



OILTEK

优特科技国际有限公司

OILTEK INTERNATIONAL LIMITED

EDIBLE & NON-EDIBLE OIL REFINERY



RENEWABLE ENERGY



PRODUCT SALES & TRADING



- ◆ RESILIENT BUSINESS
- ◆ RAPID GROWTH
- ◆ RECURRING REVENUE

ANNUAL REPORT 2021

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This Annual Report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Annual Report has not been examined or approved by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

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.

CORPORATE PROFILE

Oiltek International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is an established integrated process technology and renewable energy solutions provider in the vegetable oils industry, providing 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.

The history of the Group can be traced back to our principal operating subsidiary, Oiltek Sdn. Bhd., which was incorporated in Malaysia on 1 December 1980 as a private company limited by shares and started out as a home-grown vegetable and edible oil process engineering company. With over 40 years of industry experience and the Group’s in-house proprietary process technology and know-how, the Group provides reliable, innovative, diversified and comprehensive range of process and engineering solutions for use across all different sectors of the vegetable oils industry value chain worldwide. The Group has successfully designed, built and commercialised over 570 plants in more than 30 countries across 5 continents.

The Group operates three (3) key businesses – Edible & Non-Edible Oil Refinery segment, Renewable Energy segment, and Product Sales and Trading segment. For more information, please visit the Company’s website at www.oiltek.com.my.

Our Vision

Our vision is to be a global leader in providing leading process technology and sustainable solutions in the oils and fats industry, which can create a positive impact for our stakeholders and the environment.

Oiltek International Limited was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 3 March 2022 (SGX: HQU).

STATEMENT BY CHAIRMAN AND CEO



DEAR SHAREHOLDERS,

On behalf of the Board of Directors (“**Board**”), it gives us great pressure to present the inaugural Annual Report of Oiltek International Limited (“**Oiltek**”, the “**Company**” and together with its subsidiaries, the “**Group**”) for the financial year ended 31 December 2021 (“**FY2021**”). This is our first Annual Report since our public listing on the Catalist Board of the Singapore Exchange Securities Trading Limited on 3 March 2022.

FY2021 was a challenging year for the Group, as we had to deal with the impact of the ongoing COVID-19 pandemic which caused widespread disruptions and market volatility to the countries where we have businesses and operate in, including the prolonged lockdown of office operations caused by the movement control order (“**MCO**”) in Malaysia. Despite the abovementioned, the Group’s projects were not materially affected in FY2021, as we employed some effective mitigating solutions for our projects such as making arrangements to engage local expertise, and providing support and commissioning protocols online to our overseas clients.

At the same time, the Group also embarked on its Initial Public Offering (“**IPO**”) exercise and had to incur one-off listing expenses that affected its financial performance. However, due to our strong management team and resilient business model, we still managed to deliver a positive result for FY2021. Revenue for FY2021 grew 15.0% to RM100.63 million from RM87.54 million in the financial year ended 31 December 2020 (“**FY2020**”). The increase was mainly due to new projects secured in FY2021 for the Group’s Edible & Non-Edible Oil Refinery segment. The incurrence of listing expenses caused the Group’s profit after income tax to fall by 19.5% from RM12.06 million in FY2020 to RM9.71 million in FY2021. If these expenses were excluded, the Group’s profit after income tax would have increased by 1.3% to RM12.22 million despite a challenging year in FY2021.

Resilient Business

Over the past 40 years that Oiltek has been in business, it has built up a resilient business model, which is able to withstand the fast-changing nature of the industry,



STATEMENT BY CHAIRMAN AND CEO

Our business model is driven by a highly innovative, efficient, and dynamic management team

as reflected in our ability to maintain a consistent track record of profitability. Our business model is also asset-light, which has allowed us to maintain low capital expenditure and generate recurring operating cash flows to fund our working capital and expansion plans.

With our in-house proprietary process technology and know-how, Oiltek provides a reliable, innovative, diversified and comprehensive range of process and engineering solutions on a global basis for use across all different sectors in the vegetable oils industry value chain. Today, Oiltek's services include the engineering, procurement, designing, construction and commissioning ("EPCC") of edible and non-edible oil refining plants, renewable energy, downstream specialty products and processing plants; the upgrading and retrofitting of existing production facilities; and turnkey outside-battery limits ("OSBL") infrastructure engineering.

Additionally, our business model is driven by a highly innovative, efficient, and dynamic management team that has seen the Group through several economic and financial crises, including the current COVID-19 pandemic. We are thus well-positioned to leverage on the experience and knowledge of our management team and the strong business relationships that they have built with our suppliers and key customers for the continued growth of our Group.

The long-term outlook of the Group's Edible & Non-Edible Oil Refinery segment continues to be robust with the global consumption of oils and fats growing with a rising world population and in turn, 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. Furthermore, palm oil is consumed

worldwide in the form of edibles such as cooking oil, confectioneries, margarine, and chocolates, while being a raw material for ingredients found in a range of non-edible household and industrial products such as soaps, detergents, cosmetics, and pharmaceuticals.

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 its existing and new markets, and to expand its geographical reach to other palm oil markets that have good prospects.

Rapid Growth

The Group believes that the global sustainable and renewable energy industry is poised for rapid growth as the estimated scarcity of fossil fuel has led to the energy industry to source for other alternative fuels which are more environmentally-friendly, lower in carbon emissions and abundant in nature. With global energy demand expected to increase by up to 25% between 2017 and 2040¹, greenhouse gas emissions have increased with the ever-increasing energy demand due to the population growth and other activities. With various sectors like transportation, residential, commercial, industries and agricultural practices having

¹ Source: The article entitled "The Utilisation of Palm Oil Residues and the Related Challenges as a Sustainable Alternative in Biofuel, Bioenergy, and Transportation Sector: A Review" published on 12 March 2021 by Multidisciplinary Digital Publishing Institute

STATEMENT BY CHAIRMAN AND CEO

higher energy demands, there is a strong requirement for a sustainable fuel alternative.

Biofuel is perceived as a highly preferable alternative to conventional fossil fuels, given its functionalities and advantages, which are comparable and compatible with fossil fuels. The advantage for biofuel is the abundance of available resources that are renewable and more sustainable compared to fossil fuel, with a reduced environmental impact.

Palm oil is a potential biofuel as the world's largest commodity vegetable oil that is abundantly available in Asia and requires less fertilizers and pesticides in comparison to other oil seeds. It can even be grown in peat soil with less water needed for cultivation. In addition, the palm oil tree provides a significantly higher yield and utilises nine times less land compared to any other oil crops. These elements have made palm oil and the generated oil palm residues a sustainable replacement for fossil fuels. As an alternative and promising feedstock, palm oil biodiesel is a more environmentally friendly, cleaner and safer fuel compared to mineral diesel. As such, there are mandated policies in several countries to blend mineral diesel with more biodiesel to reduce carbon emissions, which will in turn create more demand for biodiesel.

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. Oiltek is ready and able to provide services for renewable energy industries including (i) EPCC of multi-feedstock biodiesel, enzymatic biodiesel, winter fuel, and palm oil mill effluent biogas methane recovery plants; (ii) upgrading and retrofitting of existing facilities; and (iii) turnkey OSBL infrastructure engineering which includes the environmental solutions and integration into steam and power generation.

The Group believes that the recent market developments will be a strong catalyst to further accelerate positive developments in both the edible oil and renewable energy segments. This includes the recent hike in world commodity prices for both vegetable oils and fossil fuels where the industry players in both segments that have benefited from strong revenue growth, are believed to have allocated higher expansion budgets for expansion, integration and diversification, that is vital for long term sustainability. The recent export ban of palm oil by Indonesia would also provide a catalyst to which many domestic processors are expected to be set up in Indonesia, as well as to further stimulate the expansion of upstream plantation activities in other countries such as Africa, Central and Latin America.

Recurring Revenue

In order to smoothen out our project-based revenue, our Product Sales and Trading segment which deals with the distribution of components and chemical trading, helps to provide a recurring revenue stream for the Group.

The Group's role as a regional agent, market representative and/or exclusive distributor of many notable engineering components and equipment brands leverages on its in-house engineering strength and knowledge. The engineering expertise of the Group provides value add to both the principals and end customers, while providing further comfort and assurance to its customers in relation to aftersales support and the continuity of spare parts supply. The Group's specialised spare parts team provides replacement of any wear and tear items in the process plants, while the specialised servicing and maintenance team offers contractual or ad-hoc support services to customers and after-sales service to in-house projects



STATEMENT BY CHAIRMAN AND CEO

such as annual scheduled maintenance or breakdown maintenance.

The Group will continue to build up its Product Sales and Trading segment which is complementary to its Edible & Non-Edible Oil Refinery and Renewable Energy segments. The Group also intends to expand its business through investments, mergers and acquisitions, joint ventures and/or strategic alliances to, among others, generate more recurring revenue.

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. The current strong order book of RM198.1 million as at 30 April 2022 is expected to be fulfilled over the next 18 to 24 months.

Environmental, Social and Governance ("ESG")

ESG has always been a key focus of our operations, and we have adopted ESG policies and practices throughout the organisation. Our products are also designed to prioritise full automation so as to minimise dependency on manpower, coupled with the highest energy efficiency in minimising the energy usage with maximum energy recovery. Our flagship processes are also capable of transforming waste into energy, like the transformation of sludge oil and high Free Fatty Acid ("FFA") oil into biofuels. As a member of the Roundtable on Sustainable Palm Oil ("RSPO"), the Group will continue to promote sustainability in the palm oil industry and supply chain.

The Group's products are designed based on the most stringent and highest safety engineering standards to ensure the best occupational health and safety protection for the users, and all our employees are equipped with sufficient training and personal protective equipment to ensure the highest safety compliance levels at the workplace. Good business ethics is also a key ESG value that is practised and applied by everyone within the organisation, from top management to the junior officers. On diversity and inclusion, our business portfolio has diversified over the span of the last approximately 15 years, covering industries in the edible oil sector, renewable energy sector, upstream and downstream end user product segments including consumer products, nutraceutical and healthcare industries, premium food additives and products, cooking oil and edible fat industries, animal

feed industries, and general engineering components. In terms of geographical diversity, we now cover over 30 countries in five (5) different continents with minimal concentration risk.

Last but not least, the Company also possesses a diverse Board of Directors, comprising professionals from different industries including corporate strategy and finance, legal, accounting and audit, and engineering. The Company is also on a good track with regards to gender diversity, with approximately 32% of the Group comprising of females, with females forming approximately 34% at the working level, 25% at the Executive Officers level and 17% at the Board level.

In Appreciation

As a listed company, Oiltek recognises its responsibility to grow its business to generate shareholder's returns and enhance shareholder's value. Although the Company currently does not have a fixed dividend policy, the Board of Directors is committed to recommend distributions of dividends of not less than 40% of the net profit attributable to shareholders of the Company for the financial years ending 31 December 2022 ("FY2022") and 31 December 2023 ("FY2023"), in order to reward shareholders for participating in the Company's growth.

We wish to also record our appreciation to our sponsor and all the professional advisors that have helped us achieve a successful IPO which was 4.3 times oversubscribed. We also thank our fellow Board members for their valuable guidance, and our management and staff for the hard work they have put in to achieve the FY2021 results for the Group, despite the challenges of operating during the COVID-19 pandemic.

We also would like to thank our esteemed customers for appreciating our unique design and engineering excellence for the design, building and commercialisation of what we believe to be the first process type in the growing vegetable oils industry. To our business associates and suppliers, we thank you for your continued and reliable support, as we bring Oiltek to its next stage of growth and development.

