



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

## Condensed Interim Financial Statements

### For the Six Months Ended 30 June 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 STATEMENT OF COMPREHENSIVE INCOME**

*For the Six Months Ended 30 June 2022*

	Note	Six months ended 30 June		Change %
		2022 RM'000	2021 RM'000	
Revenue	4(a)	<b>81,341</b>	47,215	72.3
Cost of sales		<b>(66,853)</b>	(37,180)	79.8
Gross profit		<b>14,488</b>	10,035	44.4
Other income	5	<b>36</b>	36	-
Other gains – net	5	<b>1,709</b>	811	110.7
Expenses				
- Allowance for impairment of trade receivables	6	<b>(143)</b>	(184)	(22.3)
- Administrative and others	6	<b>(8,822)</b>	(4,819)	83.1
Profit before income tax		<b>7,268</b>	5,879	23.6
Income tax expense	7	<b>(2,528)</b>	(1,527)	65.6
<b>Profit after income tax</b>		<b>4,740</b>	4,352	8.9
<b>Profit attributable to:</b>				
Equity holders of the Company		<b>4,740</b>	4,352	8.9
<b>Earnings per share for profit attributable to equity holders of the Company:</b>				
- Basic and diluted earnings per share (in sen)	13	<b>3.50</b>	3.61	(3.0)
<b>Profit after income tax</b>		<b>4,740</b>	4,352	8.9
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		<b>223</b>	-	N.M.
<b>Other comprehensive income, net of tax</b>		<b>223</b>	-	N.M.
<b>Total comprehensive income</b>		<b>4,963</b>	4,352	14.0
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company		<b>4,963</b>	4,352	14.0

N.M. – Not Meaningful

**OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**

**B. CONDENSED INTERIM BALANCE SHEETS**

*As at 30 June 2022*

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		36,559	42,896	14,579	-
Trade and other receivables		34,855	16,976	42	-
Contract assets		19,308	18,246	-	-
Inventories		908	895	-	-
Income tax receivables		119	98	-	-
		<b>91,749</b>	<b>79,111</b>	<b>14,621</b>	<b>-</b>
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	86,212	85,412
Property, plant and equipment	10	2,913	2,949	-	-
Deferred tax assets		-	179	-	-
		<b>2,913</b>	<b>3,128</b>	<b>86,212</b>	<b>85,412</b>
<b>Total assets</b>		<b>94,662</b>	<b>82,239</b>	<b>100,833</b>	<b>85,412</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		35,404	31,167	4,646	4,121
Contract liabilities		12,441	15,898	-	-
Current income tax liabilities		1,765	811	-	-
		<b>49,610</b>	<b>47,876</b>	<b>4,646</b>	<b>4,121</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		12	-	-	-
		<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>49,622</b>	<b>47,876</b>	<b>4,646</b>	<b>4,121</b>
<b>NET ASSETS</b>		<b>45,040</b>	<b>34,363</b>	<b>96,187</b>	<b>81,291</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	12	98,566	83,918	98,566	83,918
Merger reserve		(81,436)	(81,436)	-	-
Currency translation reserve		223	-	236	-
Retained profits		27,687	31,881	(2,615)	(2,627)
<b>Total equity</b>		<b>45,040</b>	<b>34,363</b>	<b>96,187</b>	<b>81,291</b>

*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 Six Months Ended 30 June 2022*

Group	Attributable to equity holders of the Company				
	Share capital RM'000	Merger reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000	Total RM'000
<b>Balance at 1 January 2022</b>	83,918	(81,436)	-	31,881	34,363
Profit for the period	-	-	-	4,740	4,740
Other comprehensive income for the period	-	-	223	-	223
Total comprehensive income for the period	-	-	223	4,740	4,963
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)
<b>Balance at 30 June 2022</b>	<b>98,566</b>	<b>(81,436)</b>	<b>223</b>	<b>27,687</b>	<b>45,040</b>
<b>Balance at 1 January 2021</b>	2,482	-	-	31,604	34,086
Profit for the period	-	-	-	4,352	4,352
Transactions with owners, recognised directly in equity - dividend	-	-	-	(4,963)	(4,963)
<b>Balance at 30 June 2021</b>	<b>2,482</b>	<b>-</b>	<b>-</b>	<b>30,993</b>	<b>33,475</b>

