



**OILTEK INTERNATIONAL LIMITED**

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

**NEWS RELEASE**

**Oiltek International posts a strong 1H2024 financial performance with net profit jumping 50.0% to RM10.3 million and revenue growth of 30.9% to RM100.5 million**

- *Declaring an interim dividend of 0.9 Singapore cent per share for 1H2024, representing approximately 43.9% of Group's net profit after income tax*
- *Current order book remains strong at RM405.1 million, with RM132.8 million worth of new orders secured in the current financial year*
- *Robust and resilient financial position with zero debt and a healthy cash and bank balances of RM104.0 million representing 148.0% of net assets*

**Singapore, 6 August 2024** – 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 2024 (“**1H2024**”) jumped 50.0% to RM10.3 million on the back of revenue growth of 30.9% to RM100.5 million.

**Key Financial Performance Highlights**

	Six months ended 30 June		
	2024	2023	% Change
Revenue (RM'million)	100.5	76.7	30.9
Gross Profit (RM'million)	19.5	13.7	42.9
Profit before income tax (RM'million)	14.1	9.5	48.6
Profit after income tax (RM'million)	10.3	6.9	50.0
Basic and diluted earnings per share (in sen)	7.2	4.8	50.1

## Condensed Financial Position

	As at 30 June 2024	As at 31 December 2023	% Change
Cash and bank balances (RM'million)	104.0	132.5	(21.5)
Total assets (RM'million)	163.0	185.2	(12.0)
Total liabilities (RM'million)	92.7	117.5	(21.1)
Total equity / net assets (RM'million)	70.3	67.7	3.7
Net asset value per share (in sen)	49.1	47.4	3.7

The Group's revenue increased by 30.9% from RM76.7 million for the six months ended 30 June 2023 ("1H2023") to RM100.5 million in 1H2024 due to an increase in the Group's revenue for its Edible & Non-Edible Oil Refinery and Product Sales and Trading segments, which was partially offset by a decrease in revenue from its Renewable Energy segment.

Revenue from the Edible & Non-Edible Oil Refinery segment increased by 54.1% to RM87.7 million in 1H2024 from RM56.9 million in 1H2023 mainly due to an increase in revenue contribution from projects secured in the prior year from Malaysia, Indonesia, Africa and America. Revenue from the Product Sales and Trading segment increased by 11.8% to RM10.0 million in 1H2024 from RM9.0 million in 1H2023, mainly due to an increase in demand from customers in Malaysia for the supply of parts and engineering components. Revenue from the Renewable Energy segment decreased by 74.6% to RM2.8 million in 1H2024 from RM10.9 million in 1H2023 mainly due to a decrease in revenue contribution from a project in Indonesia that was substantially performed in 1H2023.

Overall, the Group's profit after income tax increased by 50.0% to RM10.3 million in 1H2024 from RM6.9 million in 1H2023, which translates into a healthy earnings per share of 7.2 sen.

As at 30 June 2024, the Group's financial position remains robust and resilient, with zero debt, a net asset position of RM70.3 million, and healthy cash and bank balances of RM104.0 million which represent approximately 148.0% of the Group's net assets.

## Interim Dividend

After taking into account the Company's strong 1H2024 financial results, the Board of Directors of the Company is pleased to declare an Interim Dividend of 0.9 Singapore cent per share for 1H2024 (1H2023: Nil), to reward its shareholders for their unwavering support.

Commenting on the 1H2024 financial results, **Mr Henry Yong Khai Weng (杨淳麟), Executive Director and CEO of Oiltek**, said, *"Oiltek continues to record a strong financial performance in 1H2024 with robust growth in its order book, revenue and profitability. Our strong financial performance demonstrates our resilient business fundamentals and strong operational capabilities. Looking ahead for the rest of the year, we will remain focused on growing our business by continuing to acquire new orders and seeking growth opportunities via investments, mergers and acquisitions, joint ventures and strategic alliances. As we continue our growth path, we also wish to reward our shareholders for their continued support, which is why we are declaring an interim dividend of 0.9 Singapore cent, or 43.9% of our net profit after income tax for 1H2024."*

## Business Outlook

In 1H2024, the Group's order book increased by 9.9% as compared to 1H2023, with revenue increasing by 30.9% and profit after tax increasing by 50.0% from 1H2023. The Group's profit after tax translates into earnings per share of approximately 7.2 sen. The Group's ability to sustain its robust growth trajectory in terms of its order book, revenue and profitability, is testament to the market's recognition of its reliable, innovative, diversified and comprehensive range of process and engineering solutions and its resilient business model.

