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

BUSINESS UPDATE FOR THE THREE MONTHS ENDED 31 MARCH 2025

The Board of Directors ("**Board**" or "**Directors**") of Oiltek International Limited (the **"Company"**, and together with its subsidiaries, the **"Group"**) wishes to update shareholders in this voluntary business update on the Group's unaudited financial performance for the three months ended 31 March 2025 ("**1Q2025**") as compared to the three months ended 31 March 2024 ("**1Q2024**").

Key Financial Performance Highlights

Group (Unaudited)	**1Q2025 RM'000**	1Q2024 RM'000	Change %
Revenue	**46,738**	49,260	(5.1)
Gross profit	**11,909**	7,813	52.4
Profit before income tax	**7,104**	6,047	17.5
Profit after income tax	**5,370**	4,399	22.1

Condensed Financial Position

Group	**As at 31 March 2025 RM'000 (Unaudited)**	As at 31 December 2024 RM'000 (Audited)	Change %
Cash and bank balances	**147,381**	106,143	38.9
Net assets	**89,735**	84,287	6.5

Review of Financial Performance

1Q2025 compared to 1Q2024

The Group's revenue decreased by approximately RM2.52 million or 5.1% from approximately RM49.26 million in 1Q2024 to approximately RM46.74 million in 1Q2025 due to a decrease in the Edible & Non-Edible Oil Refinery segment and the Product Sales and Trading segment revenues. This was partially offset by an increase in the Renewable Energy segment revenue.

The Group's gross profit increased by approximately RM4.10 million or 52.4% from approximately RM7.81 million in 1Q2024 to approximately RM11.91 million in 1Q2025. Gross profit margin increased by 9.6 percentage points from 15.9% in 1Q2024 to 25.5% in 1Q2025 mainly due to higher gross profit margin contribution from the Edible & Non-Edible Oil Refinery segment.

Overall, the Group's profit after income tax increased by approximately RM0.97 million or 22.1% from approximately RM4.40 million in 1Q2024 to approximately RM5.37 million in 1Q2025.

Review of Financial Position

The Group's financial position as at 31 March 2025 remains strong and resilient, with a net asset position of approximately RM89.74 million and cash and bank balances of approximately RM147.38 million.

Cash and bank balances increased by approximately RM41.24 million or 38.9% from approximately RM106.14 million as at 31 December 2024 to approximately RM147.38 million as at 31 March 2025 mainly due to net cash generated from operating activities.

Overall, the Group's net assets increased by approximately RM5.45 million or 6.5% from approximately RM84.29 million as at 31 December 2024 to approximately RM89.74 million as 31 March 2025.

Market Outlook

The Group remains confident about the long-term outlook of the Edible & Non-Edible Oil Refinery segment as global consumption of oils and fats grows in tandem with population growth and urbanisation. According to Imarc Group, a market research and consulting firm, the global fats and oils market size reached USD241.1 billion in 2024 and is expected to reach USD336.3 billion by 2033, exhibiting a growth rate of 3.38% during 2025-2033.[1] With continued population growth and the growing demand for food, there is a corresponding demand for edible and non-edible oils and fats, specifically, vegetable oils. This potentially benefits the Group as it is an engineering solutions provider that caters to all types of vegetable oils, including palm oil, soybean oil and rapeseed oil. Capitalising

[1] https://www.imarcgroup.com/fats-oils-market

on this macroeconomic trend, the Group will continue to leverage its engineering capabilities, integrated technological know-how, and proven track record to secure more projects, especially those of a larger scale, in both existing markets and new markets with emerging bright prospects.

The trend of global environmental sustainability 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 35% (**B35**) to 40% (**B40**) this year,[2] and is looking to implement a 50% blending (**B50**) in 2026.[3] The world's second largest palm oil producing country, Malaysia, is similarly committed to the phased implementation of its biodiesel programme, which is currently at 10% (**B10**) for the transportation sector and 7% (**B7**) for industrial use, with a 20% blending ratio (**B20**) programme in limited areas according to the Malaysian Biodiesel Association ("**MBA**").[4]

With the aviation industry's net zero carbon dioxide emissions by 2050 commitment, the market is embracing sustainable aviation fuel ("**SAF**"), which is estimated to contribute to 65% of the reduction in emissions needed to hit the 2050 target.[5] Both private investment and national commitments are driving global growth for SAF, with a total of approximately €17.4 billion invested in SAF projects.[6] According to Boston Consulting Group, the global demand for SAF is going to see significant growth in the decades to come, and will eventually comprise 12% of the global aviation energy demand by 2050. By 2030, SAF demand is expected to hit 10 million tonnes per annum, with significant potential for more.[7] With Southeast Asia poised to become a global hub for SAF,[8] the Group is well positioned for the SAF trend as it has designed and delivered plants 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**") or renewable diesel, which can be upgraded to SAF.

With the backdrop of global climate change as a result of global warming, and the growing emphasis on sustainability, the Group remains optimistic of the long-term growth prospects in the renewable energy sector. As part of its focus on this sector, the Group continues to develop new and innovative processes to provide more support and solutions to the sustainability efforts of its existing customers and markets.

With the uncertainties brought on by US protectionism and its tariffs against many countries, as well as ongoing geopolitical tensions, the global economy remains volatile and presents a challenging operating environment. Notwithstanding this and barring any unforeseen circumstances, the Group expects its businesses to be driven primarily by the

[2] https://www.reuters.com/sustainability/climate-energy/indonesia-expects-reach-full-implementation-b40-biodiesel-march-2025-02-14/
[3] https://jakartaglobe.id/business/indonesia-to-implement-b50-palm-oil-biodiesel-mandate-next-year
[4] https://www.spglobal.com/commodity-insights/en/news-research/latest-news/agriculture/030624-interview-malaysias-b20-mandate-could-boost-biodiesel-output-by-79-trade-body-head
[5] https://www.iata.org/en/programs/sustainability/sustainable-aviation-fuels/
[6] https://biofuels-news.com/news/sustainable-aviation-fuel-industry-takes-flight-with-14-7-billion-global-investment/
[7] https://www.consultancy.eu/news/11402/global-demand-for-sustainable-aviation-fuel-saf-to-explode-by-2030
[8] https://asean.org/southeast-asia-poised-to-become-a-global-hub-for-sustainable-aviation-fuel/

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 order book based on unfulfilled orders from signed contracts, confirmed variation orders and letters of awards obtained amounted to approximately RM373.4 million and are expected to be fulfilled over the next 18 to 24 months barring any unforeseen circumstances.

BY ORDER OF THE BOARD

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

15 May 2025

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*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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