



OILTEK INTERNATIONAL LIMITED
(Company Registration Number: 202109778W)
(Incorporated in the Republic of Singapore)

Condensed Interim Financial Statements

For the Six Months and Full Year Ended 31 December 2022

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2022

	Note	Six months ended 31 December			Full year ended 31 December		
		2022 RM'000	2021 RM'000	Change %	2022 RM'000	2021 RM'000	Change %
Revenue	4(a)	82,390	53,413	54.3	163,731	100,628	62.7
Cost of sales		(66,281)	(39,859)	66.3	(133,134)	(77,039)	72.8
Gross profit		16,109	13,554	18.9	30,597	23,589	29.7
Other income	5	2,182	17	N.M.	2,218	53	N.M.
Other gains/(losses) – net	5	54	(153)	N.M.	1,763	658	167.9
Expenses							
- Reversal of/(allowance for) impairment of trade receivables	6	12	2,215	(99.5)	(131)	2,031	N.M.
- Administrative and others	6	(7,926)	(8,525)	(7.0)	(16,748)	(13,344)	25.5
Profit before income tax		10,431	7,108	46.8	17,699	12,987	36.3
Income tax expense	7	(2,500)	(1,753)	42.6	(5,028)	(3,280)	53.3
Profit after income tax		7,931	5,355	48.1	12,671	9,707	30.5
Profit attributable to:							
Equity holders of the Company		7,931	5,355	48.1	12,671	9,707	30.5
Earnings per share for profit attributable to equity holders of the Company:							
- Basic and diluted earnings per share (in sen)	13	5.55	4.44	25.0	9.10	8.06	12.9
Profit after income tax		7,931	5,355	48.1	12,671	9,707	30.5
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		508	-	N.M.	731	-	N.M.
Other comprehensive income, net of tax		508	-	N.M.	731	-	N.M.
Total comprehensive income		8,439	5,355	57.6	13,402	9,707	38.1
Total comprehensive income attributable to:							
Equity holders of the Company		8,439	5,355	57.6	13,402	9,707	38.1

N.M. – Not Meaningful

The accompanying notes form an integral part of the condensed interim financial statements.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

B. CONDENSED INTERIM BALANCE SHEETS

As at 31 December 2022

		Group		Company	
	Note	31 December 2022	31 December 2021	31 December 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Current assets					
Cash and bank balances		67,360	42,896	15,661	-
Trade and other receivables		11,392	16,976	3,146	-
Contract assets		39,524	18,246	-	-
Inventories		602	895	-	-
Income tax receivables		127	98	-	-
		119,005	79,111	18,807	-
Non-current assets					
Investments in subsidiaries		-	-	91,888	85,412
Property, plant and equipment	10	3,157	2,949	-	-
Deferred tax assets		310	179	-	-
		3,467	3,128	91,888	85,412
Total assets		122,472	82,239	110,695	85,412
LIABILITIES					
Current liabilities					
Trade and other payables		44,355	31,167	2,282	4,121
Contract liabilities		23,085	15,898	-	-
Current income tax liabilities		1,553	811	-	-
		68,993	47,876	2,282	4,121
Total liabilities		68,993	47,876	2,282	4,121
NET ASSETS		53,479	34,363	108,413	81,291
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	98,566	83,918	98,566	83,918
Merger reserve		(81,436)	(81,436)	-	-
Currency translation reserve		731	-	6,439	-
Retained profits/(accumulated losses)		35,618	31,881	3,408	(2,627)
Total equity		53,479	34,363	108,413	81,291

The accompanying notes form an integral part of the condensed interim financial statements.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022

Group	Attributable to equity holders of the Company				
	Share capital	Merger reserve	Currency translation reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2022	83,918	(81,436)	-	31,881	34,363
Profit for the year	-	-	-	12,671	12,671
Other comprehensive income for the year	-	-	731	-	731
Total comprehensive income for the year	-	-	731	12,671	13,402
Transactions with owners, recognised directly in equity - dividend	-	-	-	(8,934)	(8,934)
Issuance of shares pursuant to the Listing	15,988	-	-	-	15,988
Capitalisation of listing expenses	(1,340)	-	-	-	(1,340)
Balance at 31 December 2022	98,566	(81,436)	731	35,618	53,479
Balance at 1 January 2021	2,482	-	-	31,604	34,086
Profit for the year	-	-	-	9,707	9,707
Transactions with owners, recognised directly in equity – dividend	-	-	-	(9,430)	(9,430)
Issuance of shares pursuant to the Restructuring Exercise*	81,436	(81,436)	-	-	-
Balance at 31 December 2021	83,918	(81,436)	-	31,881	34,363

* Please refer to Note 1.2 of the audited consolidated financial statements in the Annual Report for the financial year ended 31 December 2021.

