



**OILTEK INTERNATIONAL LIMITED**

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

## **Oiltek International's FY2023 net profit surges 50.9% to RM19.1 million, revenue growth 22.8% to RM201.1 million**

- *Order book, revenue, and profitability extend their growth trajectories despite the backdrop of a challenging macroeconomic environment*
- *Proposes a final dividend of 1.6 Singapore cents per share for FY2023, representing about 40.7% of Group's net profit after income tax*
- *With a record RM322.1 million worth of new orders secured in FY2023, the Group's current order book remains strong at RM361.0 million*
- *Maintains a strong financial position with zero debt and healthy cash and bank balances of RM132.5 million representing 195.5% of net assets*

**Singapore, 7 February 2024** – Established integrated process technology and renewable energy solutions provider, Oiltek International Limited (优特科技国际有限公司) (“**Oiltek**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), is pleased to announce that its net profit after income tax for the financial year ended 31 December 2023 (“**FY2023**”) surged 50.9% to RM19.1 million on the back of a revenue growth of 22.8% to RM201.1 million.

### **Key Financial Performance Highlights**

	Full year ended 31 December		
	2023	2022	% Change
Revenue (RM'million)	201.1	163.7	22.8
Gross Profit (RM'million)	39.2	30.6	28.3
Profit before income tax (RM'million)	25.5	17.7	44.1
Profit after income tax (RM'million)	19.1	12.7	50.9
Basic and diluted earnings per share (in sen)	13.4	9.1	46.9

## Condensed Financial Position

	As at 31 December		
	2023	2022	% Change
Cash and bank balances (RM'million)	132.5	67.4	96.6
Total assets (RM'million)	185.2	122.5	51.2
Total liabilities (RM'million)	117.5	69.0	70.3
Total equity / net assets (RM'million)	67.7	53.5	26.7
Net asset value per share (in sen)	47.4	37.4	26.7

The Group's revenue increased by 22.8% from RM163.7 million for the full year ended 31 December 2022 ("FY2022") to RM201.1 million for FY2023 following an increase of business activities across all business segments.

Revenue from the Edible & Non-Edible Oil Refinery segment increased by 16.5% to RM157.4 million in FY2023, 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 83.1% to RM25.1 million in FY2023, 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. Revenue from the Product Sales and Trading segment increased by 25.0% to RM18.6 million in FY2023, mainly due to an increase in demand from customers in Malaysia and Africa for the supply of parts and engineering components.

Overall, the Group's profit after income tax increased by 50.9% to RM19.1 million in FY2023 which translates into a healthy earnings per share of 13.4 sen.

As at 31 December 2023, the Group's financial position remains strong and resilient, with zero debt, a net asset position of RM67.7 million and healthy cash and bank balances of RM132.5 million, representing 195.5% of the Group's net assets.

## Final Dividend

After taking into account the Company's excellent FY2023 financial results, the Board of Directors of the Company is recommending a Final Dividend of 1.6 Singapore cents per share for FY2023, which is subject

to the approval of shareholders at the forthcoming annual general meeting of the Company. The Final Dividend represents about 40.7% of the Group's net profit after income tax, which translates into a dividend yield of approximately 7.3% calculated based on the Company's closing share price of 22.0 Singapore cents on 29 December 2023 (being the last market day on which the Company's shares were traded in FY2023).

Commenting on the FY2023 financial results, **Mr Henry Yong Khai Weng (杨淳麟), Executive Director and CEO of Oiltek**, said, *"Oiltek once again enjoyed stellar growth in FY2023, even against the backdrop of a challenging global macroeconomic climate. Our solid financial performance and record of new orders secured in FY2023 demonstrate our resilient business fundamentals and strong operational capabilities. In appreciation of the unwavering support from the shareholders and our steadfast commitment to shareholders, we have recommended a Final Dividend of 1.6 Singapore cents per share for FY2023, representing an increase of 33.3% as compared to 1.2 Singapore cents per share declared for FY2022. In the new financial year, we will continue to grow our business and enhance long-term sustainable value to our shareholders."*

### **Business Outlook**

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 highlights the market attractiveness of the Group's reliable, innovative, diversified and comprehensive range of process and engineering solutions.

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 line with population growth. The Group will capitalise on this trend by continuing to leverage its excellent engineering capabilities, integrated technological knowledge, and proven track record to secure more projects, especially projects of a larger scale, in existing and new markets, and to expand to other markets with emerging prospects.

The Group also sees the increasing acceleration of global environmental sustainability benefitting its Renewable Energy segment. Indonesia, the world's biggest palm oil producing country, continues to raise

its mandatory blending of biodiesel from 30% to 35% (B30 to B35) and will raise it to 40% in the next few years<sup>1</sup>. Indonesia's biodiesel consumption is reported to reach 11.5 million tons in 2023, due to the implementation of B35 in February 2023 with nation-wide implementation occurring later in August 2023 as infrastructure in many regions had to be improved for the higher blend<sup>2</sup>. Malaysia, one of the world's largest palm oil producing countries, is similarly committed to implementing 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 Malaysia<sup>3</sup>.

The aviation industry's decarbonisation commitment to achieve net zero emissions by 2050<sup>4</sup> will propel the aviation market towards sustainable aviation fuel. The Group's processes are capable of treating and cleansing palm oil mill effluent ("POME"), a non-edible 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") which is used as aviation fuel.

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. The Group's current order book<sup>5</sup> continues to remain high at approximately RM361.0 million, with new orders secured of approximately RM322.1 million in FY2023. The present order book is expected to be fulfilled over the next 18 to 24 months, barring any unforeseen circumstances.

End.

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

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<sup>1</sup> <https://www.reuters.com/business/energy/indonesia-plans-hike-biodiesel-mandate-next-few-years-2023-06-26/>

<sup>2</sup> <https://www.biofuelsdigest.com/bdigest/2023/10/10/indonesian-2023-biodiesel-consumption-at-8-5m-tons-through-september/>

<sup>3</sup> <https://thesun.my/business/malaysia-committed-to-raising-biodiesel-mandate-FA10988915>

<sup>4</sup> <https://www.iata.org/en/pressroom/pressroom-archive/2021-releases/2021-10-04-03/>

<sup>5</sup> Based on unfulfilled orders from signed contracts, confirmed variation orders and letters of awards obtained as at the date of this media release.

## ABOUT OILTEK INTERNATIONAL LIMITED

Oiltek International Limited (“**Oiltek**” and together with its subsidiaries, the “**Group**”), an established integrated process technology and renewable energy solutions provider, 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 43 years of track record, Oiltek has successfully designed, built and commercialized plants in more than 33 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 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 Audrey Mok (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*