Company	Attributable to equity holders of the Company			
	Share capital RM'000	Currency translation reserve RM'000	Accumulated loss RM'000	Total RM'000
<b>Balance at 1 January 2022</b>	83,918	-	(2,627)	81,291
Profit for the period	-	-	12	12
Other comprehensive income for the period	-	236	-	236
Total comprehensive income for the period	-	236	12	248
Issuance of shares pursuant to the Listing	15,988	-	-	15,988
Listing expenses	(1,340)	-	-	(1,340)
<b>Balance at 30 June 2022</b>	<b>98,566</b>	<b>236</b>	<b>(2,615)</b>	<b>96,187</b>
<b>At date of incorporation (Note A)</b>	-	-	-	-
Issuance of new ordinary shares	2	-	-	2
<b>Balance at 30 June 2021</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>

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

**OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES****D. CONDENSED INTERIM STATEMENT OF CASH FLOWS***For the Six Months Ended 30 June 2022*

<b>Group</b>	<b>Six months ended 30 June</b>	
	<b>2022 RM'000</b>	<b>2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit after income tax	<b>4,740</b>	4,352
Adjustments for:		
- Income tax expense	<b>2,528</b>	1,527
- Depreciation of property, plant and equipment	<b>67</b>	67
- Property, plant and equipment written off	<b>3</b>	-
- Interest income	<b>(36)</b>	(36)
- Unrealised translation loss/(gain)	<b>208</b>	(737)
	<b>7,510</b>	5,173
Changes in working capital:		
- Trade and other receivables	<b>(18,733)</b>	1,072
- Inventories	<b>(13)</b>	399
- Contract assets and liabilities	<b>(4,519)</b>	(19,311)
- Trade and other payables	<b>4,237</b>	3,280
Cash used in operations	<b>(11,518)</b>	(9,387)
Interest received	<b>36</b>	36
Income tax paid	<b>(1,404)</b>	(1,762)
<b>Net cash used in operating activities</b>	<b>(12,886)</b>	(11,113)
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	<b>(34)</b>	(18)
<b>Net cash used in investing activity</b>	<b>(34)</b>	(18)
<b>Cash flows from financing activities</b>		
Dividends paid	<b>(8,934)</b>	(9,926)
Listing expenses paid	<b>(486)</b>	(793)
Proceeds from issuance of new shares pursuant to the Listing	<b>15,988</b>	-
<b>Net cash provided by/(used in) financing activities</b>	<b>6,568</b>	(10,719)
<b>Net change in cash and bank balances</b>	<b>(6,352)</b>	(21,850)
Beginning of financial period	<b>42,896</b>	51,292
Effects of currency translation on cash and bank balances	<b>15</b>	737
<b>End of financial period</b>	<b>36,559</b>	30,179

*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 Six Months Ended 30 June 2022*

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#### 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 ended 30 June 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 ended 30 June 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 audited annual financial statements for the year ended 31 December 2021.

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 Six Months Ended 30 June 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 30 June	
	2022 RM'000	2021 RM'000
Contract revenue – over time	73,668	42,330
Sales of goods – at a point in time	7,673	4,885
Total revenue	<u>81,341</u>	<u>47,215</u>

##### (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 - 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 liabilities.



**OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**

**E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

*For the Six Months Ended 30 June 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:

<b>Group (RM'000)</b>	<b>Edible &amp; Non-Edible Oil Refinery</b>	<b>Renewable Energy</b>	<b>Product Sales and Trading</b>	<b>Others</b>	<b>Total</b>
<b>Six months ended 30 June 2022</b>					
<b>Revenue</b>					
- External	71,655	2,013	7,673	-	<u>81,341</u>
<b>Results</b>					
Segment results	6,299	(88)	1,410	-	7,621
Other income					36
Other gains – net					1,709
Depreciation of property, plant and equipment					(67)
Listing expenses					<u>(2,031)</u>
Profit before income tax					7,268
Income tax expenses					<u>(2,528)</u>
<b>Profit after income tax</b>					<u>4,740</u>
<b>As at 30 June 2022</b>					
<b>Assets</b>					
Segment assets	43,945	4,770	5,882	474	55,071
<u>Unallocated assets:</u>					
Cash and bank balances					36,559
Income tax receivables					119
Property, plant and equipment					<u>2,913</u>
<b>Total assets</b>					<u>94,662</u>
<b>Liabilities</b>					
Segment liabilities	40,820	2,108	3,005	1,912	47,845
<u>Unallocated liabilities:</u>					
Current income tax liabilities					1,765
Deferred tax liabilities					<u>12</u>
<b>Total liabilities</b>					<u>49,622</u>

**OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**

**E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

*For the Six Months Ended 30 June 2022*

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
<b>Six months ended 30 June 2021</b>					
<b>Revenue</b>					
- External	29,939	12,391	4,885	-	<u>47,215</u>
<b>Results</b>					
Segment results	3,684	744	671	-	5,099
Other income					36
Other gains – net					811
Depreciation of property, plant and equipment					<u>(67)</u>
Profit before income tax					5,879
Income tax expenses					<u>(1,527)</u>
<b>Profit after income tax</b>					<u>4,352</u>
<b>As at 30 June 2021</b>					
<b>Assets</b>					
Segment assets	13,122	14,666	1,989	860	30,637
<u>Unallocated assets:</u>					
Cash and bank balances					30,179
Income tax receivables					103
Property, plant and equipment					<u>3,002</u>
<b>Total assets</b>					<u>63,921</u>
<b>Liabilities</b>					
Segment liabilities	18,828	8,565	1,329	1,054	29,776
<u>Unallocated liabilities:</u>					
Current income tax liabilities					458
Deferred tax liabilities					<u>212</u>
<b>Total liabilities</b>					<u>30,446</u>

**OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES**

**E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

*For the Six Months Ended 30 June 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 ended 30 June 2022 and 2021.

<b>Group</b>	<b>Six months ended 30 June</b>	
	<b>2022 RM'000</b>	<b>2021 RM'000</b>
Asia:		
- Malaysia	11,819	23,656
- Indonesia	53,483	13,461
- Pakistan	6,921	2,243
- Philippines	3,321	14
- Others	824	1,433
	<b>76,368</b>	<b>40,807</b>
America		
	<b>1,823</b>	<b>1,462</b>
Africa:		
- Algeria	-	3,507
- Benin	299	197
- Kenya	567	1,078
- Nigeria	512	-
- South Africa	966	-
- Uganda	621	164
- Others	185	-
	<b>3,150</b>	<b>4,946</b>
	<b>81,341</b>	<b>47,215</b>

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 – net**

<b>Group</b>	<b>Six months ended 30 June</b>	
	<b>2022 RM'000</b>	<b>2021 RM'000</b>
<u>Other income</u>		
Interest income	36	36
<u>Other gains - net</u>		
Net foreign exchange gain	1,709	811

**6. Expenses by nature**

<b>Group</b>	<b>Six months ended 30 June</b>	
	<b>2022 RM'000</b>	<b>2021 RM'000</b>
Allowance for impairment of trade receivables	143	184
Depreciation of property, plant and equipment	67	67
Listing expenses	2,031	-

## OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

### E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2022

#### 7. Income tax expense

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

Group	Six months ended 30 June	
	2022 RM'000	2021 RM'000
Tax expense attributable to profit is made up of:		
- Current income tax	2,337	1,317
- Deferred income tax	191	210
	<u>2,528</u>	<u>1,527</u>

#### 8. Related party transactions

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

Group	Six months ended 30 June	
	2022 RM'000	2021 RM'000
<u>Purchases of services</u>		
Rental of premise from a related corporation	6	-