Company	Attributable to equity holders of the Company			
	Share capital	Currency translation reserve	Retained profits / (accumulated losses)	Total
	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2022	83,918	-	(2,627)	81,291
Profit for the year	-	-	6,035	6,035
Other comprehensive income for the year	-	6,439	-	6,439
Total comprehensive income for the year	-	6,439	6,035	12,474
Issuance of shares pursuant to the Listing	15,988	-	-	15,988
Capitalisation of listing expenses	(1,340)	-	-	(1,340)
Balance at 31 December 2022	98,566	6,439	3,408	108,413
At date of incorporation (Note A)	-	-	-	-
Issuance of new ordinary shares	83,918	-	-	83,918
Loss for the financial period	-	-	(2,627)	(2,627)
Balance at 31 December 2021	83,918	-	(2,627)	81,291

Note A: The Company was incorporated on 19 March 2021.

The accompanying notes form an integral part of the condensed interim financial statements.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2022

Group	Financial year ended	
	31 December	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit after income tax	12,671	9,707
Adjustments for:		
- Income tax expense	5,028	3,280
- Depreciation of property, plant and equipment	151	133
- Property, plant and equipment written off	6	1
- Interest income	(325)	(53)
- Unrealised translation loss	1,113	304
	<u>18,644</u>	<u>13,372</u>
Changes in working capital:		
- Trade and other receivables	4,771	(9,575)
- Inventories	293	183
- Contract assets and liabilities	(14,091)	(7,155)
- Trade and other payables	13,188	13,857
Cash generated from operations	<u>22,805</u>	<u>10,682</u>
Interest received	284	53
Income tax paid	(4,446)	(3,548)
Net cash provided by operating activities	<u>18,643</u>	<u>7,187</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	(365)	(32)
Net cash used in investing activity	<u>(365)</u>	<u>(32)</u>
Cash flows from financing activities		
Dividends paid	(8,934)	(14,393)
Listing expenses paid	(486)	(854)
Proceeds from issuance of new shares pursuant to the Listing	15,988	-
Net cash provided by/(used in) financing activities	<u>6,568</u>	<u>(15,247)</u>
Net change in cash and bank balances	24,846	(8,092)
Beginning of financial year	42,896	51,292
Effects of currency translation on cash and bank balances	(382)	(304)
End of financial year	<u>67,360</u>	<u>42,896</u>

The accompanying notes form an integral part of the condensed interim financial statements.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

1. Corporate information

Oiltek International Limited (the “**Company**”) is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 3 March 2022 (the “**Listing**” or “**IPO**”) and incorporated and domiciled in Singapore. These condensed interim financial statements as at and for the six months and full year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of an investment holding company. The Group is principally engaged in the supply and provision of engineering design and commissioning of oil extraction equipment and plant.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2022 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 condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the Group’s performance since the last condensed interim financial statements for the period ended 30 June 2022.

The condensed interim financial statements are presented in Malaysian Ringgit, while the functional currency of the Company is Singapore Dollar. As the major subsidiaries of the Group operate in Malaysia, management has assessed that Malaysian Ringgit is a suitable presentation currency. All financial information presented in Malaysian Ringgit have been rounded to the nearest thousand, unless otherwise stated.

The accounting policies and method of computations used in the condensed interim financial statements 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.

2.1 New and amended Standards adopted by the Group

In the current financial year, the Group has adopted all the new and revised SFRS (I) that are relevant to its operations and effective for the current financial year.

The adoption of these new/revised SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the financial results or position of the Group and the Company.

2.2 Use of judgements and estimates

In preparing the condensed 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 that applied to the audited consolidated financial statements as at and for the year ended 31 December 2021 as set out below:

- (a) Estimation of contract costs for engineering contracts
- (b) Measurement of expected credit loss allowances for financial assets
- (c) Critical judgement in determination of functional currencies of Oiltek Sdn. Bhd. and Oiltek Global Energy Sdn. Bhd.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

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.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue and segment information

(a) Disaggregation of revenue

Group	Six months ended		Full year ended	
	31 December		31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Contract revenue – over time	75,175	48,983	148,843	91,313
Sales of goods – at a point in time	7,215	4,430	14,888	9,315
Total revenue	82,390	53,413	163,731	100,628

(b) Segment information

The Group considers the business from a business segment perspective. Management manages and monitors the business in three main business segments which are “Edible & Non-Edible Oil Refinery”, “Renewable Energy” and “Product Sales and Trading”. The “Others” segment relates to corporate activities which are not allocated to the business segments.

