



OILTEK INTERNATIONAL LIMITED

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

Condensed Interim Financial Statements
For the Six Months and Full Year Ended
31 December 2023

*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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Contents

		Page
A	Condensed Interim Consolidated Statement of Comprehensive Income	3
B	Condensed Interim Balance Sheets – Group and Company	4
C	Condensed Interim Statement of Changes in Equity – Group and Company	5
D	Condensed Interim Consolidated Statement of Cash Flows	6
E	Notes to the Condensed Interim Financial Statements	7
F	Other Information Required by Catalist Rule Appendix 7C	16

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2023

	Note	Six months ended 31 December			Full year ended 31 December		
		2023 RM'000	2022 RM'000	Change %	2023 RM'000	2022 RM'000	Change %
Revenue	4(a)	124,387	82,390	51.0	201,114	163,731	22.8
Cost of sales		(98,798)	(66,281)	49.1	(161,873)	(133,134)	21.6
Gross profit		25,589	16,109	58.8	39,241	30,597	28.3
Other income	5	912	2,182	(58.2)	1,331	2,218	(40.0)
Other (losses)/gains – net	5	(1,864)	54	N.M.	1,383	1,763	(21.6)
Expenses							
- Reversal of/(allowance for) impairment of trade receivables	6	243	12	N.M.	228	(131)	N.M.
- Administrative and others	6	(8,854)	(7,926)	11.7	(16,684)	(16,748)	(0.4)
Profit before income tax		16,026	10,431	53.6	25,499	17,699	44.1
Income tax expense	7	(3,756)	(2,500)	50.2	(6,379)	(5,028)	26.9
Profit after income tax		12,270	7,931	54.7	19,120	12,671	50.9
Profit attributable to:							
Equity holders of the Company		12,270	7,931	54.7	19,120	12,671	50.9
Earnings per share for profit attributable to equity holders of the Company:							
- Basic and diluted earnings per share (in sen)	13	8.58	5.55	54.6	13.37	9.10	46.9
Profit after income tax		12,270	7,931	54.7	19,120	12,671	50.9
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		134	508	(73.6)	997	731	36.4
Other comprehensive income, net of tax		134	508	(73.6)	997	731	36.4
Total comprehensive income		12,404	8,439	47.0	20,117	13,402	50.1
Total comprehensive income attributable to:							
Equity holders of the Company		12,404	8,439	47.0	20,117	13,402	50.1

N.M. – Not Meaningful

The accompanying notes form an integral part of the condensed interim financial statements.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

B. CONDENSED INTERIM BALANCE SHEETS

As at 31 December 2023

		Group		Company	
	Note	31 December 2023	31 December 2022	31 December 2023	31 December 2022
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Current assets					
Cash and bank balances		132,460	67,360	12,401	15,661
Trade and other receivables		26,862	11,392	9,802	3,146
Contract assets		21,434	39,524	-	-
Inventories		573	602	-	-
Income tax receivables		127	127	-	-
		181,456	119,005	22,203	18,807
Non-current assets					
Investments in subsidiaries		-	-	97,495	91,888
Property, plant and equipment	10	3,293	3,157	-	-
Deferred tax assets		484	310	-	-
		3,777	3,467	97,495	91,888
Total assets		185,233	122,472	119,698	110,695
LIABILITIES					
Current liabilities					
Trade and other payables		38,395	44,355	329	2,282
Contract liabilities		77,368	23,085	-	-
Current income tax liabilities		1,726	1,553	35	-
		117,489	68,993	364	2,282
Total liabilities		117,489	68,993	364	2,282
NET ASSETS		67,744	53,479	119,334	108,413
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	98,566	98,566	98,566	98,566
Merger reserve		(81,436)	(81,436)	-	-
Currency translation reserve		1,728	731	13,168	6,439
Retained profits		48,886	35,618	7,600	3,408
Total equity		67,744	53,479	119,334	108,413

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 Financial Year Ended 31 December 2023