Mr. Hew Koon Chan

Non-Executive Chairman and Independent Director

Mr. Yong Khai Weng

Executive Director and Chief Executive Officer

KEY MILESTONES

Listed on the Catalist Board of the **Singapore Exchange Securities Trading Limited**

Designed, constructed and commissioned of our flagship **enzymatic biodiesel plant** that converts high free fatty acid crude palm oil, palm fatty acid distillate, palm acid oil and palm sludge oil into biodiesel

Commercialised a refining plant which produces **low 3-monochloropropane diol (3MCPD) and glycidyl fatty acid esters**

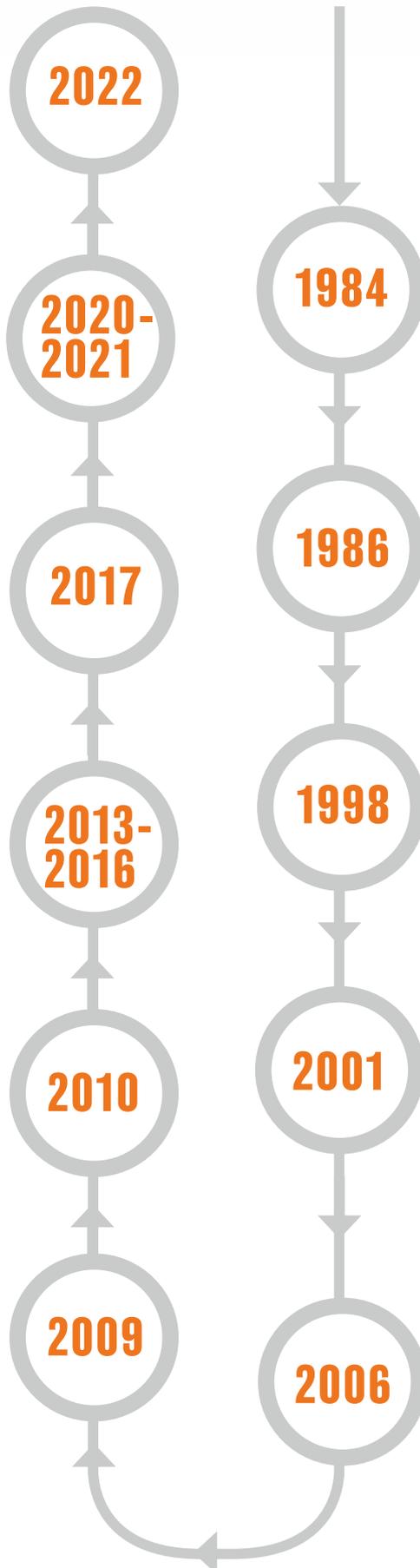
Designed, constructed and commissioned refining plants which produce the **lightest colour edible oil and multi-feedstock palm biodiesel plant**

Designed, constructed commissioned our 3rd generation flagship **dry fractionation plant with patented crystallizer**

Expanded into the **renewable energy** sector

Embarked on biogas recovery for POME to be converted into energy sources

Designed, constructed & commissioned a palm edible oil **refining plant incorporated with phytonutrient recovery & tocotrienol enrichment**



Adopted **pre-stripper** technology for the removal of FFA

Developed a system to produce **edible oil with higher Vitamin E**

One of the first locally-owned process engineering companies to obtain **ISO9001** certification

Awarded a contract for construction of an **integrated palm biodiesel & phytonutrient extraction plant**

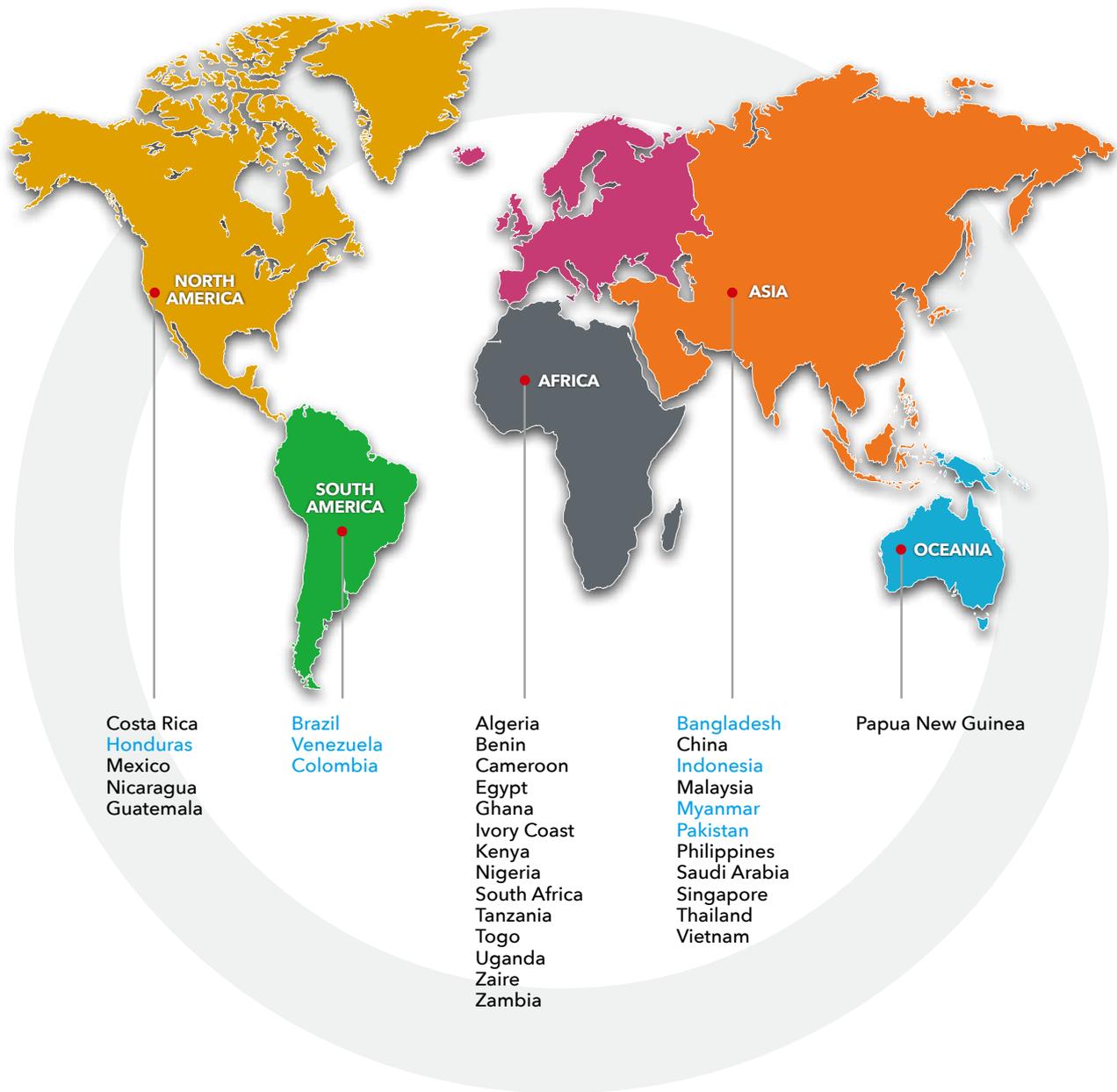
Licensed by MPOB for commercialisation of MPOB's **palm biodiesel & winter fuel processes**

Designed & built one of the **world's largest physical refinery plants** with capacity of approximately 2,800 metric tonnes per day



GLOBAL PRESENCE & TRACK RECORD

WE SERVE SOME OF THE WORLD'S LARGEST AGRICULTURAL COMMODITIES MARKETS



Global Presence In
>30
Countries

Global Presence Across
5
Continents

International Sales Agents
8
Worldwide

Track Record Over
40
Years

Designed, Built And Commercialised Over
570
Plants

BUSINESS OVERVIEW

OUR BUSINESS

Our Group's key businesses are principally categorised as follows:

Edible & Non-Edible Oil Refinery segment

- ◆ EPC of edible and non-edible oil refining plants, downstream specialty products and processing plants
- ◆ Upgrading and retrofitting of existing facilities
- ◆ Turnkey OSBL infrastructure engineering

Renewable Energy segment

- ◆ EPC of multi-feedstock biodiesel, enzymatic biodiesel, winter fuel, and POME biogas methane recovery plants
- ◆ Upgrading and retrofitting of existing facilities
- ◆ Turnkey OSBL infrastructure engineering which includes the environmental solutions and integration into steam and power generation

Product Sales and Trading segment

- ◆ Engineering component sales
- ◆ Agency and distributorship
- ◆ Specialty chemical product trading

BUSINESS OVERVIEW

OUR SOLUTIONS AND SERVICES

Our Group specialises in the design, engineering, procuring, constructing and commissioning of facilities and plants to our customers from various sectors of the vegetable oils industry.



Edible & Non-Edible Oil Refinery

- Physical/Steam Refining Plants
- Chemical/Alkali Refining Plants
- Neutralisation Plants
- Dry Fractionation Plants
- Detergent Fractionation Plants
- Palm Kernel Oil Fractionation Plants
- Winterisation & Dewaxing Plants
- Hydrogenation Plants
- Chemical/Enzymatic Interesterification Plants
- Texturisation (Margarine & Shortening) Plants
- Pasteurising Plants
- Phytonutrient Extraction Plants
- Spray Cooling Plants
- Pilot Plants

Renewable Energy

- Normal Palm Biodiesel Plants
- Winter Fuel Plants
- Multi-Feedstock Biodiesel Plants
- Proprietary Oiltek Biodiesel & Multi-Feedstock Process
- Proprietary Enzymatic Multi-Feedstock Biodiesel Process
- Proprietary Post-Biodiesel Phytonutrient Extraction & Concentration Process
- Acidulation Processes
- Glycerine Refining Process
- High Efficiency Biogas Methane Recovery Plants
- Pilot Plants



Product Sales And Trading

- Engineering Component Sales
- Specialty Chemical Product Trading
- Agency And Distributorship
 - API Schmidt Plate Heat Exchanger
 - TMCI Padovan Chemetator
 - Kieselmann Sanitary Valve, Pipe & Fitting
 - GekaKonus Heating Systems
 - Novozymes Enzymes
- Wear And Tear Items In The Process Plants

BUSINESS OVERVIEW

OUR PROCESS TECHNOLOGIES

Patented Process Technologies

Apparatus For Dry Fractionation Of Oils And Fats



Our patented hybrid crystalliser provides a well-controlled cooling process with excellent heat transfer efficiency

All New Physical Palm Oil Refinery



Our patented All New Physical Palm Oil Refinery is equipped with sensors connected to a centralised computer system to enable automated operation and immediate detection and response to problems in the plant

Production Of Refined, Bleached And Deodorised Palm Oil With Low Colour



Our patented process which reduces the colour intensity of the end product to 1.0 - 1.3 Red (R), which matches the colour of soft oils such as soybean, rapeseed and sunflower oils

Continuous Deodoriser With Thermosyphon Heat Recovery



Our patent involves a new design of continuous deodoriser for the edible oil refining plant with built-in heat recovery system

Patent Pending Process Technologies

Oil And Fat Fractionation System And Process



Our process provides improvements to the oil and fat fractionation system and process, increasing overall plant operation efficiency

Biogas Continuous Stirred Tank Reactor (CSTR) System And Process



Our CSTR technology enhances the efficiency of the anaerobic digestion process for the treatment of effluents discharged from palm oil mills. The recovered methane biogas is an energy source and can be used for various applications

Phytonutrients Extraction From Palm Oil



Our process is capable of extracting and concentrating the high value naturally occurring nutrient compounds in the crude palm oil via a downstream refining process. Our Company remains a proprietary vendor of such phytonutrient extraction plants