The Edible & Non-Edible Oil Refinery segment provides services for edible and non-edible oil industries including (i) the engineering, procurement, design, construction and commissioning of edible and non-edible oil refining plants, downstream specialty products and processing plants, (ii) upgrading and retrofitting the existing facilities, and (iii) turnkey outside-battery-limits (“OSBL”) infrastructure engineering.

The Renewable Energy segment provides services for renewable energy industries including (i) the engineering, procurement, designing, construction and commissioning of multi feedstock biodiesel, enzymatic biodiesel, winter fuel, and palm oil mill effluent biogas methane recovery plants, (ii) upgrading and retrofitting the existing facilities, and (iii) turnkey OSBL infrastructure engineering which includes the environmental solutions and integration into steam and power generation.

The Product Sales and Trading segment derives revenue from the sale of specialty chemical products and engineering components.

The Group assesses the performance of these business segments based on segment revenue, segment results, segment assets and segment liabilities.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income, other gains/losses - net, depreciation of property, plant and equipment, listing expenses, income tax expense, cash and bank balances, property, plant and equipment, current income tax receivables/liabilities and deferred tax assets/liabilities.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS***For the Financial Year Ended 31 December 2022*

The segment information and the reconciliations of segment results to profit before tax and segment assets and liabilities to total assets and liabilities are as follows:

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
Six months ended 31 December 2022					
Revenue					
- External	63,482	11,693	7,215	-	<u>82,390</u>
Results					
Segment results	7,141	94	1,086	-	8,321
Other income					2,182
Other gains – net					54
Depreciation of property, plant and equipment					(84)
Listing expenses					<u>(42)</u>
Profit before income tax					<u>10,431</u>
Income tax expenses					<u>(2,500)</u>
Profit after income tax					<u>7,931</u>
Six months ended 31 December 2021					
Revenue					
- External	44,323	4,660	4,430	-	<u>53,413</u>
Results					
Segment results	8,848	292	679	-	9,819
Other income					17
Other losses – net					(153)
Depreciation of property, plant and equipment					(66)
Listing expenses					<u>(2,509)</u>
Profit before income tax					<u>7,108</u>
Income tax expenses					<u>(1,753)</u>
Profit after income tax					<u>5,355</u>

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
Full year ended 31 December 2022					
Revenue					
- External	135,137	13,706	14,888	-	<u>163,731</u>
Results					
Segment results	13,440	6	2,496	-	15,942
Other income					2,218
Other gains – net					1,763
Depreciation of property, plant and equipment					(151)
Listing expenses					<u>(2,073)</u>
Profit before income tax					17,699
Income tax expenses					<u>(5,028)</u>
Profit after income tax					<u>12,671</u>
As at 31 December 2022					
Assets					
Segment assets	40,427	7,939	2,982	170	51,518
<u>Unallocated assets:</u>					
Cash and bank balances					67,360
Income tax receivables					127
Property, plant and equipment					3,157
Deferred tax assets					310
Total assets					<u>122,472</u>
Liabilities					
Segment liabilities	60,611	1,061	2,409	3,359	67,440
<u>Unallocated liabilities:</u>					
Current income tax liabilities					1,553
Total liabilities					<u>68,993</u>

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
Full year ended 31 December 2021					
Revenue					
- External	74,262	17,051	9,315	-	<u>100,628</u>
Results					
Segment results	12,532	1,036	1,350	-	14,918
Other income					53
Other gains – net					658
Depreciation of property, plant and equipment					(133)
Listing expenses					<u>(2,509)</u>
Profit before income tax					12,987
Income tax expenses					<u>(3,280)</u>
Profit after income tax					<u>9,707</u>
As at 31 December 2021					
Assets					
Segment assets	28,203	3,948	2,873	1,093	36,117
<u>Unallocated assets:</u>					
Cash and bank balances					42,896
Income tax receivables					98
Property, plant and equipment					2,949
Deferred tax assets					179
Total assets					<u>82,239</u>
Liabilities					
Segment liabilities	37,379	4,723	1,866	3,097	47,065
<u>Unallocated liabilities:</u>					
Current income tax liabilities					811
Total liabilities					<u>47,876</u>

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

(c) Geographical information

The Group operates in several main geographical areas: Asia, America and Africa.