Group	Attributable to equity holders of the Company				
	Share capital	Merger reserve	Currency translation reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2023	98,566	(81,436)	731	35,618	53,479
Profit for the year	-	-	-	19,120	19,120
Other comprehensive income for the financial year	-	-	997	-	997
Total comprehensive income for the financial year	-	-	997	19,120	20,117
Transactions with owners, recognised directly in equity – dividend	-	-	-	(5,852)	(5,852)
Balance at 31 December 2023	98,566	(81,436)	1,728	48,886	67,744
Balance at 1 January 2022	83,918	(81,436)	-	31,881	34,363
Profit for the year	-	-	-	12,671	12,671
Other comprehensive income for the financial year	-	-	731	-	731
Total comprehensive income for the financial year	-	-	731	12,671	13,402
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)
Total transactions with owners, recognised directly in equity	14,648	-	-	(8,934)	(5,714)
Balance at 31 December 2022	98,566	(81,436)	731	35,618	53,479

Company	Attributable to equity holders of the Company				
	Share capital	Merger reserve	Currency translation reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2023	98,566	6,439	3,408	108,413	108,413
Profit for the financial year	-	-	10,044	10,044	10,044
Other comprehensive income for the financial year	-	6,729	-	6,729	6,729
Total comprehensive income for the financial year	-	6,729	10,044	16,773	16,773
Transactions with owners, recognised directly in equity – dividend	-	-	(5,852)	(5,852)	(5,852)
Balance at 31 December 2023	98,566	13,168	7,600	119,334	119,334
Balance at 1 January 2022	83,918	-	(2,627)	81,291	81,291
Profit for the financial year	-	-	6,035	6,035	6,035
Other comprehensive income for the financial year	-	6,439	-	6,439	6,439
Total comprehensive income for the financial year	-	6,439	6,035	12,474	12,474
Issuance of shares pursuant to the Listing	15,988	-	-	15,988	15,988
Capitalisation of listing expenses	(1,340)	-	-	(1,340)	(1,340)
Balance at 31 December 2022	98,566	6,439	3,408	108,413	108,413

The accompanying notes form an integral part of the condensed interim financial statements.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2023

Group	Financial year ended	
	2023	2022
	RM'000	RM'000
Cash flows from operating activities		
Profit after income tax	19,120	12,671
Adjustments for:		
- Income tax expense	6,379	5,028
- Depreciation of property, plant and equipment	180	151
- Property, plant and equipment written off	1	6
- Interest income	(1,295)	(325)
- Gain on disposal of property, plant and equipment	(14)	-
- Unrealised translation (gain)/loss	(1,495)	1,113
	<u>22,876</u>	<u>18,644</u>
Changes in working capital:		
- Trade and other receivables	(15,424)	4,771
- Inventories	29	293
- Contract assets and liabilities	72,373	(14,091)
- Trade and other payables	(5,960)	13,188
Cash generated from operations	<u>73,894</u>	<u>22,805</u>
Interest received	1,249	284
Income tax paid	(6,380)	(4,446)
Net cash provided by operating activities	<u>68,763</u>	<u>18,643</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(317)	(365)
Proceeds from disposal of property, plant and equipment	14	-
Net cash used in investing activities	<u>(303)</u>	<u>(365)</u>
Cash flows from financing activities		
Dividends paid	(5,852)	(8,934)
Listing expenses paid	-	(486)
Proceeds from issuance of new shares pursuant to the Listing	-	15,988
Net cash (used in)/provided by financing activities	<u>(5,852)</u>	<u>6,568</u>
Net change in cash and bank balances	62,608	24,846
Beginning of financial year	67,360	42,896
Effects of currency translation on cash and bank balances	2,492	(382)
End of financial year	<u>132,460</u>	<u>67,360</u>

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 Financial Year Ended 31 December 2023

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 and full year ended 31 December 2023 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 and full year ended 31 December 2023 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 condensed interim financial statements for the period ended 30 June 2023.

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 2022 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 Financial Year Ended 31 December 2023

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		Full year ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Contract revenue – over time	114,954	75,175	182,498	148,843
Sales of goods – at a point in time	9,433	7,215	18,616	14,888
Total revenue	124,387	82,390	201,114	163,731

(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/losses - 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 assets/liabilities.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023

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:

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
Six months ended 31 December 2023					
Revenue					
- External	100,495	14,459	9,433	-	<u>124,387</u>
Results					
Segment results	15,388	178	1,514	-	17,080
Other income					912
Other losses – net					(1,864)
Depreciation of property, plant and equipment					<u>(102)</u>
Profit before income tax					16,026
Income tax expense					<u>(3,756)</u>
Profit after income tax					<u>12,270</u>
Six months ended 31 December 2022					
Revenue					
- External	63,482	11,693	7,215	-	<u>82,390</u>
Results					
Segment results	7,141	94	1,086	-	8,321
Other income					2,182
Other gains – net					54
Depreciation of property, plant and equipment					(84)
Listing expenses					<u>(42)</u>
Profit before income tax					10,431
Income tax expense					<u>(2,500)</u>
Profit after income tax					<u>7,931</u>

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
Full year ended 31 December 2023					
Revenue					
- External	157,408	25,090	18,616	-	<u>201,114</u>
Results					
Segment results	18,164	1,465	3,336	-	22,965
Other income					1,331
Other gains – net					1,383
Depreciation of property, plant and equipment					<u>(180)</u>
Profit before income tax					25,499
Income tax expense					<u>(6,379)</u>
Profit after income tax					<u>19,120</u>
As at 31 December 2023					
Assets					
Segment assets	40,034	3,970	4,706	159	48,869
<u>Unallocated assets:</u>					
Cash and bank balances					132,460
Income tax receivables					127
Property, plant and equipment					3,293
Deferred tax assets					484
Total assets					<u>185,233</u>
Liabilities					
Segment liabilities	95,230	12,823	3,945	3,765	115,763
<u>Unallocated liabilities:</u>					
Current income tax liabilities					1,726
Total liabilities					<u>117,489</u>

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 Financial Year Ended 31 December 2023

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
Full year ended 31 December 2022					
Revenue					
- External	135,137	13,706	14,888	-	<u>163,731</u>
Results					
Segment results	13,440	6	2,496	-	15,942
Other income					2,218
Other gains – net					1,763
Depreciation of property, plant and equipment					(151)
Listing expenses					<u>(2,073)</u>
Profit before income tax					17,699
Income tax expense					<u>(5,028)</u>
Profit after income tax					<u>12,671</u>
As at 31 December 2022					
Assets					
Segment assets	40,427	7,939	2,982	170	51,518
<u>Unallocated assets:</u>					
Cash and bank balances					67,360
Income tax receivables					127
Property, plant and equipment					3,157
Deferred tax assets					310
Total assets					<u>122,472</u>
Liabilities					
Segment liabilities	60,611	1,061	2,409	3,359	67,440
<u>Unallocated liabilities:</u>					
Current income tax liabilities					1,553
Total liabilities					<u>68,993</u>

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 Financial Year Ended 31 December 2023

(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 and full year ended 31 December 2023 and 31 December 2022.

Group	Six months ended 31 December		Full year ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Asia:				
- Bangladesh	-	49	-	49
- Indonesia	100,713	46,632	156,492	100,115
- Malaysia	14,371	19,839	26,142	31,658
- Pakistan	2,475	2,226	6,101	9,147
- Philippines	407	7,379	1,827	10,700
- Thailand	961	800	1,930	1,467
- South Korea	237	-	508	-
- Others	-	176	38	333
	119,164	77,101	193,038	153,469
America	135	714	299	2,537
Africa:				
- Algeria	-	152	-	152
- Benin	1,325	68	1,429	367
- Kenya	1,291	209	1,900	776
- Nigeria	512	1,436	1,720	1,948
- Republic of the Congo	1,567	-	2,168	-
- South Africa	393	2,710	556	3,676
- Uganda	-	-	-	621
- Others	-	-	4	185
	5,088	4,575	7,777	7,725
	124,387	82,390	201,114	163,731

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.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023

5. Other income and other gains/(losses) – net

Group	Six months ended 31 December		Full year ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Other income</u>				
Interest income	897	289	1,295	325
Listing grant income	-	959	-	959
Insurance compensation income	-	918	-	918
Gain on disposal of property, plant and equipment	14	-	14	-
Other income	1	16	22	16
	912	2,182	1,331	2,218
<u>Other (losses)/gains - net</u>				
Net foreign exchange (loss)/gain	(1,864)	54	1,383	1,763

6. Expenses by nature

Group	Six months ended 31 December		Full year ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Reversal of)/allowance for impairment of trade receivables	(243)	(12)	(228)	131
Depreciation of property, plant and equipment	102	84	180	151
Listing expenses	-	42	-	2,073

