

MEDIA RELEASE

For Immediate Release

International Cement Group's 1H2023 net profit up 4% to S\$11.5 million

- *Group revenue rose 29% to S\$119.3 million in 1H2023 boosted by strong demand for cement in Tajikistan and Kazakhstan, and the commencement of sales of the new cement plant in the East Kazakhstan region since August 2022*

S\$'000	1H2023	1H2022	Change (%)
Revenue	119,255	92,322	29
- Cement	115,811	88,746	30
- Aluminium	3,444	3,576	(4)
Gross Profit	44,689	41,222	8
Profit Before Tax	24,004	17,491	37
Profit After Tax	18,716	13,625	37
Net Profit Attributable to Shareholders	11,528	11,072	4

SINGAPORE, 14 August 2023 – 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 4% increase in net profit attributable to shareholders to S\$11.5 million for the half year ended 30 June 2023 (“**1H2023**”).

This was achieved on the back of a 29% surge in Group revenue to S\$119.3 million, driven by higher contributions from the cement segment. Revenue from the cement segment increased by 30% to S\$115.8 million due to higher sales volume from the Group's Tajikistan operations and the Alacem cement plant in the Almaty region of Kazakhstan, as a result of the introduction of sales volume rebates to distributors in Tajikistan and the growth in the Almaty region's construction sector. In addition, revenue grew due to the commencement of sales of the new Sharcem cement plant in East Kazakhstan since August 2022. Revenue from the aluminium segment remained relatively consistent period-on-period.

Gross profit increased slightly by 8% period-on-period to S\$44.7 million, while gross profit margin dropped from 45% in 1H2022 to 37% in 1H2023, largely attributed to the lower cement selling prices and escalating raw materials costs which dragged down the profit margin of the Alacem cement plant. The new Sharcem cement plant also contributed to the lower profit margin as sales volume remained low in its first year of operations, which resulted in lower absorption of overheads. The overall decrease was, however, offset by an increase in gross profit margin from Tajikistan's operations thanks to the higher cement selling prices during the period.

In the latest half-year results, the Group posted earnings per share of 0.20 Singapore cents, up from 0.19 Singapore cents in the previous period.

Financial Position

As at 30 June 2023, the Group's net assets attributable to owners of the Company was S\$240.4 million, which translates into a net asset value per share of 4.19 Singapore cents, compared with 4.08 Singapore cents as at 31 December 2022. Cash and cash equivalents as at 30 June 2023 stood at S\$7.8 million.

Said ICG's Chief Executive Officer, Mr Zhang Zengtao, *"While the business environment continues to be challenging amid rising business costs, the outlook of the Group remains promising, with the demand for cement in the Central Asia region to remain robust over the coming years. We will stay focused on building our core cement business and delivering value from the investments made in the Central Asia region in the past years. Given the high inflationary environment, we will continue to manage our operating costs effectively and sharpen our competitive edge by strengthening our capabilities to increase operational efficiency and competitiveness."*

Outlook

Looking ahead, we are cautiously optimistic for the year to come as we expect the demand for construction materials within the Central Asia region will remain strong, driven by the reconstruction, urbanisation, and infrastructure growth in the region.

Kazakhstan's construction market is projected to grow at an average annual growth rate of more than 5% between 2024 and 2027, supported by government investment in infrastructure, residential, and renewable energy projects¹.

Tajikistan has recently restricted cement exports due to the substantial increase in domestic demand for cement in recent years arising from the extensive expansion of construction sites and the shutdown of the Dushanbe cement plant. In the first half of 2023, Tajikistan produced approximately 2.1 million metric tonnes of cement, representing a 4.0% increase compared to the same period last year. Tajikistan's decision to temporarily ban cement exports demonstrates its commitment to meeting the rising domestic demand for this essential building material.²

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 14 August 2023.

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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 in Kazakhstan, with an annual production capacity of 1.2 million metric tonnes.

The Group acquired a new cement plant in the Jarminsky district in the East Kazakhstan region in November 2021. The plant, which has an annual production capacity of 1.0 million metric tonnes, commenced commercial production in August 2022.

¹ <https://www.globaldata.com/store/report/kazakhstan-construction-market-analysis/>

² <https://bnn.network/breaking-news/tajikistan-restricts-cement-exports-to-fulfill-growing-domestic-needs/>

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 in mid-2024.

The Group also has an established business in manufacturing and marketing aluminium extrusions used for the construction industry in Singapore.