Biodiesel Production From Oil And Fatty Acids Via Enzymatic Esterification



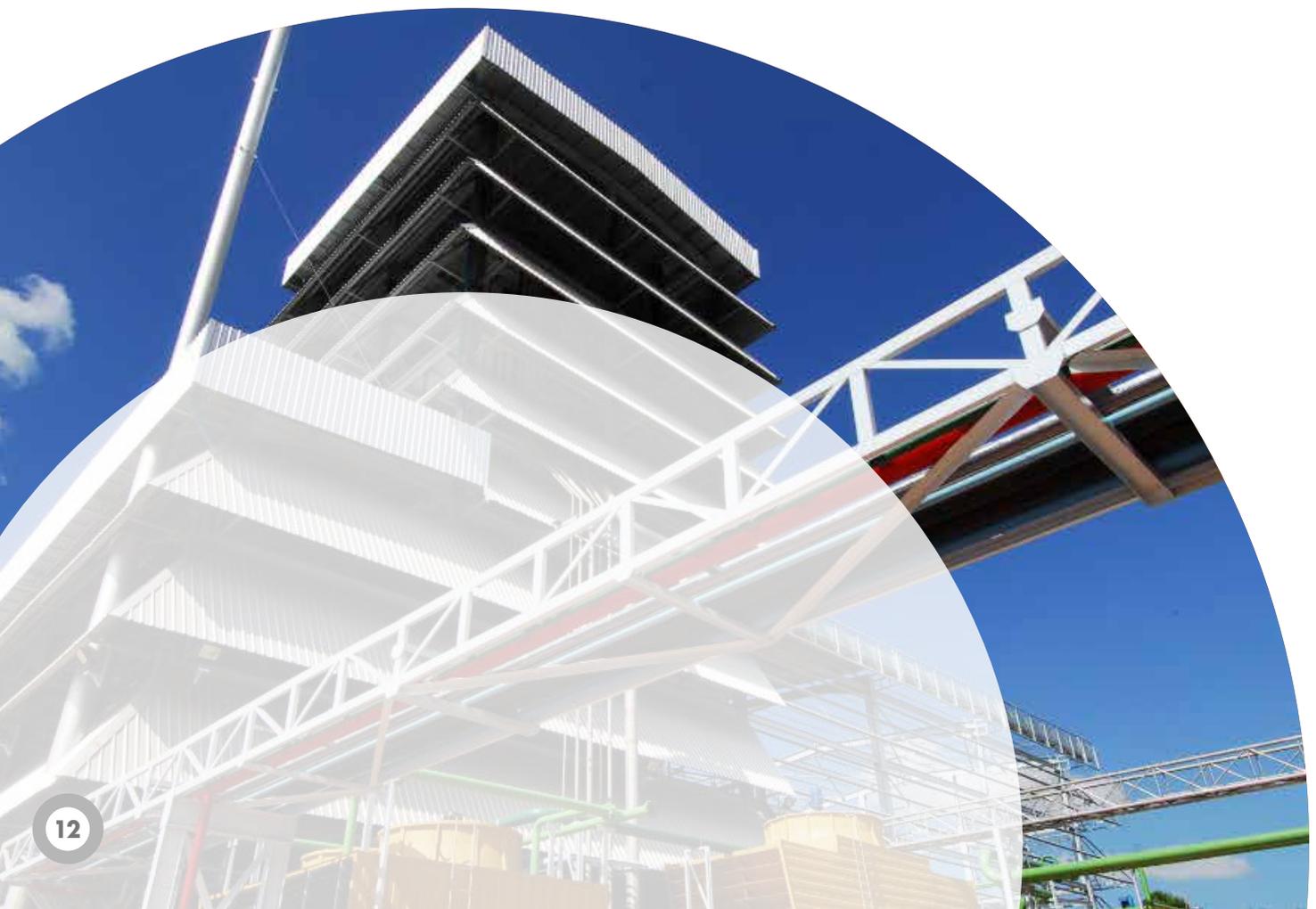
Our process is able to convert palm oil mill high FFA palm oil into biodiesel via the enzymatic biodiesel process

BUSINESS OVERVIEW

QUALITY CONTROL AND ASSURANCE

We have in place a quality assurance system for the solutions and services provided by our Group, focusing on the following:

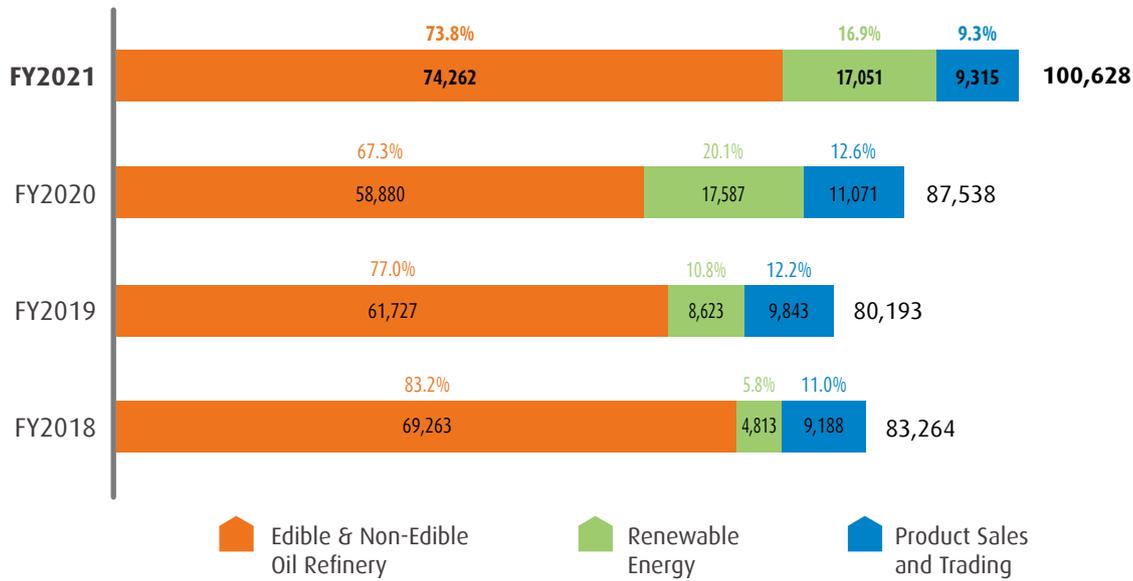
- ◆ Latest and updated designs that address market needs and cater to upcoming market trends and developments
- ◆ Cost-effective engineering designs for most efficient and optimised capital expenditure value and optimised return on capital expenditure investment
- ◆ Efficient designs with lowest utility consumption and high yield and end product quality
- ◆ Usage of various animation, design and 3D-piping software in our projects to generate design, piping and fabrication drawings with high precision
- ◆ Ensuring full compliance with industrial engineering and safety standards
- ◆ Fully automated plants with computerised and programmable logic control systems for easy operation, remote real-time monitoring and data recording
- ◆ Durable and reliable equipment, and components with long shelf-lives and minimum requirements on maintenance
- ◆ Well-trained professional and skilled technical personnel
- ◆ Efficient and prompt support services for both local and overseas customers via physical or online support



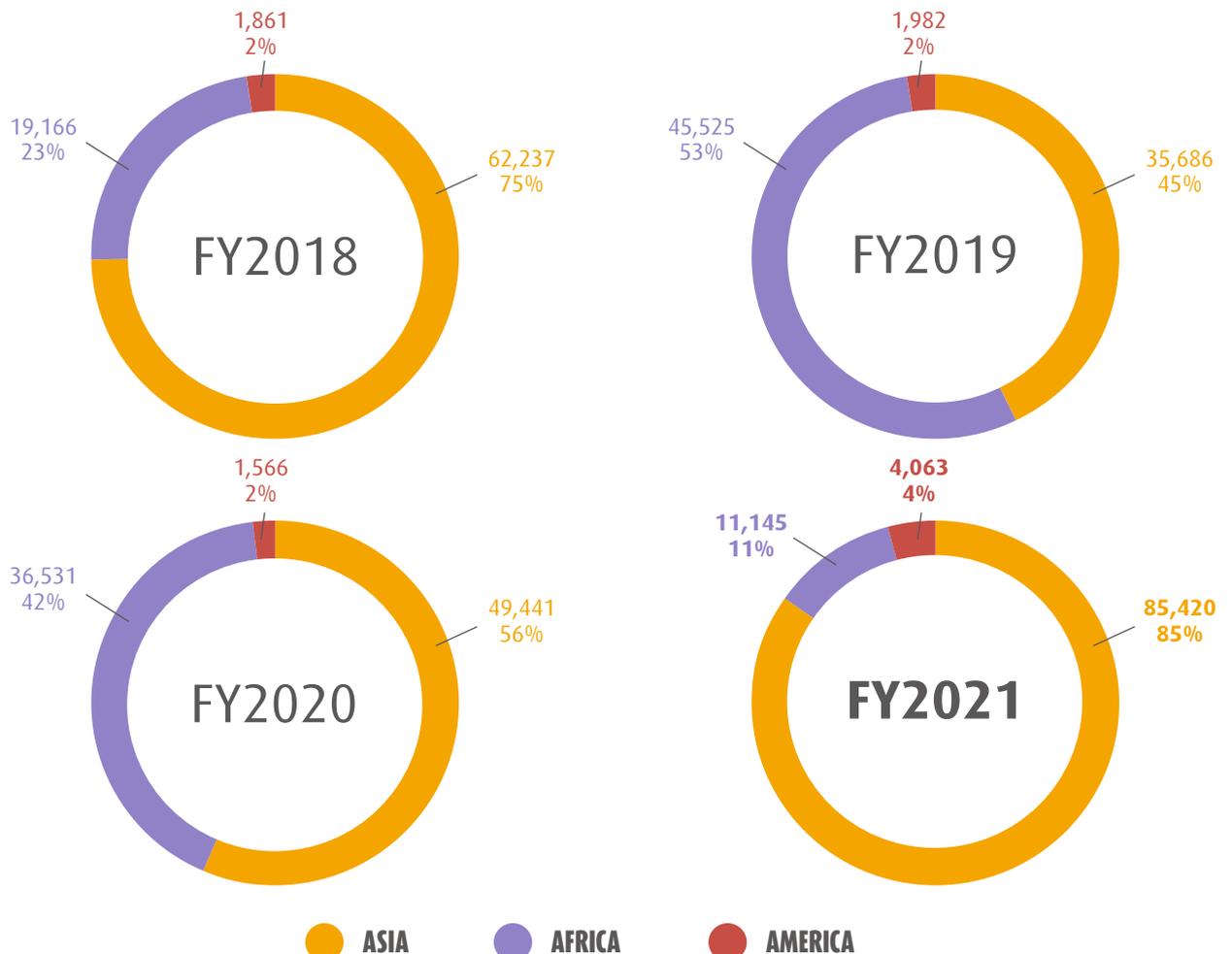
FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE HIGHLIGHTS

Revenue By Segment (RM'000)

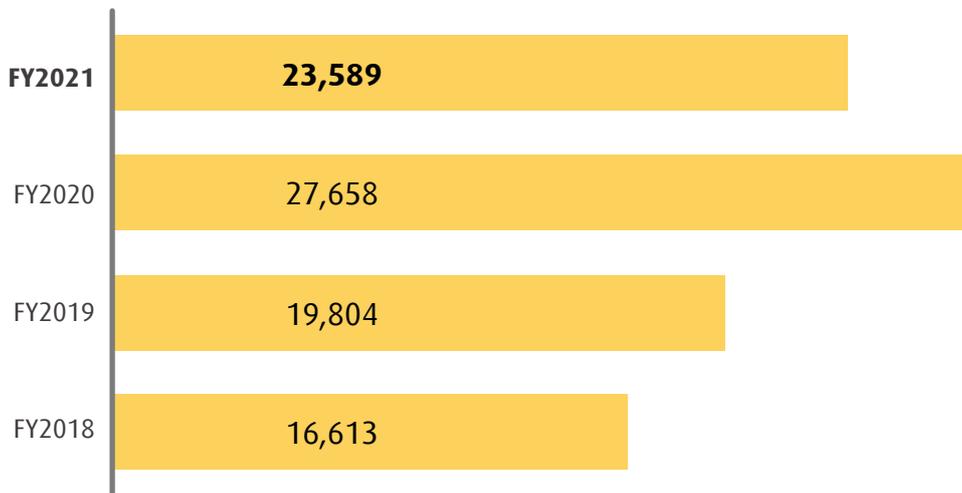


Revenue By Geography (RM'000)