#### 9. Financial assets and financial liabilities

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

	Group		Company	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Financial assets at amortised cost	71,414	59,017	14,621	-
Financial liabilities at amortised cost	35,404	31,167	4,646	4,121

#### 10. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to RM34,000 (30 June 2021: RM18,000).

## OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

### E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2022

#### 11. Dividend

Group	Six months ended 30 June	
	2022 RM'000	2021 RM'000
Dividend paid of RM3.60 (2021: RM2.00) per share	<b>8,934*</b>	4,963

*\*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 are 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	<b>120,500,000</b>	-	<b>83,918</b>	-
Issuance of shares upon incorporation	-	2	-	-*
Issuance of shares pursuant to the Listing	<b>22,500,000</b>	-	<b>15,988</b>	-
Capitalisation of listing expenses	-	-	<b>(1,340)</b>	-
Balance at 30 June	<b>143,000,000</b>	2	<b>98,566</b>	-*

*\*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 30 June 2022, 31 December 2021 and 30 June 2021. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022, 31 December 2021 and 30 June 2021. There are no outstanding convertibles as at 30 June 2022 and 30 June 2021.

#### 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 ended 30 June 2022 and 2021, taking into account the share split for the respective reporting periods.

Group	Six months ended 30 June	
	2022	2021
Net profit attributable to equity holders of the Company (RM'000)	<b>4,740</b>	4,352
Weighted average number of ordinary shares outstanding ('000)	<b>135,417</b>	120,500*
Basic/diluted earnings per share (in sen)	<b>3.50</b>	3.61

*\*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 30 June 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 periods as there were no potential dilutive ordinary shares.

## OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

### E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2022

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#### 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 period/year.

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value attributable to equity holders of the Company (RM'000)	<b>45,040</b>	34,363	<b>96,187</b>	81,291
Number of ordinary shares in issue (excluding treasury shares) ('000)	<b>143,000</b>	120,500*	<b>143,000</b>	120,500*
Net asset value per share (in sen)	<b>31.50</b>	28.52	<b>67.26</b>	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.*

## OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

### F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

*For the Six Months Ended 30 June 2022*

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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 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 RM34.12 million or 72.3% from approximately RM47.22 million in six months ended 30 June 2021 ("1H2021") to approximately RM81.34 million in six months ended 30 June 2022 ("1H2022") 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 RM41.72 million or 139.3% from approximately RM29.94 million in 1H2021 to approximately RM71.66 million in 1H2022, mainly due to increase in revenue contribution from new projects secured in prior year from Indonesia, Pakistan and Philippines.

Revenue from the Product Sales and Trading segment increased by approximately RM2.78 million or 57.1% from approximately RM4.89 million in 1H2021 to approximately RM7.67 million in 1H2022 mainly due to an increase in demand for the supply of parts and engineering components from customers in Malaysia.

Revenue from the Renewable Energy segment decreased by approximately RM10.38 million or 83.8% from approximately RM12.39 million in 1H2021 to approximately RM2.01 million in 1H2022 mainly due to a decrease in revenue contribution from a project in Indonesia that was substantially performed in 1H2021 and a delay in the delivery of a secured contract due to a delay in the readiness of the site by the customer.

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.

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#### **Cost of sales and gross profit**

The Group's cost of sales increased by approximately RM29.67 million or 79.8% from approximately RM37.18 million in 1H2021 to approximately RM66.85 million in 1H2022. The increase was largely in line with the increase in revenue.

The Group's gross profit increased by approximately RM4.45 million or 44.4% from approximately RM10.04 million in 1H2021 to RM14.49 million in 1H2022. Gross profit margin decreased by 3.5 percentage points from 21.3% in 1H2021 to 17.8% in 1H2022 mainly due to lower gross profit margin from the Edible & Non-Edible Oil Refinery segment.