7. Income tax expense

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

Group	Six months ended 31 December		Full year ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax expense attributable to profit is made up of:				
- Current income tax	4,258	2,602	6,639	4,939
- Deferred tax	(403)	(322)	(174)	(131)
	3,855	2,280	6,465	4,808
(Over)/under provision in prior financial year				
- Current income tax	(99)	220	(86)	220
	3,756	2,500	6,379	5,028

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 Financial Year Ended 31 December 2023

8. Related party transactions

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

Group	Six months ended		Full year ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Purchases of services</u>				
Rental of premise from a related corporation	6	6	12	12

9. Financial assets and financial liabilities

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Financial assets at amortised cost	159,322	78,752	22,203	18,807
Financial liabilities at amortised cost	38,395	44,355	329	2,282

10. Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to RM240,000 (Six months ended 31 December 2022: RM331,000).

11. Dividend

Group	2023	2022
	RM'000	RM'000
Ordinary dividend paid:		
Final dividend of SGD0.012 [equivalent to RM0.041] per share in respect of the financial year ended 31 December 2022		
(2022: Interim dividend of RM3.60 per share in respect of the financial year ended 31 December 2021*)	5,852	8,934*

**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 dividend was declared by a subsidiary to the shareholders.*

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023

12. Share capital

	No. of ordinary shares		Amount	
	2023	2022	2023 RM'000	2022 RM'000
Group and Company				
Balance at 1 January	143,000,000	120,500,000	98,566	83,918
Issuance of shares pursuant to the Listing	-	22,500,000	-	15,988
Capitalisation of listing expenses	-	-	-	(1,340)
Balance at 31 December	143,000,000	143,000,000	98,566	98,566

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 31 December 2023 and 31 December 2022. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022. There are no outstanding convertibles as at 31 December 2023 and 31 December 2022.

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 and full year ended 31 December 2023 and 31 December 2022.

Group	Six months ended 31 December		Full year ended 31 December	
	2023	2022	2023	2022
Net profit attributable to equity holders of the Company (RM'000)	12,270	7,931	19,120	12,671
Weighted average number of ordinary shares outstanding ('000)	143,000	143,000	143,000	139,240
Basic/diluted earnings per share (in sen)	8.58	5.55	13.37	9.10

There is no dilution of earnings per share for the respective financial years as there were no potential dilutive ordinary shares.

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 year.

	Group		Company	
	2023	2022	2023	2022
Net asset value attributable to equity holders of the Company (RM'000)	67,744	53,479	119,334	108,413
Number of ordinary shares in issue (excluding treasury shares) ('000)	143,000	143,000	143,000	143,000
Net asset value per share (in sen)	47.37	37.40	83.45	75.81

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

For the Financial Year Ended 31 December 2023

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 an unqualified opinion for its latest audited consolidated financial statements for the financial year ended 31 December 2022.

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 RM42.00 million or 51.0% from approximately RM82.39 million for the six months ended 31 December 2022 ("**2H2022**") to approximately RM124.39 million for the six months ended 31 December 2023 ("**2H2023**") due to increase of business activities across all segments.

The Group's revenue increased by approximately RM37.38 million or 22.8% from approximately RM163.73 million for the full year ended 31 December 2022 ("**FY2022**") to approximately RM201.11 million for the full year ended 31 December 2023 ("**FY2023**") due to increase of business activities across all segments.

Revenue from the Edible & Non-Edible Oil Refinery segment increased by approximately RM37.01 million or 58.3% from approximately RM63.48 million in 2H2022 to approximately RM100.49 million in 2H2023 and increased by approximately RM22.27 million or 16.5% from approximately RM135.14 million in FY2022 to approximately RM157.41 million in FY2023. This was mainly due to increase in revenue contribution from new projects secured in the prior year from Indonesia.

Revenue from the Renewable Energy segment increased by approximately RM2.77 million or 23.7% from approximately RM11.69 million in 2H2022 to approximately RM14.46 million in 2H2023 and increased by approximately RM11.38 million or 83.1% from approximately RM13.71 million in FY2022 to approximately RM25.09 million in FY2023. This was mainly due to an increase in revenue contribution from an ongoing project in Indonesia which achieved a higher percentage of completion in FY2023 compared to FY2022.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

For the Financial Year Ended 31 December 2023

Revenue from the Product Sales and Trading segment increased by approximately RM2.22 million or 30.7% from approximately RM7.21 million in 2H2022 to approximately RM9.43 million in 2H2023 and increased by approximately RM3.73 million or 25.0% from approximately RM14.89 million in FY2022 to approximately RM18.62 million in FY2023. This was mainly due to an increase in demand for the supply of parts and engineering components from customers in Malaysia and Africa.