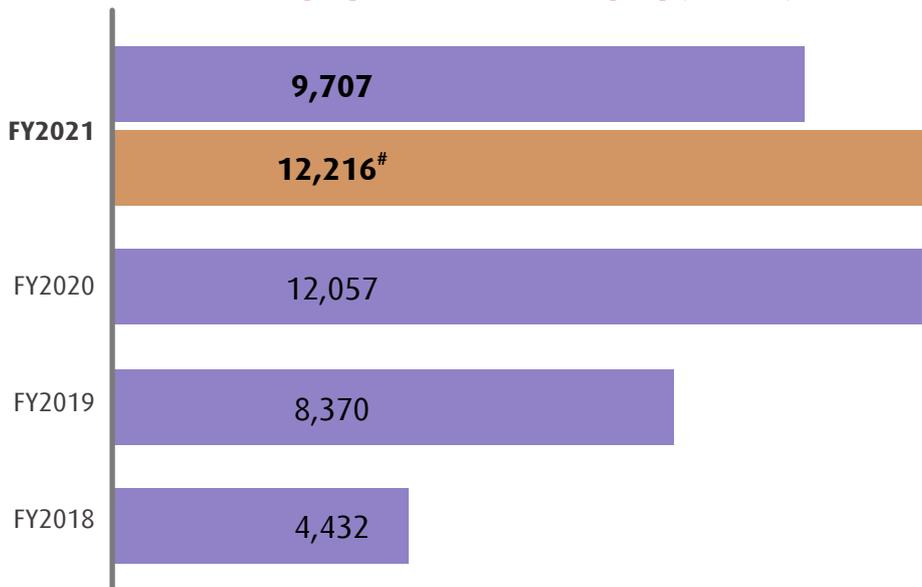


FINANCIAL HIGHLIGHTS

Gross Profit (RM'000)



Profit Attributable To Equity Holders Of The Company (RM'000)



[#] Adjusted profit attributable to equity holders of the Company (excluding listing expenses of approximately RM2.51 million which was recognised during FY2021)

FINANCIAL POSITION HIGHLIGHTS

RM'000	FY2018	FY2019	FY2020	FY2021
Cash And Bank Balances	29,203	50,649	51,292	42,896
Total Assets	75,507	78,635	67,567	82,239
Total Liabilities	29,216	41,717	33,481	47,876
Total Equity / Net Assets	46,291	36,918	34,086	34,363

FINANCIAL & OPERATIONS REVIEW

REVIEW OF FINANCIAL PERFORMANCE

The Group's revenue increased by approximately RM13.09 million or 15.0% from approximately RM87.54 million in FY2020 to approximately RM100.63 million in FY2021 mainly due to the revenue contribution from new projects secured in FY2021 for the Edible & Non-Edible Oil Refinery segment.

The Group's gross profit decreased by approximately RM4.07 million or 14.7% from approximately RM27.66 million in FY2020 to approximately RM23.59 million in FY2021. Gross profit margin decreased by 8.2 percentage points from 31.6% in FY2020 to 23.4% in FY2021 mainly due to lower gross profit margin from both 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.

The Group's profit after income tax decreased by approximately RM2.35 million or 19.5% from approximately RM12.06 million in FY2020 to approximately RM9.71 million in FY2021 mainly due to the listing expenses of approximately RM2.51 million incurred in connection with the Company's listing on the Catalist Board of the SGX-ST. Excluding the listing expenses incurred, the Group's profit after income tax would have increased by approximately RM0.16 million or 1.3% from approximately RM12.06 million in FY2020 to approximately RM12.22 million in FY2021.

REVIEW OF FINANCIAL POSITION

The Group's financial position as at 31 December 2021 remains strong and resilient, with a net asset position of approximately RM34.36 million and cash and bank balances of approximately RM42.90 million, representing 52.2% of total assets.

Cash and bank balances decreased by approximately RM8.40 million or 16.4% from approximately RM51.29 million as at 31 December 2020 to approximately RM42.90 million as at 31 December 2021 mainly due to the net cash used in financing activities for dividends paid to its shareholders, partially offset by the net cash generated from operating activities.

Total assets increased by approximately RM14.67 million or 21.7% from approximately RM67.57 million as at 31 December 2020 to approximately RM82.24 million as at 31 December 2021 mainly due to an increase in trade and other receivables, contract assets and partially offset by a decrease in cash and bank balances.

Total liabilities increased by approximately RM14.40 million or 43.0% from approximately RM33.48 million as at 31 December 2020 to approximately RM47.88 million as at 31 December 2021 mainly due to an increase in trade and other payables and contract liabilities.

Overall, the Group's total equity increased by approximately RM0.27 million or 0.8% from approximately RM34.09 million to approximately RM34.36 million.

BOARD OF DIRECTORS



Mr. Hew Koon Chan

*Non-Executive Chairman
& Independent Director*

Mr. Hew Koon Chan joined our Group in December 2021 as the Non-Executive Chairman and Independent Director of our Company. Mr. Hew began working as a process engineer in 1986 for Texas Instruments Singapore Pte. Ltd., a company that specialises in the manufacturing and sale of memory integrated circuits. In 1988, he was then employed by Venture Services (S.E.A.) Pte Ltd., a company under the South East Asia Venture Investment programme, as an investment analyst and promoted through the years to become an investment director at Seavi Venture Services Pte. Ltd., a venture capital firm established in the South East Asian region and is affiliated with Advent International which is a global private equity firm headquartered in Boston.

Mr. Hew established Integer Capital Pte. Ltd. in 2004 and carried out the role as the managing director providing business consultancy services on corporate mergers and acquisitions. He presently sits on the board of directors of public listed companies, namely Shopper360 Limited and Resources Global Development Limited.

Mr. Hew graduated from the National University of Singapore in 1986 with a Bachelor of Engineering (Mechanical). In 1987, he graduated from the Singapore Institute of Management with a Graduate Diploma in Financial Management and obtained his Certified Diploma in Accounting and Finance from the Chartered Association of Certified Accountants (UK) the following year.



Mr. Yong Khai Weng

*Executive Director
& Chief Executive Officer*

Mr. Yong Khai Weng is the Executive Director and CEO of our Company. Mr. Yong has been managing our operations as the managing director since May 2008 and is principally in charge of (a) our Group's overall business policies and strategic direction; and (b) the overall oversight and management of our business operations and development. Mr. Yong has accumulated more than 24 years of experience in the vegetable oils industry.

Mr. Yong started his career with Carotech Sdn. Bhd. in 1997 as a process engineer in charge of overseeing the production for an integrated biodiesel and phytonutrient extraction plant. He then joined Keck Seng (M) Bhd from 2003 to 2005 as the factory manager in charge of overseeing business development, production expansion, and new process and product development for the company. For the period of 2005 to 2008, he was engaged in various capacities (including director, chief operating officer, adviser and chief technical officer) with three (3) private companies (being InteBiotech Sdn. Bhd. (July 2005 to September 2007), NewGen Biofuels Asia Pte. Ltd. (May 2006 to June 2007) and Zurex Corporation Sdn. Bhd. (July 2007 to December 2008)) to oversee the construction and installation of new integrated refinery and biodiesel complexes in Malaysia and Singapore. Whilst serving as our managing director, Mr. Yong was also appointed as a non-executive director and adviser of an investment holding company, Lipid Venture Sdn. Bhd. for the period of 2012 to 2015 and subsequently, from 2016 to 2020, in relation to the formation of FGV Lipid Venture Sdn. Bhd., a joint venture company between Lipid Venture Sdn. Bhd. and FGV Downstream Sdn. Bhd., a wholly-owned subsidiary of what we believe is a notable and one of the largest plantation companies in Malaysia. Mr. Yong was also engaged as a non-executive director and adviser by FGV Lipid Venture Sdn. Bhd. to develop a new integrated phytonutrient complex in Malaysia.

Mr. Yong graduated in 1997 with First Class Honours in Bachelor of Engineering (Chemical) from the University of Malaya and has also been the recipient of entrepreneurial awards in 2013 from Asia Success Inc and 2013, 2015 and 2019 from Asia Excellence Entrepreneur Federation, in recognition of his achievement in business and entrepreneurial experience.



Mr. Koh Keng Siang

Non-Executive Director

Mr. Koh Keng Siang is a Non-Executive Director of our Company. Mr. Koh has been a non-executive director of our subsidiaries, Oiltek Sdn. Bhd. and Oiltek Global Energy Sdn. Bhd. since February 2013. Mr. Koh is the managing director and group chief executive officer of Koh Brothers Group Limited (which is our ultimate Controlling Shareholder through its shareholding interest in Koh Brothers Eco Engineering Limited). Mr. Koh has been with Koh Brothers Group Limited since 1987 and has held various positions in management, administration, finance and project management.

Mr. Koh is also a non-executive director and the non-independent chairman of our Controlling Shareholder, Koh Brothers Eco Engineering Limited.

Mr. Koh holds a Master of Business Administration from the National University of Singapore and a Bachelor of Engineering with Honours in Civil Engineering from the University of Birmingham. He was conferred the Promising SME 500 (Top Business Luminary) in 2014 and was named the Real Estate Personality of the Year 2016 by PropertyGuru. He is also a council member of the Teochew Federation Council.

BOARD OF DIRECTORS



Mr. Bernard Wong Ee Yu

Non-Executive Director

Mr. Bernard Wong Ee Yu is a Non-Executive Director of our Company. Mr. Wong has been a non-executive director of our subsidiaries, Oiltek Sdn. Bhd. and Oiltek Global Energy Sdn. Bhd. since May 2013 and September 2017, respectively. Mr. Wong has more than 20 years of engineering and management experience in the property sector.

Mr. Wong currently holds the position of an executive director in the real estate division of Koh Brothers Development Pte. Ltd. (a wholly-owned subsidiary of Koh Brothers Group Limited, which is our ultimate Controlling Shareholder through its shareholding interest in Koh Brothers Eco Engineering Limited). Prior to that, Mr. Wong was an executive director from 2001 to 2012 at Koh Maju Sdn. Bhd., a real estate investment firm (formerly known as A-Omega Sdn. Bhd., a contractor firm involved in small scale additions and alterations from 2001 to 2004). He was also a special projects manager at Amtek Holdings Berhad, part of the Syed Mohktar group, a conglomerate engaged in various businesses including real estate development, from 1996 to 2000, a project engineer and asset manager at Selangor Properties Sdn. Bhd. (formerly known as Selangor Properties Berhad), a real estate developer from 1990 to 1996 and he started his career as a design / resident engineer with Perunding Hashim & NEH Sdn. Bhd. in 1987.

Mr. Wong holds a Bachelor of Engineering with Honours in Civil Engineering from the University of Birmingham.



Mr. Lai Wai Kit Andrew

Independent Director

Mr. Lai Wai Kit Andrew joined our Group in December 2021 as an Independent Director of our Company. Mr. Lai is currently a partner at Lee & Lee, which he joined in 2017.

Mr. Lai started his career in 1995 as an associate in Lee & Lee and relocated to Hong Kong in 1999 to join Baker & McKenzie, an international law firm. He joined Rajah & Tann Singapore LLP as a partner in 2002 and was a partner at Kelvin Chia Partnership from 2005 to 2017. He undertakes both corporate legal advisory and transactional work, and has extensive experience in capital markets, mergers and acquisitions, and regulatory compliance work for listed companies.

Mr. Lai graduated from the National University of Singapore with a Bachelor of Laws (Honours) in 1994. He was admitted as an advocate and solicitor in Singapore in 1995 and has also been admitted to the Roll of Solicitors of England and Wales and the Roll of Solicitors of Hong Kong since 2001. He is currently a member of the Law Society of Singapore, Singapore Academy of Law and Singapore Institute of Directors.



Ms. Tan Yee Peng

Independent Director

Ms. Tan Yee Peng joined our Group in December 2021 as an Independent Director of our Company. She has more than 20 years of accounting and auditing experience, having started her career in 1995 as an auditor and moved to KPMG LLP in 1999 where she provided accounting and advisory services to clients in both private and public sectors. She was a partner in KPMG LLP from 2003 to 2010, managing an audit portfolio of various companies listed on the SGX-ST. She also acted as the reporting accountant and auditor for several companies listed on the SGX-ST.

