which provide a continue source of funds as we expand our cement footprint in Central Asia. Between FY2021 and FY2024, the Group has increased its production capacity from 3.0 million metric tonnes to 4.0 million metric tonnes, an increase of 33%. Besides cement business, the Group has diversified into drywall (gypsum plasterboard), which commenced operations in FY2023. The increase in cement production capacity has been funded partially from internal generated profits as well as through external financing.

External financing (non-current liabilities) has increased from $87.4 million (FY2022) to $112.6 million (FY2023). Group's working capital has decreased to $5.2 million (FY2023) compared to $10.7 million (FY2022). This is despite improvements in the Group's operating cashflows from $64.0 million (FY2022) to $80.3 million (FY2023). Trade receivables turnover days were comparable between FY2023 (4 days) and FY2022 (5 days).

In FY2024, the cement plant at Korday (Kazakhstan) will be completed and further payments will have to be made to the contractors. This will see an increase in the Group's total liabilities, further stress on working capital, impact negatively on the Group's cash flow and increase in interest costs. In FY2023 interest cost was $3.7 million as compared to $3.1 million in FY2022, an increase of 20%.

Management is currently reviewing the capital structure of Group and assessing alternative sources of financing including working with financial institutions to provide a deferred payment scheme to contractors of the cement plant at Korday (Kazakhstan), working capital from financial institutions and issuance of debt securities. Besides this, management will be reviewing (including slowing the pace) of new capital commitments.

5 A breakdown of sales

	2023 $'000	2022 $'000	Increase/ (Decrease) %
Sales reported for first half year	123,098	92,322	33
Operating profit after tax before deducting non-controlling interests reported for first half year	18,716	13,625	37
Sales reported for second half year	134,300	132,873	1
Operating profit after tax before deducting non-controlling interests reported for second half year	11,687	25,205	(54)

6 Net asset value

	Group		Company	
	31 December 2023 ’cents	**31 December 2022 ’cents**	**31 December 2023 ’cents**	**31 December 2022 ’cents**
Net asset value per ordinary share based on issued share capital of 5,734,732,849 ordinary shares as at 31 December 2023 (31 December: 2022: 5,734,732,849)	4.27	4.08	3.33	3.36

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 2023 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 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company hereby confirms to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the interim consolidated financial statements for the six months and full year ended 31 December 2023 to be false or misleading in any material respect.

10 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	30	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

11 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.

12 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

Zhang Zengtao
Chief Executive Officer
28 February 2024