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.

Cost of sales and gross profit

The Group's cost of sales increased by approximately RM32.52 million or 49.1% from approximately RM66.28 million in 2H2022 to approximately RM98.80 million in 2H2023 and increased by approximately RM28.74 million or 21.6% from approximately RM133.13 million in FY2022 to approximately RM161.87 million in FY2023. The increase was largely in line with the increase in revenue. The cost of sales included the cost related to rectification works in relation to the fire incident during the commissioning of a customer's refinery plant on 6 January 2023.

The Group's gross profit increased by approximately RM9.48 million or 58.8% from approximately RM16.11 million in 2H2022 to approximately RM25.59 million in 2H2023 and increased by approximately RM8.64 million or 28.3% from approximately RM30.60 million in FY2022 to approximately RM39.24 million in FY2023. Gross profit margin increased by 1.0 percentage point from 19.6% in 2H2022 to 20.6% in 2H2023 and increased by 0.8 percentage points from 18.7% in FY2022 to 19.5% in FY2023.

Other income

Other income decreased by approximately RM1.27 million from approximately RM2.18 million in 2H2022 to approximately RM0.91 million in 2H2023 and decreased by approximately RM0.89 million from approximately RM2.22 million in FY2022 to approximately RM1.33 million in FY2023. This was mainly due to absence of listing grant income and insurance compensation income received in FY2022 and partially offset by an increase in interest income from fixed deposits.

Other (losses)/gains – net

Other losses/gains changed from a net gain of approximately RM0.05 million in 2H2022 to a net loss of approximately RM1.86 million in 2H2023. Other gains decreased by approximately RM0.38 million from approximately RM1.76 million in FY2022 to approximately RM1.38 million in FY2023. This was mainly due to a decrease in unrealised foreign exchange gain from the Group's net asset exposure to United States dollars.

Expenses

Our Group recorded a reversal of impairment of trade receivables of approximately RM0.24 million in 2H2023 and approximately RM0.23 million in FY2023 mainly due to the collection of certain long outstanding trade receivables that had previously been provided for.

Administrative and other expenses increased by approximately RM0.92 million or 11.7% from approximately RM7.93 million in 2H2022 to approximately RM8.85 million in 2H2023 was mainly due to an increase in employee compensation. Administrative and other expenses decreased by approximately RM0.06 million or 0.4% from approximately RM16.74 million in FY2022 to approximately RM16.68 million in FY2023 mainly due to the absence of the listing expenses incurred in connection with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited in FY2022 and partially offset by an increase in employee compensation.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

For the Financial Year Ended 31 December 2023

Income tax expense

Income tax expenses increased by approximately RM1.26 million or 50.2% from approximately RM2.50 million in 2H2022 to approximately RM3.76 in 2H2023 and increased by approximately RM1.35 million or 26.9% from RM5.03 million in FY2022 to approximately RM6.38 million in FY2023. The increase was largely in line with the increase in the chargeable income during the period/year.

Effective income tax rate decreased by 0.6 percentage point from 24.0% in 2H2022 to 23.4% in 2H2023 and decreased by 3.4 percentage points from 28.4% in FY2022 to 25.0% in FY2023 mainly due to the absence of the listing expenses which have been incurred in FY2022 and is not deductible for tax purposes.

Profit after income tax

Overall, the Group's profit after income tax increased by approximately RM4.34 million or 54.7% from approximately RM7.93 million in 2H2022 to approximately RM12.27 million in 2H2023 and increased by approximately RM6.45 million or 50.9% from approximately RM12.67 million in FY2022 to approximately RM19.12 million in FY2023.

(b) Review of changes in working capital, assets and liabilities

The Group's financial position as at 31 December 2023 remains strong and resilient, with a net asset position of approximately RM67.74 million and healthy cash and bank balances of approximately RM132.46 million.

Current assets

The Group's current assets increased by approximately RM62.45 million or 52.5% from approximately RM119.00 million as at 31 December 2022 to approximately RM181.46 million as at 31 December 2023 mainly due to (i) an increase in cash and bank balances; (ii) an increase in trade and other receivables; and partially offset by a decrease in contract assets and inventories.