#### **Other gains – net**

Other gains increased by approximately RM0.90 million or 110.7% from approximately RM0.81 million in 1H2021 to approximately RM1.71 million in 1H2022 mainly due to an increase in unrealised foreign exchange gain from the Group's net asset exposure to United States dollars.

#### **Expenses**

Allowance for impairment of trade receivables decreased by approximately RM0.04 million or 22.3% from approximately RM0.18 million in 1H2021 to approximately RM0.14 million in 1H2022 mainly due to a decrease in long outstanding trade receivables.

Administrative and others increased by approximately RM4.0 million or 83.1% from approximately RM4.82 million in 1H2021 to approximately RM8.82 million in 1H2022. This was mainly due to (i) the listing expenses of approximately RM2.03 million incurred in connection with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited; (ii) post-listing compliance costs such as listing fee, sponsor's fees, directors' fees and other professional fees; and (iii) an increase in employee compensation.

#### **Profit after income tax**

Overall, the Group's profit after income tax increased by approximately RM0.39 million or 8.9% from approximately RM4.35 million in 1H2021 to approximately RM4.74 million in 1H2022. Excluding the listing expenses incurred, the Group's profit after income tax would have increased by approximately RM2.42 million or 55.6% from approximately RM4.35 million in 1H2021 to approximately RM6.77 million in 1H2022.

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

The Group's financial position as at 30 June 2022 remains strong and resilient, with a net asset position of approximately RM45.04 million and cash and bank balances of approximately RM36.56 million, representing 81.2% of our net assets.

#### **Current assets**

The Group's current assets increased by approximately RM12.64 million or 16.0% from approximately RM79.11 million as at 31 December 2021 to approximately RM91.75 million as at 30 June 2022 mainly due to (i) an increase in trade and other receivables; (ii) an increase in contract assets; and partially offset by a decrease in cash and bank balances.

Trade and other receivables increased by approximately RM17.88 million or 105.3% from approximately RM16.98 million as at 31 December 2021 to approximately RM34.86 million as at 30 June 2022 due to more milestone billings to customers upon satisfaction of performance obligation for our engineering contracts.



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Contract assets increased by approximately RM1.06 million or 5.8% from approximately RM18.25 million as at 31 December 2021 to approximately RM19.31 million as at 30 June 2022 mainly due to the timing differences between recognition of revenue upon satisfaction of performance obligations for engineering contract and the timing of billing to our customers during the period.

#### **Non-current assets**

The Group's non-current assets decreased by approximately RM0.22 million or 6.9% from approximately RM3.13 million as at 31 December 2021 to approximately RM2.91 million as at 30 June 2022 mainly due to a decrease in deferred tax assets and depreciation charged on property, plant and equipment.

#### **Current liabilities**

The Group's current liabilities increased by approximately RM1.73 million or 3.6% from approximately RM47.88 million as at 31 December 2021 to approximately RM49.61 million as at 30 June 2022 mainly due to (i) an increase in trade and other payables; (ii) an increase in current income tax liabilities; and partially offset by a decrease in contract liabilities.

Trade and other payables increased by approximately RM4.23 million or 13.6% from approximately RM31.17 million as at 31 December 2021 to approximately RM35.40 million as at 30 June 2022 mainly due to an increase in trade payables to non-related parties, in line with the increase in business activities.

Current income tax liabilities increased by approximately RM0.95 million or 117.6% from approximately RM0.81 million as at 31 December 2021 to approximately RM1.76 million as at 30 June 2022 mainly due to an increase in provision for taxation for the higher chargeable profit recorded in 1H2022 as compared to 1H2021.

Contract liabilities decreased by approximately RM3.46 million or 21.7% from approximately RM15.90 million as at 31 December 2021 to approximately RM12.44 million as at 30 June 2022 mainly due to the satisfaction of performance obligation for existing engineering contracts for which advanced payments were previously collected.

#### **Non-current liability**

The Group's non-current liability as at 30 June 2022 comprised solely of deferred tax liabilities.