Since her retirement as a practicing accountant, Ms. Tan has contributed to academia as an adjunct associate professor at the Nanyang Technological University from 2009 to 2018 and has contributed actively to the non-profit sector through her appointments at various charities and government affiliated organisations. Among others, she is presently a director of Singapore Aerospace Manufacturing Pte. Ltd., a subsidiary of Temasek Holdings Limited, a council member of Agency for Care Effectiveness, a committee established under the Ministry of Health, and sits on the board of directors of TDCX Inc., a company listed on the New York Stock Exchange.

Ms. Tan graduated with a First Class Honours degree in Accountancy from the Nanyang Technological University, is a Fellow and non-practising member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

EXECUTIVE OFFICERS

Mr. Goh Chee Yong

Financial Controller

Mr. Goh Chee Yong joined our Group as Financial Controller in March 2021. Mr. Goh is responsible for our Group's financial affairs including but not limited to our accounting, financial administration, analysis and planning, treasury, taxation, compliance and reporting, and internal control and risk management obligations.

Prior to joining our Group, Mr. Goh was at Koh Brothers Eco Engineering Limited, our Controlling Shareholder, from May 2014 to February 2021, where he joined as an accountant and was promoted to assistant account manager and finance manager in April 2016 and April 2018 respectively. During his time at Koh Brothers Eco Engineering Limited, he was responsible for the supervision of the financial matters of the group including maintaining the monthly accounting records, overseeing accounts payable and receivables, managing and forecasting cashflows for the division and ensuring compliance with the financial reporting requirements for a listed company. Right before joining our Group, during January to February 2021, he was tasked to primarily assist in reviewing the accounts of our Group including budgets, project costing, payments and other banking transactions. He started his career as an audit assistant in Yeoh & Company in June 2008 and subsequently worked as an accountant in Jasapadu Industri Sdn. Bhd. from 2009 to 2011 and Koon Holdings Limited from 2011 to 2014.

Mr. Goh is a member of the Institute of Singapore Chartered Accountants and an affiliate of the Association of Chartered Certified Accountants ("ACCA"), where he obtained his ACCA qualification. He has an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman University of Management and Technology, Malaysia.

Mr. Yap Ping Sing

Head of Technical

Mr. Yap Ping Sing joined our Group as a project engineer in April 1989 upon graduation from the University of Malaya with a Bachelor of Engineering (Chemical).

As a project engineer, Mr. Yap was in charge of executing project, design and procurement activities. In 1991, he was promoted to a project manager to handle project management and control activities. From 2000 to 2007, he was re-designated as a technical manager to handle project management and design activities for special plants. He was then appointed as the assistant general manager (technical) from 2007 to 2011, where he was in charge of developing new designs and inventions, and the mentoring of engineering staff. From 2011 to 2016, he led the technical division of our Group as the general manager (technical), where he was responsible for the overall management of engineering and technical support activities. Since 2016, as both general manager and general manager (technical), he has been leading both the technical and operations divisions in the overall management of engineering activities and operations systems.

Mr. Yap is registered with the Board of Engineers, Malaysia since November 1989 and joined the Institution of Engineers, Malaysia since March 1990.

Mr. Tai Cheng Huat

Head of Operations

Mr. Tai Cheng Huat started his career with Federal Metal Printing Sdn. Bhd. in 1992 as a technical research and development assistant where he assisted the company in the automation of its manual can manufacturing production line. Mr. Tai then joined our Group as a technical assistant from 1993 to 1994 and was shortly promoted to a project executive from 1994 to 1996, where he assisted with project improvement and research on pilot plant, and was responsible for preparatory work in relation to the process flow of projects, piping and instrumentation diagrams, equipment and piping layout diagrams, and the design and procurement of items and equipment for projects.

Mr. Tai then left our Group to join InterSonikon Engineering Sdn. Bhd., an edible oil process provider, from 1996 to 2003 as a project engineer where he supervised erection and installation, testing and commissioning and design and procurement of items and equipment for plants. Subsequently, he re-joined our Group in 2003 as a project engineer. He left our Group in 2005 to manage his sole proprietorship, Pure Energy Supply, which was in the principal business of supplying water filtration systems (under the Diamond Water brand), spa products and supplements to households while working as a freelance project and commissioning engineer for our Group. In January 2016, he re-joined our Group as general manager (operations), where he now manages the operations division and has overall responsibility of the operations of our Group.

Mr. Tai has a Diploma in Mechanical Engineering from the Federal Institute of Technology, Malaysia.

Ms. Cheng Cia Cia

Head of Marketing and Sales

Ms. Cheng Cia Cia joined our Group in November 2010 as a project engineer and was responsible for the engineering designs of projects and project coordination. She was then appointed as a sales engineer in 2013 where she assisted our Group with sales support and after-sales services, with a specialisation in texturising plants. In 2018, she was promoted to regional sales manager, where she currently leads the sales team, handles sales for plants and after-sales services in Indonesia and Philippines, and handles sales for texturising plants and after-sales services globally.

Prior to joining our Group, Ms. Cheng started her career at Future NRG Sdn. Bhd., a renewable energy engineering, procurement and construction company as a project engineer.

Ms. Cheng graduated in 2008 with a Bachelor of Engineering (Chemical) from the University of Malaya.

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The Board of Directors (the “**Board**” or the “**Directors**”) and the management (“**Management**”) of Oiltek International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) are committed to maintaining a high standard of corporate governance and have always recognised the importance of good corporate governance to enhance shareholders’ value, corporate performance, accountability and protection of stakeholders’ interests.

The Board has taken steps to align the Group’s corporate governance framework with the principles and provisions set out in the Code of Corporate Governance 2018 (the “**Code**”) since the Company’s listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 3 March 2022. Under Rule 710 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”), the Company is required to describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the Code. In this regard, specific reference to the provisions of the Code have been included at the end of the relevant paragraphs. Where there are deviations from any provision of the Code, an explanation has been provided in this Report, which includes the reason for the variation, as well as the practices adopted which are consistent with the relevant principle of the Code. The Board will continue to assess the needs of the Company and implement appropriate practices accordingly.

(A) BOARD MATTERS

Board’s Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

As at the date of this Report, the Board of Directors comprised one (1) Executive Director, two (2) Non-Executive Directors and three (3) Independent Directors, all possessing the right core competencies and diversity of experience which enabled them to effectively contribute to the Group. The Board comprises the following members:

Mr. Hew Koon Chan (Non-Executive Chairman and Independent Director)
 Mr. Yong Khai Weng (Executive Director and Chief Executive Officer) (the “**CEO**”)
 Mr. Koh Keng Siang (Non-Executive Director)
 Mr. Bernard Wong Ee Yu (Non-Executive Director)
 Mr. Lai Wai Kit Andrew (Independent Director)
 Ms. Tan Yee Peng (Independent Director)

The Board is involved in the supervision of the management of the Group’s operations. It reviews strategies, policies and financial performance and assesses key risks provided by Management as well as the adequacy and effectiveness of internal controls and risk management of the Group. Day-to-day management and implementation of business strategies are delegated to the CEO and Management.

Directors are fiduciaries who act objectively in the best interests of the Group and hold Management accountable for performance. The Board has put in place a code of conduct and ethics, sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict. All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group. (Provision 1.1 of the Code)

The Board’s role is to, *inter alia*:

- (a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- (b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
- (c) monitor and review Management’s performance towards achieving the set organisational objectives and goals;
- (d) review and approve corporate plans, annual budgets, investment and divestment proposals, major funding initiatives, merger and acquisition activities and financial plans of the Group;

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- (e) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- (f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;
- (g) ensure accurate and timely release of information to shareholders of the Company ("**Shareholders**"), in compliance with the requirements of the Catalist Rules;
- (h) ensure the Group's compliance with laws, regulations, policies and guidelines; and
- (i) review and approve interested persons transactions and material transactions, and announcement thereof, in compliance with the requirements of the Catalist Rules.

Training of Directors

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. Directors are also provided with updates on changing commercial risks in the Group's operating environment through regular presentations and meetings with Management to gain a better understanding of business operations. The Company works closely with its professional advisors to provide its Directors with updates on changes affecting the Group. (Provision 1.2 of the Code)

The Company does not have a formal training program for new Directors. However, to assist the Board in discharging its duties, newly appointed Directors will be briefed on the business operations and regulatory issues relating to the Group to ensure that they are familiar with the Group's business and governance practices and will be provided with a formal letter setting out the Director's duties and obligations. The Board encourages its new members to participate in seminars and receive training to improve themselves in the discharge of their duties as Directors. First-time Directors who have no prior experience as a director of a company listed on the SGX-ST will also undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 406(3)(a) of the Catalist Rules.

As set out in the Company's Offer Document dated 18 February 2022, Mr. Bernard Wong Ee Yu and Mr. Lai Wai Kit Andrew do not have prior experience as directors of public listed companies in Singapore but have been briefed on the roles and responsibilities of a director of a public listed company in Singapore and have attended the relevant courses organised by the Singapore Institute of Directors. Prior to the date of this Report, the Directors were provided with briefings and updates on: (i) changing commercial risks and business conditions of the Group by the Management; and (ii) the Catalist Rules and its regulatory guidelines by the Company's sponsor and Company Secretary.

Matters Requiring Board Approval

The Company has prepared a document with guidelines setting forth the matters reserved for the Board's decision and clear directions to Management on matters that must be approved by the Board. These matters relate, inter alia, to: (Provision 1.3 of the Code)

- (a) Group's strategic direction, goals and targets;
- (b) matters that involve a conflict of interest of a Controlling Shareholder or a Director or persons connected to such Shareholder or Director;
- (c) material acquisitions and disposals of assets which are outside the ordinary course of business;
- (d) corporate restructuring, mergers and acquisitions, investments and divestments;
- (e) capital structure or fundraising exercises;

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- (f) announcements to be released via SGXNET, including interim and full year financial results announcements;
- (g) share issuance, interim dividends and other returns to Shareholders;
- (h) bank facilities and provision of corporate guarantees;
- (i) appointment, removal, re-designation and remuneration packages of the Directors and the Executive Officers;
- (j) any matters relating to the Company's Annual General Meeting, Board and Board Committees; and
- (k) operating budgets, annual and interim reports, financial statements, Directors' statements and annual reports.

In addition, there is a formalised delegation of authority matrix that sets out financial approval limits for the Board and the Management of the Group regarding operational expenditure, capital expenditure, sales matters, finance matters and cheque signatory arrangements.

All other matters are delegated to Board Committees whose actions are reported to and monitored by the Board. The Board does not abdicate its responsibility for such delegations of authority.

Board Processes

To assist in the execution of its responsibilities, the Board has established a Nominating Committee (hereinafter referred to as "**NC**"), a Remuneration Committee (hereinafter referred to as "**RC**") and an Audit and Risk Committee (hereinafter referred to as "**ARC**") with clear written terms of reference setting out their authorities and duties, including reporting back to the Board. More details on each of the Board Committees, including the names of the Committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the subsequent sections of this Report. The effectiveness of each Committee is constantly monitored. The Board has also established a framework for the management of the Group, including a system of internal controls and risks management. (Provision 1.4 of the Code)

The Board currently plans to hold a minimum of three (3) scheduled meetings each financial year. It also holds additional meetings at such other times as may be necessary to address any specific significant matters that may arise. In addition to holding meetings, important matters regarding the Group are also put to the Board for decision making by way of written resolutions. The Constitution of the Company provides for telephonic and video-conference meetings. The agenda for meetings usually include the Management's report, financial reports, strategic matters, governance, business risk issues and compliance, amongst other matters. Executive Officers of the Group may, from time to time, be invited to attend Board meetings to provide updates on operational matters.