The following table presents sales information for the main geographical areas for the six months and full year ended 31 December 2022 and 31 December 2021.

Group	Six months ended 31 December		Full year ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Asia:				
- Bangladesh	49	123	49	169
- Indonesia	46,632	23,285	100,115	36,746
- Malaysia	19,839	8,568	31,658	32,224
- Pakistan	2,226	11,249	9,147	13,492
- Philippines	7,379	978	10,700	992
- Thailand	800	263	1,467	1,173
- Others	176	147	333	624
	77,101	44,613	153,469	85,420
America	714	2,601	2,537	4,063
Africa:				
- Algeria	152	489	152	3,996
- Benin	68	945	367	1,142
- Kenya	209	613	776	1,691
- Nigeria	1,436	-	1,948	-
- South Africa	2,710	-	3,676	-
- Uganda	-	3,779	621	3,943
- Others	-	373	185	373
	4,575	6,199	7,725	11,145
	82,390	53,413	163,731	100,628

The Group's non-current assets comprise mainly property, plant and equipment and are located in Malaysia. Accordingly, no geographical analysis for non-current assets is presented.

5. Other income and other gains/(losses) – net

Group	Six months ended 31 December		Full year ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Other income</u>				
Interest income	289	17	325	53
Listing grant income	959	-	959	-
Insurance compensation income	918	-	918	-
Other income	16	-	16	-
	2,182	17	2,218	53
<u>Other gains/(losses) - net</u>				
Net foreign exchange gain/(loss)	54	(153)	1,763	658

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

6. Expenses by nature

Group	Six months ended		Full year ended	
	31 December		31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Reversal of)/allowance for impairment of trade receivables	(12)	(2,215)	131	(2,031)
Depreciation of property, plant and equipment	84	66	151	133
Listing expenses	42	2,509	2,073	2,509

7. Income tax expense

The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

Group	Six months ended		Full year ended	
	31 December		31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Tax expense attributable to profit is made up of:				
- Current income tax	2,602	1,987	4,939	3,304
- Deferred tax	(322)	(391)	(131)	(181)
	2,280	1,596	4,808	3,123
Under provision in prior financial year				
- Current income tax	220	157	220	157
	2,500	1,753	5,028	3,280

8. Related party transactions

The Group has transactions with a related party during the financial period and year:

Group	Six months ended		Full year ended	
	31 December		31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>Purchases of services</u>				
Rental of premise from a related corporation	6	6	12	6

9. Financial assets and financial liabilities

The aggregate carrying amounts of financial assets and liabilities at amortised cost are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Financial assets at amortised cost	78,752	59,017	18,807	-
Financial liabilities at amortised cost	44,355	31,167	2,282	4,121

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E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

10. Property, plant and equipment

During the six months ended 31 December 2022, the Group acquired assets amounting to RM331,000 (31 December 2021: RM14,000).

11. Dividend

Group	2022 RM'000	2021 RM'000
Dividend paid of RM3.60 (2021: RM3.80) per share	<u>8,934*</u>	9,430

**Interim dividends in respect of the financial year ended 31 December 2021 (declared on 30 July 2021) paid was conditional upon the Listing of the Company to the existing shareholders.*

The above dividends were declared by a subsidiary to the shareholders.

12. Share capital

Group and Company	No. of ordinary shares		Amount	
	2022	2021	2022 RM'000	2021 RM'000
Balance at 1 January	120,500,000	-	83,918	-
Issuance of shares upon incorporation	-	2	-	-*
Issuance of shares pursuant to the Restructuring Exercise	-	27,255,000	-	83,918
Share Split pursuant to the Restructuring Exercise	-	93,244,998	-	-
Issuance of shares pursuant to the Listing	22,500,000	-	15,988	-
Capitalisation of listing expenses	-	-	(1,340)	-
Balance at 31 December	<u>143,000,000</u>	<u>120,500,000</u>	<u>98,566</u>	<u>83,918</u>

**Denotes less than RM1,000*

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. The Company did not hold any treasury shares as at 31 December 2022 and 31 December 2021. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021. There are no outstanding convertibles as at 31 December 2022 and 31 December 2021.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

13. Earnings per share

The earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the six months and full year ended 31 December 2022 and 31 December 2021, taking into account the share split for the respective reporting periods.

