

RESPONSE TO SGX-ST QUERIES

The Board of Directors of International Cement Group Ltd. (the “Company”, and together with its subsidiaries, collectively the “Group”) refers to the queries raised by Singapore Exchange Securities Trading Limited (“SGX-ST”) and would like to provide further information in relation to the Full Year Results Announcement for the year ended 31 December 2020 (“FY2020”):

SGX’s Queries

- 1) Please elaborate on the 46% increase in income tax expense amounting to S\$7.34 million in FY2020 despite recording lower profit by 21% than the previous reporting period.
- 2) The Group recorded stronger revenue due to higher contribution from the cement plant in Kazakhstan. Please clarify when was the completion date for the Kazakhstan cement plant and reason why it only commenced sales in 2H2020. Please provide a breakdown of the sales figures contributed by the Kazakhstan cement plant in 2H2020.

Company’s Replies

1. The Group’s FY2020 profit before tax amounted to S\$26.2 million (FY2019: S\$33.4 million). Disregarding foreign exchange losses of S\$10.7 million in FY2020 which were non-tax deductible, the Group’s profit before tax would have been S\$36.9 million.

Tax expense for FY2020 amounted to S\$7.3 million (FY2019: S\$5.0 million) which included an adjustment for under provision for tax in respect of prior years of S\$1.3 million. Disregarding this adjustment, tax expense for FY2020 would have been S\$6.0 million.

	FY2020 S\$’000	FY2019 S\$’000
Normalised profit before tax	36,984	33,405
Normalised tax expense	6,059	5,024
Effective tax rate	16%	15%

As shown above, the effective tax rate for the Group remained relatively consistent year-on-year.

2. Completion date for the cement plant in Kazakhstan was on 25 March 2020. Due to the lockdowns in Almaty, Kazakhstan from mid March 2020 to May 2020, and in July 2020, this resulted in a delay in obtaining the sales licence from the relevant authorities in Kazakhstan until August 2020. Sales contributed by this cement plant in FY2020 amounted to S\$12,548,000.

On behalf of the Board
INTERNATIONAL CEMENT GROUP LTD.

Ma Zhaoyang
Chairman

08 March 2021