The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

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Board and Board Committee Meetings held in the period beginning 3 March 2022 to the date of this Report (“Relevant Period 2022”)

For the Relevant Period 2022, the Board held one Board and Board Committee meetings as follows: (Provision 1.5 of the Code)

Name	Board		ARC		NC		RC	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Hew Koon Chan (Non-Executive Chairman and Independent Director)	1	1	1	1	1	1	1	1
Yong Khai Weng (Executive Director and Chief Executive Officer)	1	1	1	1*	1	1*	1	1*
Koh Keng Siang (Non-Executive Director)	1	1	1	1	1	1	1	1
Bernard Wong Ee Yu (Non-Executive Director)	1	1	1	1	1	1	1	1
Lai Wai Kit Andrew (Independent Director)	1	1	1	1	1	1	1	1
Tan Yee Peng (Independent Director)	1	1	1	1	1	1	1	1

* By invitation

While some of the current Board members are on multiple Boards, the NC is satisfied that currently the Directors have been able to devote sufficient time and attention to the affairs of the Group and that they are able to satisfy their duties as Directors to the Company. Currently, the Board does not limit the maximum number of listed company board representations and principal commitments its Board members may hold as long as each of the Board members is able to commit his time and attention to the affairs of the Company and adequately carry out his/her duties as a Director. The Board believes that each individual Director is best placed to determine and ensure that he/she is able to devote sufficient time and attention to discharge his/her duties and responsibilities as a Director of the Company, bearing in mind his/her other commitments. The Board and the NC will review the requirement to determine the maximum number of listed company board representations and principal commitments as and when they deem fit. (Provisions 1.5 and 4.5 of the Code)

Access to Information

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers will be prepared for each meeting of the Board. The Board papers include sufficient information from Management on financial, business and corporate issues to enable Directors to be properly briefed on issues to be considered at Board meetings. Information provided includes background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and internal financial statements, including explanations for any material variance between projections and actual results. (Provision 1.6 of the Code)

All Directors have unrestricted access to the Group’s records and information and receive detailed financial and operational reports from Management during the year to enable them to carry out their duties. Directors also liaise with Management as required, and may consult with other employees and seek additional information on request.

All Directors have separate and independent access to Management, the Company Secretary and external advisers (where necessary) at the Company’s expense. The appointment and the removal of the Company Secretary is a decision of the Board as a whole. (Provision 1.7 of the Code)

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The Company Secretary will administer, attend and prepare minutes of Board meetings, assist the Non-Executive Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and ensures that the Company's Constitution and relevant rules and regulations, including those of the Companies Act 1967 (the "**Companies Act**") and the SGX-ST, are complied with. The Company Secretary ensures the quality, quantity and timeliness of the flow of information within the Board and its Board Committees and between Management and Non-executive Directors, advises the Board on all corporate governance matters, facilitates orientation and assists with professional development as and when required.

Should Directors, whether as a group or individually, need independent professional and expertise advice in the furtherance of their duties, the cost of such advice will be borne by the Company.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this Annual Report, the Board comprises six (6) Directors of which three (3) are Independent Directors. The three (3) Independent Directors are Mr. Hew Koon Chan, Mr. Lai Wai Kit Andrew and Ms. Tan Yee Peng. The criterion of independence is based on the definition given in the Code and Rule 406(3)(d) of the Catalist Rules.

The Board and the NC consider a Director to be "independent" if he is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its Substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgement in the best interests of the Company. After due assessment, the Board and the NC are of the opinion that the Independent Directors satisfy these criteria.

Lee & Lee, at which the Company's Independent Director Mr. Lai Wai Kit Andrew is a partner, had previously provided legal services in the ordinary course of business to, and received customary fees from, Koh Brothers Group Limited (the Company's ultimate Controlling Shareholder through its shareholding interest in Koh Brothers Eco Engineering Limited), Koh Brothers Eco Engineering Limited, its subsidiaries, associated companies and/or affiliates (excluding the Group) (collectively, "**Koh Brothers Entities**"). The NC has assessed the independence of Mr. Lai Wai Kit Andrew under the Code and is satisfied that the relationship described above will not interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Group, taking into account, among others: (i) Lee & Lee did not provide any legal services to, and has not received any fees from, the Group in the financial year ended 31 December ("**FY**") 2020 and FY2021; (ii) Mr. Lai Wai Kit Andrew has not provided any legal services to the Koh Brothers Entities while being a partner of Lee & Lee; and (iii) the aggregate fees paid collectively by the Koh Brothers Entities to Lee & Lee in FY2020 and FY2021 were below the threshold of S\$200,000 for payments which are deemed significant under the Code. As at the date of this Report, there are no Independent Directors of the Company who sit on the board of any of the Company's principal subsidiaries. (Provision 2.1 of the Code)

The Non-Executive Chairman is an Independent Director. As such, it is not necessary for Independent Directors to make up a majority of the Board. Nevertheless, at the date of this Report, Independent Directors make up half of the Board. Moreover, the number of Non-Executive Directors make up the majority of the Board. (Provisions 2.2 and 2.3 of the Code)

The composition of the Board is determined in accordance with the following principles:

- The Board and its Board Committees are of an appropriate size and comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. They also provide core competencies such as accounting or finance, business or management experience, legal, industry knowledge, strategic planning experience and customer-based experience or knowledge (this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified); (Provision 2.4 of the Code)
- The Board should comprise a majority of Non-Executive Directors, with at least half of the Board made up of Independent Non-Executive Directors; and
- The Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities.

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With three (3) out of six (6) Directors deemed to be independent, the Board is able to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues. Furthermore, the Board will be able to interact and work with Management through a robust exchange of ideas and views to help shape the Group's strategic direction.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

Independent members of the Board exercise no management functions in the Company or any of its subsidiaries. Although all the Directors have equal responsibility for the performance of the Group, the Independent Directors' role are particularly important as they review and monitor the performance of Management in meeting the Group's agreed goals and objectives and ensuring that the strategies proposed by the Management are fully discussed and rigorously examined taking into account the Group's long-term interests. The Board considers its Non-Executive and Independent Directors to be of sufficient calibre and number such that no individual or small group can dominate the Board's decision-making processes. The Independent Directors have no financial or contractual interests in the Group other than by way of their fees.

The Non-Executive Directors of the Company:

- constructively challenge and help developing proposals on strategy; and
- review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Independent Directors, led by the Independent Non-Executive Chairman, will meet regularly without the presence of Management, and the Independent Non-Executive Chairman provides feedback to the Board as appropriate. (Provision 2.5 of the Code)

The Company currently does not have a formal Board Diversity Policy. However, the Company recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. With the introduction of Rule 710A of the Catalist Rules effective from 1 January 2022, the Board will formulate and maintain a formal Board Diversity Policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its Annual Report for the financial year ending 31 December 2022.

The Board is of the view that its current composition of six (6) Directors is appropriate taking into account the scope and nature of the operations of the Company and of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

Other key information on the individual Directors of the Company is set out in pages 27 to 29 of this Annual Report. Their shareholdings in the Company are also disclosed in the Directors' Statements.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

There is a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. Mr. Hew Koon Chan is the Non-Executive Chairman and Independent Director of the Group and Mr. Yong Khai Weng is the Executive Director and CEO of the Group. (Provision 3.1 of the Code)

The Chairman and CEO of the Group are separate persons and are not related. The roles of the Chairman and the CEO are deliberately kept distinct through a clear division of responsibilities to ensure effective oversight, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Mr. Hew Koon Chan, as the Independent Non-Executive Chairman, has the overall responsibility for the leadership of the Board. His key roles include:

- (a) leading the Board to ensure its effectiveness on all aspects of its roles and setting its agenda for Board meetings;

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- (b) ensuring that the Directors receive accurate, timely and clear information;
- (c) ensuring effective communication with Shareholders;
- (d) encouraging constructive relations between the Board and Management;
- (e) facilitating the effective contribution of Non-Executive Directors;
- (f) promoting high standards of corporate governance; and
- (g) promoting a culture of openness and debate at the Board.

Mr. Yong Khai Weng, the CEO, focuses on managing the operations of the Company and is principally in charge of (a) the Group's overall business policies and strategic direction (b) the overall oversight and management of the Group's business operations and development. (Provision 3.2 of the Code)

No lead independent director is required to be appointed as the roles of the Chairman and the CEO are separate and the Chairman is independent. (Provision 3.3 of the Code)

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises Mr. Lai Wai Kit Andrew as the Chairman and Mr. Hew Koon Chan, Ms. Tan Yee Peng, Mr. Koh Keng Siang and Mr. Bernard Wong Ee Yu as members. The NC is made up of Non-Executive Directors and the majority, including the Chairman of the NC, are Independent Directors. (Provisions 1.4 and 4.2 of the Code)

The Board has approved the written terms of reference of the NC. The NC performs *inter alia* the following functions: (Provisions 1.4 and 4.1 of the Code)

- (a) developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board and make recommendations to the Board on the appointment and re-appointment of Directors, taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his/her performance as an Independent Director, as well as appraising the qualifications and experience of any proposed new appointments to the Board and recommending to the Board whether the nomination should be supported; (Provisions 4.1(d) of the Code)
- (b) ensuring that Directors submit themselves for re-nomination and re-election at least once every three (3) years;
- (c) reviewing and approving any new employment of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) and proposed terms of their employment;
- (d) ensuring that Directors disclose their relationships with the Company, related corporations, Substantial Shareholders or officers, which may affect their independence and review such disclosures to highlight these to the Board;
- (e) determining on an annual basis and as and when circumstances require, whether or not a Director is independent, taking into account the circumstances set forth in the Code of Corporate Governance, the Practice Guidance to the Code of Corporate Governance, the Catalyst Rules and any other salient factors;
- (f) reviewing and deciding whether or not a Director is able to and has been adequately carrying out his/her duties as Director;
- (g) in respect of a Director who has multiple board representations on various companies, if any, reviewing and deciding, on an annual basis (or more frequently as the NC deems fit), whether such Director is able to and has been adequately carrying out his/her duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his/her duties towards other principal commitments, and establish guidelines on what a reasonable and maximum number of directorships and principal commitments for each Director (or type of Director) shall be;

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- (h) reviewing the training and professional development programmes for the Board and in particular, ensuring that new Directors are aware of their duties and obligations; (Provision 4.1(c) of the Code)
- (i) reviewing succession plans for Directors and Executive Officers; (Provision 4.1(a) of the Code)
- (j) reviewing the composition of the Board annually to ensure that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-base experience or knowledge;
- (k) developing a process and criteria for evaluation of the performance of the Board as a whole and its committees, and assessing the contribution of each Director to the effectiveness of the Board; and (Provision 4.1(b) of the Code)
- (l) generally undertaking such other functions and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time.

In the event there is a need to change the structure of the Board, the Chairman of the Company or the membership of the Board Committees, the NC will review the change to be implemented and make recommendations to the Board accordingly. For the new appointment of Directors, the NC will, in consultation with the Board, examine the strength and capabilities of the existing Board as well as the skills, knowledge and experience contributed by the existing Directors to the Group and the Board. The NC will take into account the future needs of the Group and together with the Board, it will seek candidates who are able to contribute to the Group. The NC will attempt to seek candidates widely and beyond persons directly known to the existing Directors. The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before recommending suitable candidates to the Board. If such candidates are appointed, announcements relating to their appointment will be released via SGXNET. In the event of cessation of appointment of any Director or Executive Officer, the NC will conduct the exit interviews with such Director or Executive Officer, as the case may be, and announcements relating to such cessation will also be released via SGXNET. (Provision 4.3 of the Code)

The NC determines annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code. Each Independent Director is required annually to complete a checklist to confirm his/her independence. Directors disclose their relationships with the Company, its related corporations, its Substantial Shareholders or its officers, if any, which may affect their independence to the Board. As mentioned under Principle 2 above, the Board and the NC are of the opinion that the Independent Directors satisfy the criteria under Provision 2.1 of the Code. (Provision 4.4 of the Code)

All Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years pursuant to Rule 720(4) of the Catalist Rules. The Company's Constitution provides that one-third of the Directors, or if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one, shall retire by rotation at every Annual General Meeting ("**AGM**"). In addition, the Company's Constitution also provides that newly-appointed Directors are required to submit themselves for re-nomination and re-election at the next AGM of the Company. Accordingly, the NC recommended that all Directors of the Company, who were appointed during FY2021, be put forward for re-election at the forthcoming AGM. The Board accepted the recommendation and being eligible, all Directors of the Company will be offering themselves for re-election in the forthcoming AGM. The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of this Annual Report.

