



OILTEK INTERNATIONAL LIMITED

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

NEWS RELEASE

Oiltek International's 1H2023 net profit rose 44.5% to RM6.9 million

- *Even with an uncertain macroeconomic environment, Oiltek's order book and profitability continues to grow*
- *RM219.9 million worth of new orders secured in 1H2023 brings the Group's current order book to RM368.5 million*
- *Financial position continues to remain strong and resilient with zero debt and healthy cash and bank balances of RM86.9 million representing RM0.61 per share*

Singapore, 31 July 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 net profit after income tax for the six months ended 30 June 2023 (“**1H2023**”) recorded stellar growth of 44.5% to RM6.9 million.

Key Financial Performance Highlights

	Six months ended 30 June		
	2023	2022	% Change
Revenue (RM'million)	76.7	81.3	(5.7)
Gross Profit (RM'million)	13.7	14.5	(5.8)
Profit before income tax (RM'million)	9.5	7.3	30.3
Profit after income tax (RM'million)	6.9	4.7	44.5
Basic and diluted earnings per share (in sen)	4.8	3.5	36.9

Condensed Financial Position

	As at 30 June 2023	As at 31 December 2022	% Change
Cash and bank balances (RM'million)	86.9	67.4	29.0
Total assets (RM'million)	157.9	122.5	28.9
Total liabilities (RM'million)	102.5	69.0	48.6
Total equity / net assets (RM'million)	55.3	53.5	3.5
Net asset value per share (in sen)	38.7	37.4	3.5

The Group's revenue decreased marginally by 5.7% from RM81.3 million for the six months ended 30 June 2022 ("1H2022") to RM76.7 million in 1H2023 due to a decrease in revenue for the Edible & Non-Edible Oil Refinery segment, which was partially offset by an increase in revenue for the Renewable Energy segment and the Product Sales and Trading segment.

The revenue from the Edible & Non-Edible Oil Refinery segment decreased by 20.6% to RM56.9 million in 1H2023 from RM71.7 million in 1H2022, was mainly attributed to a decrease in revenue contribution from certain projects in Indonesia, Pakistan and Philippines where performance obligations had been substantially satisfied in 1H2022. On the other hand, revenue from the Renewable Energy segment increased by 439.3% to RM10.9 million in 1H2023 from RM2.0 million in 1H2022 mainly due to an increase in revenue contribution from an ongoing project in Indonesia which achieved a higher percentage of completion in 1H2023 compared to 1H2022. Revenue from the Product Sales and Trading segment also increased by 16.8% to RM9.0 million in 1H2023 from RM7.7 million in 1H2022 mainly due to an increase in demand for the supply of parts and engineering components from customers in Indonesia.

Overall, the Group's profit after income tax increased by 44.5% to RM6.9 million in 1H2023 from RM4.7 million in 1H2022. As at 30 June 2023, the Group has maintained its strong and resilient financial position with a net asset position of RM55.3 million and cash and bank balances amounting to RM86.9 million.

Commenting on the 1H2023 financial results, **Mr Henry Yong Khai Weng (杨淳麟), Executive Director and CEO of Oiltek**, said, *"Oiltek has continued its strong growth momentum into 1H2023, even as the global macroeconomic environment continues to remain uncertain and challenging. Our resilient business model, strong fundamentals, and effective management allows us to remain optimistic about the overall*

business outlook because of the growth potential of the industries that we serve. As the emphasis on sustainability continues to grow, we will focus on continuing to offer our proprietary renewable energy solutions to support the sustainability efforts of our customers. Looking ahead for the rest of the year, we will strive to acquire new orders and build on our record order book and recurring income base to drive our growth and further enhance shareholder value.”

Business Outlook

In 1H2023, the Group’s order book increased by 106.8% compared to 1H2022, and its profit after tax of approximately RM6.9 million, increased by 44.5% from 1H2022 respectively. The Group’s 1H2023 net profit after tax translates into a healthy earnings per share of RM0.0479. The Group’s ability to continue to register growth in its order book and profitability amidst the backdrop of an uncertain global economy, is a testament to its resilient and diversified business model with strong fundamentals built up and proven 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 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 markets with emerging prospects.

The Group sees the acceleration of the global trend towards environmental sustainability benefitting its Renewable Energy segment as Indonesia, the world’s biggest palm oil producing country, continues to implement the raising of mandatory blending of biodiesel from 30% to 35% in the country and will raise it to 40% in the next few years¹. Malaysia, the world’s second largest palm oil producing country, is similarly committed to the implementation of its biodiesel programme to progressively increase biodiesel blending ratios from the current 20%. This expansion will be done in phases based on the readiness of biodiesel blending facilities in Malaysia². The Group will increase its focus on this sector, and will continue

¹ <https://www.reuters.com/business/energy/indonesia-plans-hike-biodiesel-mandate-next-few-years-2023-06-26/>

² <https://www.thesundaily.my/business/malaysia-committed-to-raising-biodiesel-mandate-FA10988915>

to develop new and innovative processes, and provide more support and solutions to the sustainability efforts of its existing customers and markets.

With the aviation industry's commitment to decarbonize and achieve net zero emissions by 2050, the market is now aligned and moving towards decarbonization with sustainable aviation fuel. The Group's processes are capable of treating and cleansing palm oil mill effluent ("**POME**"), a non-edible type of vegetable oil, as well as any other vegetable oil-based raw materials in compliance with the International Sustainability & Carbon Certification ("**ISCC**"), for use as feedstock in the production and manufacture of hydrogenated vegetable oil ("**HVO**") or aviation fuels.

Barring any unforeseen circumstances and notwithstanding the uncertainties and volatility of the global economy affected by current geopolitical tensions, 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. The Group started the year 2023 strongly, with new contract wins from Indonesia, Malaysia and Africa. The Group's current order book³ remains high at approximately RM368.5 million, with new orders amounting to RM219.9 million secured in the current year. The present 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.

³ Based on unfulfilled orders from signed contracts, confirmed variation orders and letters of awards obtained as at the date of this media release.

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 media release has been reviewed by the Company's sponsor, SAC Capital Private Limited (the “**Sponsor**”). This media 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 media release, including the correctness of any of the statements or opinions made or reports contained in this media 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.*