Group	Six months ended		Full year ended	
	31 December 2022	2021	31 December 2022	2021
Net profit attributable to equity holders of the Company (RM'000)	7,931	5,355	12,671	9,707
Weighted average number of ordinary shares outstanding ('000)	143,000	120,500*	139,240	120,500*
Basic/diluted earnings per share (in sen)	5.55	4.44	9.10	8.06

*For illustrative purposes, the weighted average number of ordinary shares outstanding is derived from the enlarged share capital of 120,500,000 ordinary shares, assuming the Restructuring exercise had been completed as at 31 December 2021. Please refer to Note 1.2 of the audited consolidated financial statements in the Annual Report for the financial year ended 31 December 2021.

There is no dilution of earnings per share for the respective financial years as there were no potential dilutive ordinary shares.

14. Net asset value per share

The net asset value per share is calculated by dividing net asset value attributable to equity holders of the Group/Company by the number of ordinary shares in issue (excluding treasury shares) during the financial year.

	Group		Company	
	2022	2021	2022	2021
Net asset value attributable to equity holders of the Company (RM'000)	53,479	34,363	108,413	81,291
Number of ordinary shares in issue (excluding treasury shares) ('000)	143,000	120,500*	143,000	120,500*
Net asset value per share (in sen)	37.40	28.52	75.81	67.46

*For illustrative purposes, the number of ordinary shares in issue (excluding treasury shares) is derived from the enlarged share capital of 120,500,000 ordinary shares, assuming the Restructuring exercise had been completed as at 31 December 2021.

15. Subsequent events

On 6 January 2023, there was a fire incident of a refinery plant located at the premises of a customer in Malaysia that is supplied by the Group and in the course of being commissioned for the customer. The fire incident does not have any financial impact on the results of the Group for FY2022. Please refer to the Company's announcement dated 9 January 2023 for more information. The Company will make the necessary announcements to keep shareholders updated as and when there are material developments.

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1. **Whether the figures have been audited, or reviewed and if so which auditing standard or practice has been followed.**

The figures have not been audited or reviewed by the Company's auditors.

2. **Where the figures have been audited or reviewed, the auditor's report (including any modifications or an emphasis of matter).**

Not applicable as the figures have not been audited or reviewed.

3. **Where the figures are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

(a) **Updates on the efforts taken to resolve each outstanding audit issue; and**

(b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable as the Company received an unqualified opinion for its latest audited consolidated financial statements for the financial year ended 31 December 2021.

4. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.**

(a) **Review of Group Performance**

Revenue

The Group's revenue increased by approximately RM28.98 million or 54.3% from approximately RM53.41 million for the six months ended 31 December 2021 ("**2H2021**") to approximately RM82.39 million for the six months ended 31 December 2022 ("**2H2022**") due to increase of business activities across all segments.

The Group's revenue increased by approximately RM63.10 million or 62.7% from approximately RM100.63 million for the full year ended 31 December 2021 ("**FY2021**") to approximately RM163.73 million for the full year ended 31 December 2022 ("**FY2022**") due to an increase in the Edible & Non-Edible Oil Refinery segment and the Product Sales and Trading segment. This was partially offset by a decrease in the Renewable Energy segment.

Revenue from the Edible & Non-Edible Oil Refinery segment increased by approximately RM19.16 million or 43.2% from approximately RM44.32 million in 2H2021 to approximately RM63.48 million in 2H2022 and increased by approximately RM60.88 million or 82.0% from approximately RM74.26 million in FY2021 to approximately RM135.14 million in FY2022. This was mainly due to increase in revenue contribution from new projects secured in prior years from Indonesia, Philippines, Nigeria and South Africa.

Revenue from the Renewable Energy segment increased by approximately RM7.03 million or 150.9% from approximately RM4.66 million in 2H2021 to approximately RM11.69 million in 2H2022 mainly due to an increase in revenue contribution from a project in Indonesia. Revenue from Renewable Energy segment decreased by approximately RM3.34 million or 19.6% from approximately RM17.05 million in FY2021 to approximately RM13.71 million in FY2022 mainly due to decrease in revenue contribution from a project in Indonesia that was substantially performed in FY2021.