The Group continues to remain confident about the long-term outlook of the Edible & Non-Edible Oil Refinery segment with the global consumption of oils and fats growing in tandem with population growth. The Group will continue to leverage 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 geographically to other markets with emerging prospects.

The acceleration of global environmental sustainability also continues to benefit the Group's Renewable Energy segment. Indonesia, the world's biggest palm oil producing country, has raised its mandatory blending of biodiesel from 30% to 35% (B30 to B35) in the country. The Indonesian government has allocated 11.8 million metric tons ("**MMt**") of biodiesel for 2024 as it rolls out B35, and the Indonesia Palm Oil Association ("**GAPKI**") previously estimated that Indonesia's palm oil output in 2024 would grow 4.9% annually to 55.8 MMt with domestic consumption of palm oil to rise by 9% to 25.4 MMt including 11.6 MMt for biodiesel feedstock. According to data from the Indonesia Biofuel Producer Association ("**APROBI**")<sup>1</sup>, Indonesia's biodiesel production rose to 11.6 MMt in 2023 from 10.3 MMt in the previous year, and Indonesia's Ministry of Energy and Mineral Resources ("**MEMR**") is also targeting to implement the mandatory blending of biodiesel to 40% (B40) in 2025<sup>2</sup>. Malaysia, as the world's second largest palm oil producing country, is also similarly committed to the phased implementation of its biodiesel programme, which currently has a 20% blending ratio (B20) for the transportation sector. Malaysia's biodiesel production could rise to 1.8 MMt in 2024 if the government expands its B20 programme to more areas in the country, according to the Malaysian Biodiesel Association ("**MBA**")<sup>3</sup>.

With the aviation industry's decarbonisation commitment to achieve net zero emissions by 2050, the market is moving towards sustainable aviation fuel ("**SAF**"). It is projected that global aviation sector's combined planned use of SAF will increase to over 700 thousand barrels per day by 2035, which is 8% of the total jet fuel pool by then. By 2050, world SAF use will reach nearly 2 million barrels per day, accounting for 19% of the global jet fuel pool<sup>4</sup>. The Group is well positioned for this trend as it has processes capable of treating and cleansing palm oil mill effluent ("**POME**"), 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**") which is used as aviation fuel.

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

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<sup>1</sup> <https://www.hydrocarbonprocessing.com/news/2024/02/indonesia-sees-2024-biodiesel-consumption-rising-to-11-mmt/>

<sup>2</sup> <https://gapki.id/en/news/2024/06/27/memr-b40-ready-for-implementation-next-year/>

<sup>3</sup> <https://www.reuters.com/business/energy/malaysian-2024-biofuel-output-seen-rising-if-b20-biodiesel-usage-expanded-2024-03-05/>

<sup>4</sup> <https://www.fgenergy.com/energy-transition/the-outlook-for-sustainable-aviation-fuel-saf/>

by the corresponding growth in the industries that it serves, with the overall outlook expected to remain positive. The Group's current order book<sup>5</sup> continues to remain strong at RM405.1 million, with new orders of RM132.8 million secured to date in the current financial year. The order book is expected to be fulfilled over the next 18 to 24 months, barring any unforeseen circumstances.

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

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<sup>5</sup> 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 43 years of track record, Oiltek has successfully designed, built and commercialized 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 inside-battery-limits (“**ISBL**”) and 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 ISBL and OSBL infrastructure engineering which includes 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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Issued on behalf of	:	Oiltek International Limited
By	:	Cogent Media Pte. Ltd.
For media enquires contact	:	Mr Derek Chng / Mr Gerald Woon
Email / DID / Mobile	:	<a href="mailto:derekchng@cogentcomms.com">derekchng@cogentcomms.com</a> / (65) 6704 9285 / (65) 9638 8635
	:	<a href="mailto:woon@cogentcomms.com">woon@cogentcomms.com</a> / (65) 6704 9268 / (65) 9694 8364

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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.*