Trade and other receivables increased by approximately RM15.47 million or 135.8% from approximately RM11.39 million as at 31 December 2022 to approximately RM26.86 million as at 31 December 2023 due to more milestone billings to customers upon satisfaction of performance obligation for our engineering contracts.

Contract assets decreased by approximately RM18.09 million or 45.8% from approximately RM39.52 million as at 31 December 2022 to approximately RM21.43 million as at 31 December 2023 mainly due to timing difference of billings.

Inventories decreased by approximately RM0.03 million or 4.8% from approximately RM0.60 million as at 31 December 2022 to approximately RM0.57 million as at 31 December 2023 mainly due to a decrease in certain engineering components held as inventories.

Non-current assets

The Group's non-current assets increased by approximately RM0.31 million or 8.9% from approximately RM3.47 million as at 31 December 2022 to approximately RM3.78 million as at 31 December 2023 mainly due to an increase in deferred tax assets and additions of property, plant and equipment during the year. This was partially offset by depreciation charged on property, plant and equipment.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

For the Financial Year Ended 31 December 2023

Current liabilities

The Group's current liabilities increased by approximately RM48.50 million or 70.3% from approximately RM68.99 million as at 31 December 2022 to approximately RM117.49 million as at 31 December 2023 mainly due to (i) an increase in contract liabilities; (ii) an increase in current income tax liabilities; and partially offset by a decrease in trade and other payables.

Contract liabilities increased by approximately RM54.28 million or 235.1% from approximately RM23.09 million as at 31 December 2022 to approximately RM77.37 million as at 31 December 2023 mainly due to the advance payments collected from new projects secured during the year.

Current income tax liabilities increased by approximately RM0.17 million or 11.1% from approximately RM1.55 million as at 31 December 2022 to approximately RM1.72 million as at 31 December 2023 mainly due to an increase in provision for taxation for the higher profit recorded during the year.

Trade and other payables decreased by approximately RM5.96 million or 13.4% from approximately RM44.36 million as at 31 December 2022 to approximately RM38.40 million as at 31 December 2023 mainly due to timely settlement of trade payables to non-related parties.

(c) Review of changes in cash flows

In FY2023, net cash provided by operating activities amounted to approximately RM68.77 million. This was due to operating cash inflow before working capital changes of approximately RM22.88 million, adjusted for (a) net working capital inflow of approximately RM51.02 million; (b) interest received of approximately RM1.25 million, and tax paid of approximately RM6.38 million. The net working capital inflow was due to (i) a decrease in net contract assets of approximately RM72.37 million; (ii) a decrease in inventories of approximately RM0.03 million; which was partially offset by an increase in trade and other receivables of approximately RM15.42 million and a decrease in trade and other payables of approximately RM5.96 million.

Net cash used in investing activities amounted to approximately RM0.31 million due to purchase of property, plant and equipment of approximately RM0.32 million and partially offset by proceeds from disposal of property, plant and equipment of approximately RM0.01 million.

Net cash used in financing activities amounted to approximately RM5.85 million due to dividend paid during the year.

As a result of the above, there was a net increase of approximately RM62.61 million in cash and bank balances. As at 31 December 2023, the Group recorded strong and healthy cash and bank balances of approximately RM132.46 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.

In FY2023, new contracts secured by the Group showed an increase of 64.3% compared to FY2022, and its profit after tax of approximately RM19.12 million showed an increase of 50.9% compared to FY2022. The Group's profit after tax translates into a healthy earnings per share of approximately 13.37 sen. The substantial increase in the value of total contracts secured in FY2023 as compared to FY2022 highlight the market attractiveness of the Group's reliable, innovative, diversified and comprehensive range of process and engineering solutions.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

For the Financial Year Ended 31 December 2023

The Group remains confident about the long-term outlook of the Edible & Non-Edible Oil Refinery segment with the global consumption of oils and fats growing in tandem with population growth. This has benefitted the food and beverage, renewable energy and biodiesel sectors. The global fats and oils market size is projected to reach USD 285.22 billion by 2026, with a CAGR of 3.8% between 2021 and 2026¹. With the growing demand for food, there is 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. Capitalising on this macro trend, the Group will continue to leverage its capabilities, integrated 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 geographically to other markets with emerging prospects.