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Revenue from the Product Sales and Trading segment increased by approximately RM2.79 million or 62.9% from approximately RM4.43 million in 2H2021 to approximately RM7.22 million in 2H2022 and increased by approximately RM5.57 million or 59.8% from approximately RM9.32 million in FY2021 to approximately RM14.89 million in FY2022. This was mainly due to an increase in demand for the supply of parts and engineering components from customers in Malaysia.

The changes in revenue for the geographical segments are mainly due to the new projects secured and substantial completion of certain projects in the respective geographical areas.

Cost of sales and gross profit

The Group's cost of sales increased by approximately RM26.42 million or 66.3% from approximately RM39.86 million in 2H2021 to approximately RM66.28 million in 2H2022 and increased by approximately RM56.09 million or 72.8% from approximately RM77.04 million in FY2021 to approximately RM133.13 million in FY2022. The increase was largely in line with the increase in revenue.

The Group's gross profit increased by approximately RM2.56 million or 18.9% from approximately RM13.55 million in 2H2021 to approximately RM16.11 million in 2H2022 and increased by approximately RM7.01 million or 29.7% from approximately RM23.59 million in FY2021 to approximately RM30.60 million in FY2022. Gross profit margin decreased by 5.8 percentage points from 25.4% in 2H2021 to 19.6% in 2H2022 and decreased by 4.7 percentage points from 23.4% in FY2021 to 18.7% in FY2022. This was mainly due to lower gross profit margin from the Edible & Non-Edible Oil Refinery and Renewable Energy segments.

Other income

Other income increased by approximately RM2.17 million respectively from approximately RM0.01 million in 2H2021 to approximately RM2.18 million in 2H2022 and increased by approximately RM2.17 million from approximately RM0.05 million in FY2021 to approximately RM2.22 million in FY2022. This was mainly due to interest income from fixed deposits, listing grant income and insurance compensation income for the flooding incident that had occurred in December 2021, and received in FY2022.

Other gains/(losses) – net

Other gains/losses changed from a net loss of approximately RM153,000 in 2H2021 to a net gain of approximately RM54,000 in 2H2022 and increased by approximately RM1.10 million from approximately RM0.66 million in FY2021 to approximately RM1.76 million in FY2022. This was mainly due to an increase in unrealised foreign exchange gain from the Group's net asset exposure to United States dollars.

Expenses

Our Group recorded a reversal of impairment of trade receivables of approximately RM12,000 in 2H2022 and allowance for impairment of trade receivables of approximately RM131,000 in FY2022.

Administrative and other expenses decreased by approximately RM0.60 million or 7.0% from approximately RM8.53 million in 2H2021 to approximately RM7.93 million in 2H2022 and increased by approximately RM3.40 million or 25.5% from approximately RM13.35 million in FY2021 to approximately RM16.75 million in FY2022. The administrative and other expenses include the listing expenses incurred in connection with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited of approximately RM2.51 million in FY2021 and approximately RM2.07 million in FY2022. The increase of administrative and other expenses in FY2022 was mainly due to (i) post-listing compliance costs such as listing fee, sponsor's fees, directors' fees and other professional fees; (ii) an increase in employee

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compensation; and (iii) an increase in selling and distribution related expenses which was largely in line with the increase in business activities during the year.

Profit after income tax

Overall, the Group's profit after income tax increased by approximately RM2.58 million or 48.1% from approximately RM5.35 million in 2H2021 to approximately RM7.93 million in 2H2022 and increased by approximately RM2.96 million or 30.5% from approximately RM9.71 million in FY2021 to approximately RM12.67 million in FY2022. Excluding the Listing expenses and Listing grant income, the Group's profit after income tax for FY2022 would be RM13.8 million.

(b) Review of change in working capital, assets and liabilities

The Group's financial position as at 31 December 2022 remains strong and resilient, with a net asset position of approximately RM53.48 million and healthy cash and bank balances of approximately RM67.36 million, representing 126.0% of the Group's net assets.

Current assets

The Group's current assets increased by approximately RM39.89 million or 50.4% from approximately RM79.11 million as at 31 December 2021 to approximately RM119.00 million as at 31 December 2022 mainly due to (i) an increase in cash and bank balances; (ii) an increase in contract assets; and partially offset by a decrease in trade and other receivables and inventories.

Trade and other receivables decreased by approximately RM5.59 million or 32.9% from approximately RM16.98 million as at 31 December 2021 to approximately RM11.39 million as at 31 December 2022 due to the prompt payments from customers during the year.