The Board provides for appointment of alternate Director only in exceptional cases such as when a Director has a medical emergency. The Board takes into consideration the same criteria for selection of directors such as his/her qualifications, competencies and independence. Currently, the Board does not have any alternate Directors.

When new Directors are appointed, the NC also ensures that they are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his/her duties as a director of the Company. Specifically, the NC will review and decide, on an annual basis (or more frequently as the NC deems fit), whether such Director with competing time commitments is able to and has been adequately carrying out his/her duties as a Director,

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having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his/her duties towards other principal commitments. The Board has not currently set the maximum number of listed company directorships which a Director may hold. If a Director serves on the board of multiple companies, the NC will consider on a case-by-case basis whether he/she has been able to devote adequate time and attention to the affairs of the Group. In the event there are sufficient grounds for complaint, the Chairman of the Board will on the advice of the NC, discuss, and if necessary, advise the Director concerned of the issues and the consequences of failure to rectify the situation within the period required. (Provision 4.5 of the Code)

The dates of the appointment of each Director as at the date of this Report as well as their directorships in other listed companies and principal commitments are set out below: (Provision 4.5 of the Code)

Name of Director	Date of Appointment	Date of Last Re-election	Directorship in Other Listed Companies		Other Principal Commitments
			Present	Past (Preceding 5 Years)	
Hew Koon Chan	30 December 2021	–	<ul style="list-style-type: none"> - Resources Global Development Limited - Shopper360 Limited 	<ul style="list-style-type: none"> - DeClout Limited - Ecowise Holdings Limited - Far East Group Limited - Livingstone Health Ltd - Nordic Group Limited - Roxy-Pacific Holdings Limited 	<ul style="list-style-type: none"> - Managing Director of Integer Capital Pte. Ltd.
Yong Khai Weng	30 December 2021	–	–	–	<ul style="list-style-type: none"> - Director of Oiltek Sdn. Bhd. - Director of Oiltek Global Energy Sdn. Bhd. - Director of Oiltek Global Pte. Ltd.
Koh Keng Siang	22 July 2021	–	<ul style="list-style-type: none"> - Koh Brothers Group Limited - Koh Brothers Eco Engineering Limited 	–	<ul style="list-style-type: none"> - Director of Canberra Development Pte Ltd - Director of FEC Skypark Pte Ltd - Director of G & W Industries Pte Ltd - Director of G & W Precast Pte Ltd - Director of G & W Ready-Mix Pte Ltd - Director of G & W Industries (M) Sdn Bhd - Director of G & W Building Materials Sdn Bhd - Director of KBD Holland Pte. Ltd.

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Name of Director	Date of Appointment	Date of Last Re-election	Directorship in Other Listed Companies		Other Principal Commitments
			Present	Past (Preceding 5 Years)	
					<ul style="list-style-type: none"> - Director of KBD Kosdale Pte Ltd - Director of Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd - Director of Koh Brothers Development Pte Ltd - Director of Koh Brothers Holdings Pte Ltd - Director of Koh Brothers Investment Pte Ltd - Director of Kosland Pte Ltd - Director of Koh Brothers Eco Engineering Limited - Director of Koh Brothers Gangnam Limited - Director of Koh Maju Sdn. Bhd. - Director of Meteco Solutions Sdn Bhd - Director of Oxford Hotel Pte Ltd - Director of Oiltek Global Energy Sdn. Bhd. - Director of Oiltek Sdn. Bhd. - Director of Phileap Pte Ltd - Director of PT Koh Brothers Indonesia - Director of Panareno Sdn Bhd
Bernard Wong Ee Yu	30 December 2021	-	-	-	<ul style="list-style-type: none"> - Director of Atlantic Star Pte. Ltd. - Director of KBEE Engineering Sdn. Bhd.

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Name of Director	Date of Appointment	Date of Last Re-election	Directorship in Other Listed Companies		Other Principal Commitments
			Present	Past (Preceding 5 Years)	
					<ul style="list-style-type: none"> - Director of KBD Westwood Pte. Ltd. (In Liquidation – Members' Voluntary Winding Up) - Director of KBD Ventures Pte. Ltd. - Director of KBD Holland Pte. Ltd. - Director of Koh Maju Sdn. Bhd. - Director of Koh Brothers Gangnam Limited - Director of Oiltek Sdn. Bhd. - Director of Oiltek Global Energy Sdn. Bhd.
Lai Wai Kit Andrew	30 December 2021	-	-	-	- Partner at Lee & Lee
Tan Yee Peng	30 December 2021	-	- TDCX Inc. (NYSE)	<ul style="list-style-type: none"> - City Developments Limited - Dutech Holdings Limited 	<ul style="list-style-type: none"> - Director of 1FSS Pte. Ltd. - Director of Dutech Holdings Pte. Ltd. - Director of Hercules Pte Ltd - Director of Singapore Aerospace Manufacturing Pte Ltd - Director of TDCX Inc.

Note:

In accordance with the Company's Constitution, all the Directors will be subject to re-election at this forthcoming AGM.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board. As the Company was newly listed on 3 March 2022, the NC is in the process of formulating such performance criteria. Such performance criteria, which are meant to enhance long-term shareholder value, would not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the Board would justify this decision. (Provision 5.1 of the Code)

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Broadly, the Board evaluation is expected to include an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board's processes, and Board's performance in relation to the discharge of its principal responsibilities. Each Board Committee's performance is evaluated based on their ability to carry out the terms of reference attributed to each Board Committee. The NC also takes into consideration the feedback from members of the Board or respective Board Committees on areas relating to the competencies, efficiency, effectiveness and independence of the Board and each Board Committee. (Provision 5.2 of the Code)

The Board and the NC evaluate individual Directors on whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and Board Committee meetings, and any other duties) and have endeavoured to ensure that Directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business, so as to enable the Board to make sound and well-considered decisions. The NC also considers whether the Director has a reasonable understanding of the Company's business and the industry, the Director's working relationship with the other members of the Board, as well as feedback from other Directors. (Provision 5.2 of the Code)

As the Company was newly listed on 3 March 2022, the NC will consider the performance of each individual Director, the Board Committees and the Board for the financial year ending 31 December 2022. For avoidance of doubt, each member of the NC will abstain from voting on any resolution in respect of the assessment of his/her performance or re-nomination as Director.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, each Board Committee and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement. (Provision 5.2 of the Code)

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his own remuneration.

The RC comprises of Mr. Hew Koon Chan as the Chairman, Mr. Lai Wai Kit Andrew, Ms. Tan Yee Peng, Mr. Koh Keng Siang and Mr. Bernard Wong Ee Yu as members. The RC is made up of Non-Executive Directors and the majority, including the Chairman of the RC, are Independent Directors. (Provisions 1.4 and 6.2 of the Code)

The Board has approved the written terms of reference of the RC. The RC performs *inter alia* the following functions: (Provision 1.4 of the Code)

- (a) review and recommend to the Board for approval a framework of remuneration for the Directors and Executive Officers, as well as specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments shall be covered, with the aim to be fair and avoid rewarding poor performance; (Provisions 6.1(a), 6.1(b) and 6.3 of the Code)
- (b) review annually the remuneration, bonuses, pay increase and/or promotions of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities, and performing an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate the Directors and the Executive Officers, and to align the interests of the Directors and the Executive Officers with the interests of the Shareholders and other stakeholders and promote the long-term success of the Group;
- (c) ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities;

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- (d) reviewing and approving any new employment of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) and the proposed terms of their employment, and reviewing and recommending to the board of Directors, for endorsement, the specific remuneration packages for each of the Directors and the Executive Officers;
- (e) proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the key management personnel, individual Directors and of the Board as a whole;
- (f) ensuring that the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently being administered and being adhered to within the Group;
- (g) reviewing the Group's obligations arising in the event of termination of service contracts entered into between the Group and the Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous; (Provision 6.3 of the Code)
- (h) reviewing and administering the Oiltek Employee Share Option Scheme and Oiltek Performance Share Plan, noting that the total number of Shares issued and/or transferred and issuable and/or transferable in respect of all Options granted under the Oiltek Employee Share Option Scheme shall not exceed 2.5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at 3 March 2022, being a total of 3,575,000 Option Shares, and the total number of Shares which may be issued and/or transferred pursuant to Awards under the Oiltek Performance Share Plan on any date, when added to the number of Award Shares issued and/or transferred or issuable and/or transferable in respect of all Awards granted under the Oiltek Performance Share Plan shall not exceed 2.5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at 3 March 2022, being a total of 3,575,000 Award Shares;
- (i) if necessary, seeking expert advice within and/or outside the Group on remuneration matters and ensuring that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and
- (j) generally undertaking such other functions and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time.

During FY2021, the RC did not seek any external professional advice on fixing remuneration packages for the Directors and employees. Where relevant, the RC will consider such engagement and will review the suitability and independence of the external firm before engaging them. (Provision 6.4 of the Code)

The members of the RC do not participate in any decision concerning their own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Group recognises that a competitive remuneration and reward system based on individual performance is important to attract, retain and incentivise the best talent. The Group has adopted a remuneration structure for the Executive Director and key management executives that promotes the long-term success of the Group. The RC ensures that the Executive Director's and key management executives' remuneration are commensurate with their performance and that of the Group's, taking into consideration the prevailing financial and commercial health, contribution to value creation of the Group and business needs of the Group. (Provision 7.3 of the Code)

The remuneration packages of the Executive Director and key management executives consist of fixed, variable components and benefits. The fixed component mainly comprises the basic salary and statutory contributions. The variable component is linked to the Group's performance and individual's performance. Such performance-related remuneration is designed to align with the interests of Shareholders and other stakeholders and promote long-term success of the Group. (Provision 7.1 of the Code)

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The Company has entered into service agreement with Mr. Yong Khai Weng, the Executive Director and CEO, on 31 December 2021 for an initial period of five (5) years commencing on 3 March 2022 and thereafter the terms and conditions of the service agreement shall be negotiated and if agreed, renewed every two (2) years. Either party to the service agreement may terminate it by giving not less than six (6) months' notice (after the initial term) in writing to the other, or payment of six (6) months' salary in-lieu of notice to the other party. The remuneration of Mr. Yong Khai Weng comprises (a) a base salary; (b) capped monthly staff welfare expenses on a reimbursement basis; (c) a fixed bonus of one (1) month's salary; (d) an annual performance bonus in respect of each financial year (the "**Performance Bonus**"); (e) a motor vehicle for use during the course of employment; (f) statutory contributions; and (g) such additional bonus payments or benefits and/or participation in schemes provided for in the Company's current remuneration policies. Mr. Yong Khai Weng is also entitled to benefits such as medical benefits and insurance coverage. The Performance Bonus is calculated based on 4.0% of the audited combined total profit after tax (excluding (i) extraordinary/exceptional items, including but not limited to one-off government grants and concessions not in the ordinary course of our Group's business, to be determined based on the discretion of the RC; and (ii) any profit/loss attributable to non-controlling interests and other comprehensive income/loss, if any) of the Group and to be computed with reference to the terms and conditions of the service agreement. The Service Agreement does not include the annual Director's fee which shall be determined by the Board with the Remuneration Committee and remain subject to Shareholders' approval.