#### **(c) Review of change in cash flows**

In 1H2022, net cash used in operating activities of approximately RM12.89 million was due to operating cash inflow before working capital changes of approximately RM7.51 million, adjusted for (a) net working capital outflow of approximately RM19.03 million; (b) interest received of approximately RM0.04 million, and tax paid of approximately RM1.41 million. The net working capital outflow was mainly due to (i) an increase in trade and other receivables of approximately RM18.74 million; (ii) an increase in net contract asset of approximately RM4.52 million; and (iii) an increase in inventories of approximately RM0.01 million, which was partially offset by an increase in trade and other payables of approximately RM4.24 million.

Net cash used in investing activity amounted to approximately RM0.03 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.

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As a result of the above, there was a net decrease of approximately RM6.35 million in cash and bank balances. As at 30 June 2022, the Group's cash and bank balances amounted to approximately RM36.56 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**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.**

Despite the COVID-19 pandemic becoming more manageable by early 2022, it was followed by logistics and supply chain interruptions, food and fossil fuel and commodity prices hikes as well as the severe global inflation. These continue to cause disruptions and market volatility globally and includes 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 efficient management control.

In 1H2022, the Group's order book increased by 53.6%, its revenue increased by 72.3%, and its profit after tax excluding the listing expenses which amounted to approximately RM2.03 million, increased by 55.6% from 1H2021 respectively. 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.

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 is growing in tandem with population growth, as seen by the strong growth in the food and beverage, oleochemical 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. Capitalising on this macro trend, the Group will continue to leverage on its capabilities, 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.

As for the Renewable Energy segment, the Group sees an acceleration of the global trend towards environmental sustainability. A recent announcement made by the government of Indonesia, the world's biggest palm oil producing country, shows it is planning to increase the current mandatory 30% blend of palm based biodiesel in its petroleum diesel, and implement a 35% blend by end July 2022. The government also said that it is doing laboratory testing for biodiesel containing up to 40% of palm based biodiesel (B40).<sup>1</sup> The recent severe climate changes including floods and hot weather in Europe which had led to substantial fatalities, is expected to bring all respective authorities and countries back on the environmental protection track soon. With stronger environmental regulations, government initiatives and policies, and the growing awareness of the importance of environmental, social and governance considerations, the Group is optimistic about its 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.

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<sup>1</sup> <https://www.businesstimes.com.sg/energy-commodities/indonesia-plans-to-implement-b35-biodiesel-by-end-of-july>

## OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

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*For the Six Months Ended 30 June 2022*

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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, and the overall outlook is expected to remain positive.

As at the date of this announcement, the Group's order book based on unfulfilled orders from signed contracts, confirmed variation orders and letters of awards obtained continues to remain high at approximately RM178.2 million, with new orders secured of approximately RM84.4 million in the current year. The present order book is expected to be fulfilled over the next 18 to 24 months, barring any unforeseen circumstances.

#### 7. Dividend

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

No dividend was recommended/declared for the six months ended 30 June 2022.

**(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.**

Not applicable.

**(d) Date payable**

Not applicable.

**(e) Record date**

Not applicable.

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

No interim dividend declared/recommended for the period ended 30 June 2022 as the Group continues to assess the economic environment and will make a decision during the full financial year results announcement. Notwithstanding, the Company remains committed to distributing not less than 40% of our net profit attributable to owners of our Company for the year ending 31 December 2022 as stated in the Company's Offer Document dated 18 February 2022.

**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 1H2022.

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.

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*For the Six Months Ended 30 June 2022*

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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:

<b>Use of Proceeds</b>	<b>Net IPO Proceeds (S\$'000)</b>	<b>Utilisation (S\$'000)</b>
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	-
<b>Total</b>	<b>3,634</b>	<b>-</b>

#### 13. Confirmation pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention, which may render the condensed interim financial statements for the six months ended 30 June 2022 to be false or misleading in any material aspects.

### BY ORDER OF THE BOARD

**Mr. Yong Khai Weng**  
Executive Director and Chief Executive Officer

2 August 2022