



OILTEK INTERNATIONAL LIMITED

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

NEWS RELEASE

Oiltek International's FY2022 revenue recorded an impressive growth of 62.7% to RM163.7 million with net profit jumping 30.5% to RM12.7 million

- *Maintains growth in order book, revenue, and profitability amidst an uncertain macroeconomic environment*
- *Proposes a final dividend of 1.2 Singapore cents for FY2022, representing about 43.3% of Group's net profit after income tax*
- *With RM196.1 million worth of new orders secured in FY2022, the Group's current order book of RM209.9 million remains strong*
- *Financial position remains strong and resilient with zero debt and a healthy cash and bank balances of RM67.4 million, representing 126.0% of net assets*

Singapore, 17 January 2023 – Established integrated process technology and renewable energy solutions provider, Oiltek International Limited (优特科技国际有限公司) (“**Oiltek**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), is pleased to announce that its revenue for the full year ended 31 December 2022 (“**FY2022**”) record impressive growth of 62.7% to RM163.7 million and net profit after income tax for FY2022 jumped 30.5% to RM12.7 million.

Key Financial Performance Highlights

RM'million	Full year ended 31 December		
	2022	2021	% Change
Revenue	163.7	100.6	62.7
Gross profit	30.6	23.6	29.7
Profit before income tax	17.7	13.0	36.3
Profit after income tax	12.7	9.7	30.5
Profit before income tax (excluding Listing expenses and Listing grant income)	18.8	15.5	21.4
Profit after income tax (excluding Listing expenses and Listing grant income)	13.8	12.2	12.8
Basic and diluted earnings per share (in sen)	9.1	8.1	12.9

Condensed Financial Position

RM'million	As at 31 December		
	2022	2021	% Change
Cash and bank balances	67.4	42.9	57.0
Total assets	122.5	82.2	48.9
Total liabilities	69.0	47.9	44.1
Total equity / net assets	53.5	34.4	55.6
Net asset value per share (in sen)	37.4	28.5	31.1

The Group's revenue increased by 62.7% from RM100.6 million for the full year ended 31 December 2021 ("FY2021") to RM163.7 million for FY2022, due to a revenue increase in the Edible & Non-Edible Oil Refinery segment and the Product Sales and Trading segment, which was partially offset by a decrease in revenue in the Renewable Energy segment.

Revenue from the Edible & Non-Edible Oil Refinery segment increased by 82.0% to RM135.1 million in FY2022, mainly due to increase in revenue contribution from new projects secured in prior years from Indonesia, Philippines, Nigeria and South Africa. The revenue from the Product Sales and Trading segment increased by 59.8% to RM14.9 million in FY2022 mainly due to an increase in demand for the supply of parts and engineering components from customers in Malaysia. However, revenue from the Renewable Energy segment decreased by 19.6% to RM13.7 million in FY2022 mainly due to a decrease in revenue contribution from a project in Indonesia that was substantially performed in FY2021.

The Group's profit after income tax increased by 30.5% to RM12.7 million in FY2022 which translates into a healthy earnings per share of 9.1 sen and return on equity of 23.7%. Excluding the Listing expenses and Listing grant income, the Group's profit after income tax for FY2022 would be RM13.8 million.

As at 31 December 2022, the Group's financial position remains strong and resilient, with zero debt, a net asset position of RM53.5 million and healthy cash and bank balances of RM67.4 million, representing 126.0% of the Group's net assets.

Final Dividend

After taking into account the Company's FY2022 financial results, the Board of the Company is recommending a Final Dividend of 1.2 Singapore cents per share for FY2022, which is subject to the approval of shareholders at the forthcoming annual general meeting of the Company.

