



OILTEK INTERNATIONAL LIMITED

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

NEWS RELEASE

**Oiltek International's FY2021 revenue rose 15% to
RM100.6 million with a net profit of RM12.2 million excluding
listing expenses**

- *The revenue increase was due to an increase in projects secured for the Edible & Non-Edible Oil Refinery segment in FY2021*
- *Excluding the one-off listing expenses, the Group's profit after income tax for FY2021 would have risen by 1.3% to RM12.2 million instead of falling 19.5% to RM9.7 million*
- *Company's financial position remains strong and resilient with a net asset position of RM34.4 million and healthy cash and bank balances of RM42.9 million*
- *Outlook for business remains positive due to the growth of industries it serves*

Singapore, 11 April 2022 – SGX Catalist-listed Oiltek International Limited (优特科技国际有限公司) ("Oiltek", or the "Company", and together with its subsidiaries, the "Group"), an established integrated process technology and renewable energy solutions provider, today announced that its revenue for the financial year ended 31 December 2021 ("FY2021") rose 15% to RM100.6 million from RM87.5 million in the previous corresponding period ("FY2020"). The increase was mainly due to new projects secured in FY2021 for the Group's Edible & Non-Edible Oil Refinery segment.

The Group's profit after income tax however decreased by 19.5% from RM12.1 million in FY2020 to RM9.7 million in FY2021 mainly due to the listing expenses incurred by the Company¹. Excluding these one-off listing expenses, the Group's profit after income tax would have increased by 1.3% to RM12.2 million in FY2021.

Gross profit for the period in review also fell 14.7% to RM23.6 million with gross profit margin falling 8.2 percentage points to 23.4% in FY2021 due to lower gross profit margin contributions from the Edible & Non-Edible Oil Refinery and Renewable Energy segments. In FY2020, the higher gross profit margin was mainly due to higher gross profit contributions from projects secured in Africa.

As at 31 December 2021, the Group's financial position remains strong and resilient with a net asset position of RM34.4 million and healthy cash and bank balances of RM42.9 million, representing 52.2% of total assets.

Mr Henry Yong Khai Weng (杨淳麟), Executive Director and CEO of Oiltek, said, *"FY2021 was challenging as we dealt with the COVID-19 pandemic and had to incur one-off listing expenses which affected our financial performance. Nevertheless, we still managed to deliver a positive result with our resilient business model and strong management. We saw decent growth because of new projects secured in the Edible & Non-Edible Refinery segment and our pipeline of projects continues to be strong. As our customers' respective sectors continue to grow, we are optimistic that with our capabilities and track record, we shall continue to get more projects. Year to date, we have secured RM49.2 million in new contracts."*

Business Outlook

The extension of the COVID-19 pandemic into the current year continues to bring about disruptions and market volatility in the countries where the Group has businesses and operates.

¹ The Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited on 3 March 2022

In FY2021, the Group's projects were not materially affected by the impact of COVID-19 as it adapted with temporary mitigating solutions such as making arrangements to engage local expertise, while providing support and commissioning protocols online. The Group's satisfactory FY2021 performance amidst an unprecedented COVID-19 situation globally is thus a testament to its resilient business model and the strong fundamentals that it has built up over the years.

The Group remains confident about the long-term outlook of the Edible & Non-Edible Oil Refinery segment given the global consumption of oils and fats is growing in tandem with the rising world population, which is driving strong growth in the food and beverage, oleochemical and biodiesel sectors. The growing demand for food also creates a corresponding demand for edible and non-edible oils and fats, specifically, vegetable oils. The Group's processing solutions 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. Additionally, palm oil is consumed worldwide in the form of edibles such as cooking oil, confectioneries, margarine, and chocolates while also being a raw material for ingredients found in a host of non-edible household and industrial products such as soaps, detergents, cosmetics, and pharmaceuticals. As such, 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 that have emerging prospects.

For the Renewable Energy segment, the Group sees an acceleration of the global shift towards environmental sustainability. 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 the continued growth prospects of the renewable energy sector. The Group will increase its focus on the renewable energy sector and provide more support and solutions to the sustainability efforts of existing customers and markets.

The Group believes that the recent hike in the world commodity prices of both vegetable oil and fossil fuel have become a strong catalyst for further positive developments in both the edible oil and renewable energy segments. The industry players in both segments that have benefited from strong revenue growth are now believed to have higher expansion budgets for integration and diversification that is vital for long term sustainability.

Notwithstanding the ongoing COVID-19 pandemic's impact on the global economy, and barring any unforeseen circumstances, the Group's outlook is expected to remain positive as its businesses continue to be driven primarily by the corresponding growth in the industries that it serves, and its current order book of RM198.1 million, is expected to be fulfilled over the next 18 to 24 months.

End.

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

ABOUT OILTEK INTERNATIONAL LIMITED

Oiltek International Limited ("**Oiltek**" and together with its subsidiaries, the "**Group**"), is an established integrated process technology and renewable energy solutions provider, that 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 40 years of track record, Oiltek has successfully designed, built and commercialised plants in more than 30 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 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 Lee Khai Yinn (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.