



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

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**RESPONSES TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED  
IN RELATION TO THE COMPANY'S ANNOUNCEMENTS DATED 9 JANUARY 2023 AND 8  
MARCH 2023**

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The Board of Directors (the "**Board**") of Oiltek International Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") has received the following queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to the Company's announcements dated 9 January 2023 and 8 March 2023 on the fire incident at the commissioning of a customer's refinery plant and receipt of notice of demand respectively (the "**Previous Announcements**"). The Board wishes to provide its responses below.

Unless otherwise defined, all terms and references used herein shall bear the same meanings as ascribed in the Previous Announcements.

**Query Number 1**

*Please provide the Company's plan and timelines to resolve the issue.*

**Company's Response**

Prior to the receipt of the Notice, the Group had been in discussions with the Customer regarding performance of rectification works which are within the scope of the Contract. Notwithstanding that the Group is seeking legal advice on the Notice, the Group intends to continue to engage the Customer in discussions with a view to an amicable resolution of the matter. If an amicable resolution as to the scope and schedule of the rectification works is achieved, OSB shall proceed with the rectification works followed by the commissioning of the refinery plant and complete the Contract with the Customer thereafter. Whilst the Company is hopeful that an amicable resolution can be achieved by all parties involved, it is not possible to set out a definitive timeline to resolve the matter as it involves parties other than OSB.

**Query Number 2**

*Please provide Board's assessment on the potential financial impact on the Group from the rectification works as stated in the Notice of Demand.*

**Company's Response**

The Board is unable to provide a definitive assessment on the potential financial impact of carrying out the rectification works on the Group as the scope of rectification works is still being discussed with the Customer and is subject to further negotiations.

The Company will make the necessary announcements to keep shareholders updated as and when there are material developments.

**Query Number 3**

*Please elaborate on the potential impact should the Project / Contract with the customer be terminated? This should include analysis on the impact on revenue, costs incurred on the project, the Group's operations, etc.*

**Company's Response**

The revenue and costs for the Project have been substantially recognised in the Company's full year results for the financial year ended 31 December 2022 ("FY2022") as announced on 17 January 2023 as all the relevant equipment has already been supplied to the Customer and the Project was in the course of being commissioned.

The balance sum for the Contract, which is payable upon the successful commissioning of the Project is approximately RM1.8 million. In the event the Contract is terminated, the Group may not be able to receive payment of the balance sum of approximately RM1.8 million.

As mentioned in the Company's 9 January 2023 announcement, the incident is confined only to the Project and does not affect the Group's other ongoing projects, including other ongoing projects with the Customer.

**Query Number 4**

*What is the revenue contribution from the Customer and the Project to the Group?*

**Company's Response**

The revenue contribution from the Customer and the Project is approximately RM12.1 million and RM11.3 million for FY2022 respectively.

**Query Number 5**

*What is the Company's assessment on potential financial impact from the fire incident?*

**Company's Response**

The Company is unable to provide a definitive assessment on the potential financial impact arising from the fire incident as this would depend on the scope and schedule of the rectification works to be agreed with the Customer, which is subject to further negotiations, and whether the Customer decides to terminate the Contract. Please refer to the Company's responses to Queries 2 and 3 above.

**Query Number 6**

*Please provide the Board's confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner and the bases for its views.*

**Company's Response**

To the best of the knowledge of the Board, all material disclosures have been disclosed and will continue to be provided to shareholders in a timely manner. In view of the foregoing, the Board confirms that sufficient information has been disclosed for the trading of the Company's shares to continue in an orderly manner.

**BY ORDER OF THE BOARD**

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

10 March 2023

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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 Singapore Exchange Securities Trading Limited ("**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. The contact person for the Sponsor is Ms Audrey Mok (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*