Commenting on the FY2022 financial results, **Mr Henry Yong Khai Weng (杨淳麟), Executive Director and CEO of Oiltek**, said, *"Oiltek achieved strong growth in FY2022, even as the global macroeconomic situation remained volatile and challenging. Our strong growth momentum and record order book is a testimony to our robust business model, solid fundamentals, and effective management controls. We remain very positive about the overall business outlook because of the corresponding growth of the industries that we serve. As we continue to focus on the growth of the Company to enhance shareholder value, we also want to reward our shareholders for their support by distributing about 43.3% of our net profit for FY2022 as a dividend."*

Business Outlook

Following a more controllable COVID-19 pandemic in early 2022, logistics and supply chain interruptions still continued, followed by raw material prices hikes, severe global inflation and rising interest rates. This caused disruptions worldwide, such as foreign currency restrictions in some countries and global market volatility, which included countries where the Group has businesses and operates in. However, due to the Group's effective management controls, these events did not materially adversely affect the Group. The Group's order book, revenue and profit after tax grew 29.1%, 62.7% and 30.5% respectively in FY2022 in an uncertain global economy, which is a testament to its resilient business model and strong fundamentals built up over the years.

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. Capitalising on this, the Group will leverage on its capabilities, integrated technology know-how, and proven track record to secure more and larger scale projects in existing and new markets, as well as expand to other geographical markets with emerging prospects.

An acceleration of the global trend towards environmental sustainability is expected to benefit the Group's Renewable Energy segment. With stronger governmental environmental regulations, initiatives and policies, and a growing awareness of the importance of environmental, social and governance ("ESG") considerations, the Group is optimistic of the growth prospects in renewable energy. It intends to increase its focus on this sector by developing new and innovative processes and providing additional support and solutions to the sustainability efforts of its existing customers and markets.

The Group continues to be committed to innovation, which is a key competitive advantage. Following 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 has recently 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.

Notwithstanding the uncertainties of the global economy, the Group expects its businesses to be driven mainly by corresponding growth in the industries that it serves, with the overall outlook expected to remain positive. The Group's current order book remains high at RM209.9 million, with new orders of RM196.1 million secured in FY2022. The order book is expected to be fulfilled over the next 18 to 24 months, barring any unforeseen circumstances.

End.

Note: This news release is to be read in conjunction with the Company's announcement on SGXNET on the same date.

ABOUT OILTEK INTERNATIONAL LIMITED

Oiltek International Limited (“**Oiltek**” and together with its subsidiaries, the “**Group**”), an established integrated process technology and renewable energy solutions provider, specialises in the provision of reliable, innovative, diversified, and comprehensive range of refinery processes and engineering solutions for use across all different sectors of the vegetable oils industry value chain globally. The history of the Group can be traced back to its principal operating subsidiary, Oiltek Sdn. Bhd., which was incorporated in Malaysia on 1 December 1980. With over 42 years of track record, Oiltek has successfully designed, built and commercialised plants in more than 33 countries across 5 continents.

The Group operates three key businesses – Edible & Non-Edible Oil Refinery, Renewable Energy, and Product Sales and Trading.

For its Edible & Non-Edible Oil Refinery segment, the Group provides engineering, procurement, designing, construction and commissioning (“**EPCC**”) services for edible and non-edible oil refining plants, downstream specialty products and processing plants; upgrading and retrofitting of existing facilities; and turnkey outside-battery-limits (“**OSBL**”) infrastructure engineering.

For the Group’s Renewable Energy segment, Oiltek provides services for renewable energy industries including EPCC of multi-feedstock biodiesel, enzymatic biodiesel, winter fuel, and palm oil mill effluent (“**POME**”) biogas methane recovery plants; upgrading and retrofitting of existing facilities; and turnkey OSBL infrastructure engineering which includes the environmental solutions and integration into steam and power generation.

Oiltek’s Product Sales and Trading segment generates recurring income for the Group, and its services include engineering component sales, agency and distributorship, and specialty chemical product trading.

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*This news release has been reviewed by the Company's sponsor, SAC Capital Private Limited (the “**Sponsor**”). This news release has not been examined or approved by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this news release, including the correctness of any of the statements or opinions made or reports contained in this news release. The contact person for the Sponsor is Ms Audrey Mok (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*