Contract assets increased by approximately RM21.28 million or 116.6% from approximately RM18.25 million as at 31 December 2021 to approximately RM39.53 million as at 31 December 2022 mainly due to the timing differences between recognition of revenue upon satisfaction of performance obligations for engineering contracts and the timing of billing to customers during the year.

Inventories decreased by approximately RM0.29 million or 32.7% from approximately RM0.89 million as at 31 December 2021 to approximately RM0.60 million as at 31 December 2022 mainly due to a decrease in certain engineering components held as inventories.

Non-current assets

The Group's non-current assets increased by approximately RM0.34 million or 10.8% from approximately RM3.13 million as at 31 December 2021 to approximately RM3.47 million as at 31 December 2022 mainly due to an increase in deferred tax assets and property, plant and equipment. The increase in property, plant and equipment mainly due to addition of (i) furniture, fittings and renovation; and (ii) office equipment and computers during the year.

Current liabilities

The Group's current liabilities increased by approximately RM21.12 million or 44.1% from approximately RM47.88 million as at 31 December 2021 to approximately RM69.00 million as at 31 December 2022 mainly due to (i) an increase in trade and other payables; (ii) an increase in contract liabilities; and (iii) an increase in current income tax liabilities.

Trade and other payables increased by approximately RM13.19 million or 42.3% from approximately RM31.17 million as at 31 December 2021 to approximately RM44.36 million as at 31 December 2022 mainly due to an increase in trade payables to non-related parties, in line with the increase in business activities.

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Contract liabilities increased by approximately RM7.19 million or 45.2% from approximately RM15.90 million as at 31 December 2021 to approximately RM23.09 million as at 31 December 2022 mainly due to the advance payments collected from new projects secured during the year.

Current income tax liabilities increased by approximately RM0.74 million or 91.5% from approximately RM0.81 million as at 31 December 2021 to approximately RM1.55 million as at 31 December 2022 mainly due to an increase in provision for taxation for the higher chargeable profit recorded during the year.

(c) Review of change in cash flows

In FY2022, net cash provided by operating activities amounted to approximately RM18.64 million. This was due to operating cash inflow before working capital changes of approximately RM18.65 million, adjusted for (a) net working capital inflow of approximately RM4.16 million; (b) interest received of approximately RM0.28 million, and tax paid of approximately RM4.45 million. The net working capital inflow was due to (i) an increase in trade and other payables of approximately RM13.19 million; (ii) a decrease in trade and other receivables of approximately RM4.77 million; and (iii) a decrease in inventories of approximately RM0.29 million, which was partially offset by an increase in net contract assets of approximately RM14.09 million.

Net cash used in investing activity amounted to approximately RM0.36 million due to purchase of property, plant and equipment.

Net cash provided by financing activities amounted to approximately RM6.57 million due to proceeds from issuance of new shares pursuant to the Listing of approximately RM15.99 million and partially offset by dividend paid amounting to approximately RM8.93 million and listing expenses paid amounting to approximately RM0.49 million.

As a result of the above, there was a net increase of approximately RM24.85 million in cash and bank balances. As at 31 December 2022, the Group recorded strong and healthy cash and bank balances of approximately RM67.36 million.

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

The Group's financial results for FY2022 are in line with the Company's disclosure on its trends and prospects previously disclosed in the Offer Document.

6. 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 reporting period and the next 12 months.

As the COVID-19 pandemic became more manageable in early 2022, it was followed by logistics and supply chain interruptions, and food, fossil fuel, material, and commodity prices hikes, as well as severe global inflation and interest rate hikes. These factors continued to cause disruptions such as foreign currency restrictions in some countries and market volatility globally, and this included the countries where the Group has businesses and operates in. Nonetheless, the Group's projects were not materially adversely affected by the impact of the abovementioned due to effective management controls.

In FY2022, the Group's order book increased by 29.1%, its revenue increased by 62.7%, and its profit after tax of approximately RM12.67 million, increased by 30.5% from FY2021 respectively. The Group's profit after tax translates into a healthy earnings per share of approximately RM0.091 and return on equity of approximately 23.7%. The Group's ability to continue to register growth in its order book, revenue and profitability, amidst the uncertainties of the global economy, is a testament to its resilient business model and strong fundamentals built up over the years.

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The Group remains confident about the long-term outlook of the Edible & Non-Edible Oil Refinery segment as the global consumption of oils and fats grows in tandem with population growth, as seen by the strong growth in the food and beverage, renewable energy and biodiesel sectors.

