



OILTEK INTERNATIONAL LIMITED

(Company Registration Number: 202109778W)

(Incorporated in the Republic of Singapore)

BUSINESS UPDATE FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2025 AND NINE MONTHS ENDED 30 SEPTEMBER 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 30 September 2025 (“**3Q2025**”) and nine months ended 30 September 2025 (“**9M2025**”) as compared to the three months ended 30 September 2024 (“**3Q2024**”) and nine months ended 30 September 2024 (“**9M2024**”).

Key Financial Performance Highlights

Group (Unaudited)	3Q2025 RM'000	3Q2024 RM'000	Change %	9M2025 RM'000	9M2024 RM'000	Change %
Revenue	47,440	67,599	(29.8)	148,257	168,053	(11.8)
Gross profit	17,621	19,911	(11.5)	50,063	39,424	27.0
Profit before income tax	13,021	11,997	8.5	32,182	26,072	23.4
Profit after income tax	9,538	8,982	6.2	23,670	19,260	22.9

Condensed Financial Position

Group	As at 30 September 2025 RM'000 (Unaudited)	As at 31 December 2024 RM'000 (Audited)	Change %
Cash and bank balances	92,801	106,143	(12.6)
Net assets	92,001	84,287	9.2

Review of Financial Performance

3Q2025 compared to 3Q2024

The Group's revenue decreased by approximately RM20.16 million or 29.8% from approximately RM67.60 million in 3Q2024 to approximately RM47.44 million in 3Q2025 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 decreased by approximately RM2.29 million or 11.5% from approximately RM19.91 million in 3Q2024 to approximately RM17.62 million in 3Q2025. Gross profit margin increased by 7.6 percentage points from 29.5% in 3Q2024 to 37.1% in 3Q2025 mainly due to higher gross profit margin from the Edible & Non-Edible Oil Refinery segment and Product Sales and Trading segment.

Overall, the Group's profit after income tax increased by approximately RM0.56 million or 6.2% from approximately RM8.98 million in 3Q2024 to approximately RM9.54 million in 3Q2025.

9M2025 compared to 9M2024

The Group's revenue decreased by approximately RM19.79 million or 11.8% from approximately RM168.05 million in 9M2024 to approximately RM148.26 million in 9M2025 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 RM10.64 million or 27.0% from approximately RM39.42 million in 9M2024 to approximately RM50.06 million in 9M2025. Gross profit margin increased by 10.3 percentage points from 23.5% in 9M2024 to 33.8% in 9M2025 mainly due to higher gross profit margin from the Edible & Non-Edible Oil Refinery segment and Product Sales and Trading segment.

Overall, the Group's profit after income tax increased by approximately RM4.41 million or 22.9% from approximately RM19.26 million in 9M2024 to approximately RM23.67 million in 9M2025.

Review of Financial Position

The Group's financial position as at 30 September 2025 remains strong and resilient, with a net asset position of approximately RM92.00 million and cash and bank balances of approximately RM92.80 million.

Cash and bank balances decreased by approximately RM13.34 million or 12.6% from approximately RM106.14 million as at 31 December 2024 to approximately RM92.80 million as at 30 September 2025 mainly due to dividend paid amounting to approximately RM15.47 million, partially offset by net cash generated from operating activities.

Overall, the Group's net assets increased by approximately RM7.71 million or 9.2% from approximately RM84.29 million as at 31 December 2024 to approximately RM92.00 million as 30 September 2025.

Market Outlook

The Group remains confident about the positive long-term outlook of the Edible & Non-Edible Oil Refinery segment as global consumption of fats and oils continues to steadily expand and grow, driven by rising demand across food, beverage and industrial applications. The global fats and oils market is estimated to be valued at USD337.1 billion in 2025 and is expected to reach USD549.0 billion by 2035 at a compounded annual growth rate of 5.0%, according to Future Market Insights.¹ This growing market increases the demand for vegetable oils, which potentially benefits the Group as an engineering solutions provider for all types of vegetable oils, including palm oil, soybean oil and rapeseed oil. The Group will continue to leverage its strong engineering capabilities, integrated technological know-how, and proven track record globally to serve the growing needs of its customers and secure larger-scale projects, in both existing markets and new markets with emerging bright prospects.