The Group also sees the acceleration of global environmental sustainability benefitting its Renewable Energy segment. Indonesia, the world's biggest palm oil producing country, continues to implement the raising of mandatory blending of biodiesel from 30% to 35% (B30 to B35) in the country and will raise it to 40% in the next few years². It was reported that Indonesia's biodiesel consumption reached 8.5 million metric tons between January and September 2023 with total consumption for the year seen at about 11.5 million tons, due to the implementation of B35 in February 2023. However, as many regions in Indonesia needed to improve infrastructure for the higher blend, it was not implemented nationwide until August 2023³. Malaysia, one of the world's largest palm oil producing countries, is also similarly committed to the implementation of its biodiesel programme which will progressively increase biodiesel blending ratios from the current 20%. This expansion will be done in phases based on the readiness of biodiesel blending facilities in Malaysia⁴.

With the aviation industry's decarbonization commitment to achieve net zero emissions by 2050⁵, the market is moving towards sustainable aviation fuel. Our processes are capable of treating and cleansing palm oil mill effluent ("**POME**"), a non-edible type of vegetable oil, 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 aviation fuels.

With severe climate changes and extreme weather due to the impact of environmental degradation and global warming, countries around the world have placed environmental protection as a key agenda and are introducing increasingly stringent environmental regulations, initiatives and policies. With this backdrop and the growing emphasis on environmental, social and governance ("**ESG**") considerations, the Group remains optimistic of continued growth prospects in the renewable energy sector. As it increases its focus on this sector, the Group will continue to develop new and innovative processes so as to provide more support and solutions to the sustainability efforts of its existing customers and markets.

Barring any unforeseen circumstances and notwithstanding the uncertainties and volatility of the global economy affected by current geopolitical tensions, the Group expects its businesses to be driven primarily by the 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 current order book based on unfulfilled orders from signed contracts, confirmed variation orders and letters of awards obtained continues to remain high at approximately RM360.97 million, with new orders secured of approximately RM322.1 million in the financial year ended 31 December 2023. The present order book is expected to be fulfilled over the next 18 to 24 months, barring any unforeseen circumstances.

¹ <https://www.marketsandmarkets.com/Market-Reports/fats-oils-market-6198812.html>

² <https://www.reuters.com/business/energy/indonesia-plans-hike-biodiesel-mandate-next-few-years-2023-06-26/>

³ <https://www.biofuelsdigest.com/bdigest/2023/10/10/indonesian-2023-biodiesel-consumption-at-8-5m-tons-through-september/>

⁴ <https://thesun.my/business/malaysia-committed-to-raising-biodiesel-mandate-FA10988915>

⁵ <https://www.iata.org/en/pressroom/pressroom-archive/2021-releases/2021-10-04-03/>

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

For the Financial Year Ended 31 December 2023

7. Dividend

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

Yes.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	1.60 Singapore cents
Tax rate	Tax-exempt (one-tier)

The final dividend is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

(b) Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	1.20 Singapore cents
Tax rate	Tax-exempt (one-tier)

(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.

Refer to paragraph 7(a).

(d) Date payable

The date payable for the proposed final cash dividend will be announced at a later date.

(e) Record date

The record date will be announced at a later date.

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

Not applicable.

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 FY2023.

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. There were no acquisition or realisation of shares in any of the Group's subsidiaries nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during FY2023.

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

For the Financial Year Ended 31 December 2023

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:

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

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	2023 S\$'000	2022 S\$'000
Ordinary dividend - final	2,288	1,716

14. Breakdown of sales

Group	2023 RM'000	2022 RM'000	Change %
(a) Sales reported for:			
- First half of the financial year	76,727	81,341	(5.7)
- Second half of the financial year	124,387	82,390	51.0
	<u>201,114</u>	<u>163,731</u>	22.8
(b) Operating profit after tax before deducting non-controlling interests reported for:			
- First half of the financial year	6,850	4,740	44.5
- Second half of the financial year	12,270	7,931	54.7
	<u>19,120</u>	<u>12,671</u>	50.9

OILTEK INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

For the Financial Year Ended 31 December 2023

- 15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there were no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Mr. Yong Khai Weng
Executive Director and Chief Executive Officer

7 February 2024