The growing demand for food creates a corresponding demand for edible and non-edible oils and fats, specifically, vegetable oils. This trend potentially benefits the Group as it provides solutions that cater to all types of vegetable oils, including palm oil, soybean oil and rapeseed oil, which are some of the major agricultural commodities in the world. In addition, palm oil is a globally consumed commodity either in the form of edibles such as cooking oil, confectioneries, margarine, and chocolates or as a raw material for ingredients found in a host of non-edible household and industrial products such as soaps, detergents, cosmetics, and pharmaceuticals. Capitalizing on this macro trend, the Group will continue to leverage on its capabilities, integrated technology know-how, and proven track record to secure more projects and projects of a larger scale in existing and new markets, and to expand its geographical reach to other palm oil markets with emerging prospects.

The Group sees an acceleration of the global trend towards environmental sustainability benefitting its Renewable Energy segment as Indonesia, the world's biggest palm oil producing country, plans to increase the current mandatory 30% blend of palm-based biodiesel requirement in its petroleum diesel. Laboratory testing for biodiesel containing up to 40% of palm-based biodiesel (B40) is underway by the government of Indonesia in preparation for the B40 roll out this year. The recent severe climate changes and extreme weather conditions which has caused substantial fatalities has again placed environmental protection as a key agenda for the respective authorities and countries. With stronger environmental regulations, initiatives and policies in place, and the growing awareness of the importance of environmental, social and governance considerations, the Group remains optimistic of continued growth prospects in the renewable energy sector. The Group intends to increase its focus on the renewable energy sector, and will continue to develop new and innovative processes, and provide more support and solutions to the sustainability efforts of its existing customers and markets.

To continue from the successful commercialisation of its flagship waste to energy proprietary enzymatic biodiesel process plant in the Renewable Energy segment that produces high quality biodiesel from non-food based vegetable oil (secondary oil), the Group further developed a downstream value-added process in the Edible & Non-Edible Oil Refinery segment to convert low value co-products in refineries, into premium animal feed products.

Barring any unforeseen circumstances and notwithstanding the uncertainties and volatility of the global economy, the Group expects its businesses to be driven primarily by the corresponding growth in the industries that it serves, with the overall outlook expected to remain positive.

As at the date of this announcement, the Group's current order book based on unfulfilled orders from signed contracts, confirmed variation orders and letters of awards obtained continues to remain high at approximately RM209.9 million, with new orders secured of approximately RM196.1 million in the financial year ended 31 December 2022. The present order book is expected to be fulfilled over the next 18 to 24 months, barring any unforeseen circumstances.

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7. Dividend

(a) Any dividend recommended/declared for the current financial period reported on?

Yes.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	1.20 Singapore cents
Tax rate	Tax-exempt (one-tier)

The final dividend is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

(b) Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.

Refer to paragraph 7(a).

(d) Date payable

The date payable for the proposed final cash dividend will be announced at a later date.

(e) Record date

The record date will be announced at a later date.

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

Not applicable.

9. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There are no interested person transactions of S\$100,000 and above entered into in FY2022.

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

10. Disclosure on acquisition and realisation of shares pursuant to Rule 706A of the Catalist Rules

Not applicable. There were no acquisition or realisation of shares in any of the Group's subsidiaries nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during FY2022.

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11. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

12. Use of IPO Proceeds

As at the date of this announcement, the utilisation of net proceeds from the IPO are as follows:

Use of Proceeds	Net IPO Proceeds (S\$'000)	Utilisation (S\$'000)
Working capital to expand our business operations through securing more projects and projects of a larger scale	2,634	-
Expansion of our business through investments, mergers and acquisitions, joint ventures and/or strategic alliances	1,000	-
Total	3,634	-

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

	2022 S\$'000	2021 S\$'000
Ordinary dividend - final	1,716	-

14. Breakdown of sales

Group	2022 RM'000	2021 RM'000	Change %
(a) Sales reported for:			
- First half of the financial year	81,341	47,215	72.3
- Second half of the financial year	82,390	53,413	54.3
	<u>163,731</u>	<u>100,628</u>	62.7
(b) Operating profit after tax before deducting non-controlling interests reported for:			
- First half of the financial year	4,740	4,352	8.9
- Second half of the financial year	7,931	5,355	48.1
	<u>12,671</u>	<u>9,707</u>	30.5

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- 15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there were no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Mr. Yong Khai Weng
Executive Director and Chief Executive Officer

17 January 2023