At the same time, the global trend of environmental sustainability continues to benefit the Group's Renewable Energy segment. Indonesia, the world's biggest palm oil producing country, currently mandates a 40% (**B40**) biodiesel blend, and is preparing to make a 50% blending (**B50**) compulsory in 2026.² Malaysia, the world's second largest palm oil producing country, continues to phase in its biodiesel programme. The current requirement is 10% (**B10**) for the transportation sector and 7% (**B7**) for industrial use. However, the 20% blending ratio (**B20**) programme remains limited to specific areas³, although the government announced its intentions in May 2025 to increase the biodiesel blend to B20 for ground transport vehicles.⁴

Sustainable Aviation Fuel ("SAF"), a low-carbon jet fuel made from renewable or waste materials, is estimated to contribute to 65% of the emission reductions needed for the aviation industry to hit its net zero emissions 2050 target.⁵ According to World Economic Forum and Kearney, in order to meet a global SAF demand of 17 million metric tons by

¹ <https://www.futuremarketinsights.com/reports/fats-and-oils-market#:~:text=Functional%20Food%20Ingredients-Fats%20And%20Oils%20Market%20Size%20and%20Share%20Forecast%20Outlook%202025,5.0%25%20over%20the%20forecast%20period.>

² [https://www.reuters.com/world/asia-pacific/indonesia-course-b50-biodiesel-2026-lessen-gasoil-imports-minister-says-2025-10-08/#:~:text=JAKARTA%2C%20Oct%208%20\(Reuters\),have%20less%20to%20ship%20overseas.](https://www.reuters.com/world/asia-pacific/indonesia-course-b50-biodiesel-2026-lessen-gasoil-imports-minister-says-2025-10-08/#:~:text=JAKARTA%2C%20Oct%208%20(Reuters),have%20less%20to%20ship%20overseas.)

³ <https://bioenergytimes.com/malaysia-eyes-higher-palm-oil-blend-in-biofuels-amid-global-push-for-alternatives/#:~:text=While%20Malaysia's%20B20%20biodiesel%20blend,to%20the%20Malaysian%20Biodiesel%20Association.>

⁴ <https://www.businesstimes.com.sg/international/asean/malaysia-expands-biodiesel-usage-b10-b20-ground-transport-vehicles-main-airport>

⁵ <https://www.iata.org/en/programs/sustainability/sustainable-aviation-fuels/>

2030, up to USD45 billion in investments is estimated to be required.⁶ Southeast Asia is poised to become a global hub for SAF,⁷ with the potential to meet strong domestic and international demand, and become net exporters of SAF by 2040.⁸ 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.

As many parts of the world experience the devastating effects of global climate change driven by global warming, and with the resulting growing trend of sustainability, the Group remains optimistic of the long-term growth prospects in the renewable energy sector. As part of its focus on renewable energy, the Group continues to develop new and innovative processes for renewable energy products, in order to provide more support and solutions for the sustainability efforts of its existing customers and markets.

The global economy remains volatile and uncertain, due to US tariffs and retaliatory trade measures by many countries, coupled with ongoing geopolitical tensions. Notwithstanding this challenging operating environment and barring any unforeseen circumstances, the Group expects its different businesses to be driven primarily by the corresponding growth in the industry sectors that they serve, 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 amounts to approximately RM361.6 million and is 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

11 November 2025

⁶ <https://www.prnewswire.com/news-releases/up-to-45-billion-in-investments-will-be-required-to-meet-global-demand-for-sustainable-aviation-fuel-according-to-new-report-from-the-world-economic-forum-and-kearney-302386289.html>

⁷ <https://asean.org/southeast-asia-poised-to-become-a-global-hub-for-sustainable-aviation-fuel/>

⁸ <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/agriculture/041125-se-asia-can-become-global-saf-hub-using-agricultural-forestry-residues-study#:~:text=Careers,Overview,of%20Southeast%20Asian%20Nations%20institutions>.