In determining the remuneration of the Non-Executive Directors, the RC ensures that the level of remuneration is appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of the Non-Executive Directors, subject to Shareholders' approval. Other than the Directors' fees, the Non-Executive Directors do not receive any other forms of remuneration from the Company. The Directors' fees are reviewed annually to ensure that the Independent Directors are not overly compensated to the extent their independence may be compromised. The RC had recommended to the Board an amount of S\$215,000 as Directors' fees for the financial year ending 31 December 2022. This includes the special one-off fees of S\$21,000 to the Independent Directors for their services rendered in relation to the Initial Public Offering ("**IPO**") of the Company prior to their formal appointment as Directors of the Company. The Board will table these at the forthcoming AGM for Shareholders' approval. No Director or a member of the RC is involved in deciding his/her own remuneration. (Provision 7.2 of the Code)

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company's procedures for developing remuneration policies, as well as the level and mix of remuneration, have been set out in detail above under Principles 6 and 7. In considering the disclosure of remuneration of the Directors and key management executives, the Board has taken into account the sensitive nature of such information in a niche business environment, the confidential nature and commercial sensitivity of remuneration matters and the negative impact such disclosure may have on the Group in attracting and retaining talent at the Board level on a long term basis, and also considered factors such as competitiveness of the industry of key talents and increased risk of poaching by other competitors in the market. The Board believes that full detailed disclosure of the specific remuneration figures of each Director and the key management executives (who are not Directors or the CEO) as recommended by the Code would be prejudicial to the interests of the Group. The Board has presented such information in remuneration bands no wider than S\$250,000 and believes that such disclosure, together with disclosure of the breakdown of the level and mix of remuneration in the tables below, is sufficient to enable Shareholders to understand Company's remuneration policies for Directors and key management executives, and the relationship between remuneration and performance. (Provisions 8.1(a), 8.1(b) and 8.3 of the Code)

The aggregate total remuneration paid to the Directors and the four (4) key management executives for FY2021 is approximately RM2,935,000. The Company has provided an aggregate figure for Directors and the four (4) key management executives in light of the confidential nature and commercial sensitivity of remuneration matters as mentioned above. The following table sets out the Directors' remuneration for FY2021: (Provisions 8.1(a) and 8.1(b) of the Code)

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Name of Directors	Remuneration Band	Fees (%)	Salary (%)	Bonuses and other variable performance components (%)	Allowances and other benefits (%)	Total (%)
Mr. Hew Koon Chan	–	–	–	–	–	–
Mr. Yong Khai Weng	B	–	47	42	11	100
Mr. Koh Keng Siang	–	–	–	–	–	–
Mr. Bernard Wong Ee Yu	–	–	–	–	–	–
Mr. Lai Wait Kit Andrew	–	–	–	–	–	–
Ms. Tan Yee Peng	–	–	–	–	–	–

In addition, the Group only has four (4) key management executives who are not Directors or the CEO. The names of the key management executives are not disclosed in order to maintain confidentiality taking into consideration the competitive pressures in the talent market. A breakdown, showing the level of the four (4) key management executives' remuneration is set out below:

Name of key management executives (who are not Directors or the CEO)	Remuneration Band ⁽¹⁾	Fees (%)	Salary (%)	Bonuses and other variable performance components (%)	Allowances and other Benefits (%)	Total (%)
First Executive	A	–	87	–	13	100
Second Executive	A	–	77	12	11	100
Third Executive	A	–	74	15	11	100
Fourth Executive	A	–	30	58	12	100

Note:

- (1) Remuneration bands:
 "Band A" refers to remuneration less than or equal to S\$250,000 per annum.
 "Band B" refers to remuneration greater than S\$250,000 per annum and less than or equal to S\$500,000 per annum.

There are no termination or retirement benefits, as well as post-employment benefits that are granted to the Directors and key management executives. (Provision 8.3 of the Code)

Ms. Tan Law Law, sister-in-law of our Executive Director and CEO, Mr. Yong Khai Weng, had received remuneration during FY2021 of between S\$50,000 and S\$100,000. Save as aforementioned, none of the employees in the Group (excluding the Executive Director and CEO), and whose remuneration exceeds S\$100,000 during the year is a Substantial Shareholder of the Company or an immediate family member of a Director or a Substantial Shareholder of the Company. (Provision 8.2 of the Code)

Oiltek Employee Share Option Scheme

On 11 February 2022, the Shareholders approved a share scheme which is known as the Oiltek Employee Share Option Scheme, the rules of which are set out in Appendix H titled "Rules of the Oiltek Employee Share Option Scheme" to the Offer Document dated 18 February 2022.

The objectives of the Oiltek Employee Share Option Scheme are as follows:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution of the Group;
- (b) to retain key employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by participants with the long-term prosperity of, the Group;

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- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of participants with the interests of the Shareholders.

The purpose of adopting the Oiltek Employee Share Option Scheme in addition to the Oiltek Performance Share Plan is to give us greater flexibility to align the interests of our employees, especially key executives, with interests of Shareholders.

The Oiltek Employee Share Option Scheme is administered by the RC, which has absolute discretion to determine, among others, the following:

- (a) persons to be granted Options;
- (b) number of Options to be offered; and
- (c) recommendations for modifications to the Oiltek Employee Share Option Scheme.

However, in compliance with the requirements of the Catalist Rules, a participant who is a member of the RC shall not be involved in any deliberation or decision in respect of any Options to be granted to or held by that participant.

The Oiltek Employee Share Option Scheme allows for participation by full-time employees of the Group (including the Executive Director(s)), who have been confirmed in his/her employment with the Group and attained the age of 21 years on or before the relevant date of grant of the Option, provided that none of them shall be an undischarged bankrupt or have entered into a composition with his/her creditors.

As at the date of this Annual Report, no Options have been granted under the Oiltek Employee Share Option Scheme.

The full details of the Oiltek Employee Share Option Scheme can be found in the Offer Document dated 18 February 2022.

Oiltek Performance Share Plan

On 11 February 2022, the Shareholders approved a share scheme which is known as the Oiltek Performance Share Plan, the rules of which are set out in Appendix I titled “Rules of the Oiltek Performance Share Plan” to the Offer Document dated 18 February 2022.

The objectives of the Oiltek Performance Share Plan are as follows:

- (a) to provide an opportunity for participants of the Oiltek Performance Share Plan to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of participants towards the Group;
- (b) to motivate participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (c) to give recognition to contributions made or to be made by participants by introducing a variable component into their remuneration package; and
- (d) to make employees remuneration sufficiently competitive to recruit new participants and/or to retain existing participants whose contributions are important to the long-term growth and profitability of the Group.

The Oiltek Performance Share Plan is administered by the RC, which has the absolute discretion to determine persons who will be eligible to participate in the Oiltek Performance Share Plan. However, in compliance with the requirements of the Catalist Rules, a participant who is a member of the RC shall not be involved in any deliberation or decision in respect of any Awards to be granted to or held by that participant.

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The Oiltek Performance Share Plan allows for participation by full-time employees of the Group (including the Executive Director(s)) who have been confirmed in his/her employment with the Group and attained the age of 21 years and above on or before the relevant date of grant of the award, provided that none shall be an undischarged bankrupt or have entered into a composition with his/her creditors.

As at the date of this Annual Report, no Awards have been granted under the Oiltek Performance Share Plan.

The full details of the Oiltek Performance Share Plan can be found in the Offer Document dated 18 February 2022.

(C) ACCOUNTABILITY AND AUDIT

Accountability

The Company announces its financial results on a half-yearly basis and other information via SGXNET in accordance with the Catalist Rules. The Company aims to provide the Shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects.

Management provides all members of the Board with management accounts and such explanation and information on a half-yearly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board determines the Group's levels of risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the Group's risk management and internal control systems.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The ARC, on behalf of the Board, determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all the significant control policies and procedures and highlight all significant findings to the Directors and the ARC for further discussion. The Board and the ARC also work with the external auditors on their recommendations and institutes and executes relevant controls with a view to managing business risks. (Provision 9.1 of the Code)

The Board and the ARC regularly review the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. Based on the internal controls established and maintained by the Group, work performed by the external auditors as well as the internal auditors, and reviews performed by Management, the Board, with the concurrence of the ARC, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems put in place by Management is adequate and effective to address the financial, operational, compliance and information technology risks of the Group.

The Board has also received the following assurance from: (Provisions 9.2(a) and 9.2(b) of the Code)

- (a) the CEO and the Financial Controller, that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the CEO and the four (4) key management executives who are responsible, that the Group's risk management and internal controls system are adequate and effective.

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Audit and Risk Committee

Principle 10: The Board has an Audit and Risk Committee which discharges its duties objectively.

The ARC comprises Ms. Tan Yee Peng as the Chairwoman, Mr. Hew Koon Chan, Mr. Lai Wai Kit Andrew, Mr. Koh Keng Siang and Mr. Bernard Wong Ee Yu as members. The ARC is made up of Non-Executive Directors and the majority, including the Chairwoman of the ARC, are Independent Directors. At least two (2) members, including the ARC Chairwoman, have recent and relevant accounting or related financial management expertise or experience. Accordingly, the ARC is appropriately qualified to discharge its responsibilities. (Provisions 1.4 and 10.2 of the Code)

The ARC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation. (Provision 10.3 of the Code)

The ARC will assist the Board in discharging its responsibility to safeguard the assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that Management creates and maintains an adequate and effective control environment in the Group. The ARC will provide a channel of communication between the Board, Management and the external auditors and the internal auditors of the Group on matters relating to audit.

The Board has approved the written terms of reference of the ARC. Specifically, the ARC's duties include *inter alia* the following: (Provisions 1.4 and 10.1 of the Code)

- (a) assisting the Board in the discharge of its responsibilities on financial and reporting matters;
- (b) reviewing the relevance and consistency of accounting standards, the significant reporting issues, recommendations and judgements made by external auditors so as to ensure the integrity of the financial statements of the Group; (Provision 10.1(a) of the Code)
- (c) reviewing, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditors, and reviewing at regular intervals with the management on the implementation by the Group of the internal control recommendations made by the internal and external auditors;
- (d) reviewing the periodic financial statements and results announcements of the Company before submission to the Board for approval, focusing, in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalyst Rules and any other statutory or regulatory requirements, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of the management, where necessary;
- (e) reviewing the assurance from the Executive Director and CEO and the Financial Controller on the financial records and financial statements of the Group; (Provision 10.1(c) of the Code)
- (f) reviewing the adequacy, effectiveness and independence of the external auditors and internal audit function of the Group; (Provision 10.1(e) of the Code)
- (g) reviewing the risk management structure and oversight of the risk management process and activities;
- (h) reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the internal control and procedures (addressing financial, operational, information technology, compliance risks) and risk management systems (such review to be carried out internally or with the assistance of any competent third parties) and discuss issues and concerns, if any, prior to the incorporation of the Directors' comments in annual report; (Provision 10.1(b) of the Code)
- (i) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;

CORPORATE GOVERNANCE REPORT

- (j) making recommendations to the Directors on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (k) recommending to the Board on the proposals to Shareholders on the appointment or re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors; (Provision 10.1(d) of the Code)
- (l) considering the independence of the external auditor, taking into account the non-audit services provided by the external auditor and the fees paid for such non-audit services, if any;
- (m) considering the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the internal auditors;
- (n) considering the appointment or re-appointment of a qualified tax adviser to ensure that the Group remains in compliance with applicable tax regulations and having oversight of issues and concerns raised by the tax adviser, if any, to prevent recurrence of non-compliance with tax regulations;
- (o) meeting with the external auditors and the internal auditors and in each case without the presence of management, at least annually and reviewing the cooperation given by the management to the internal and external auditors;
- (p) where applicable, ensuring that the internal audit function has unfettered access to all the Group's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Group;
- (q) given the Group's overseas operations and expansion plans, reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations (including overseas jurisdictions) which has or is likely to have a material impact on the Group's operating results or financial position and the management's response, and at appropriate times, report the matter to the Board and to the Sponsor;
- (r) reviewing the financial risk areas, with a view to providing an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;
- (s) reviewing the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- (t) reviewing policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, ensuring that such policies and arrangements continue to be in place for independent investigation and appropriate follow-up, and ensuring that the Group publicly discloses, and clearly communicates, to employees the existence of a whistle-blowing policy and the procedures for raising such concerns; (Provision 10.1(f) of the Code)
- (u) reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, among others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group, and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (v) reviewing and approving transactions falling within the scope of Chapter 9 of the Catalyst Rules, including the review of any interested person transactions under the section "Interested Person Transactions and Conflicts of Interest – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions" of the Offer Document dated 18 February 2022;
- (w) reviewing any actual or potential conflicts of interest and set out a framework to resolve or mitigate any potential conflict of interest and monitor compliance with such framework;
- (x) reviewing and approving transactions falling within the scope of Chapter 10 of the Catalyst Rules (if any);

CORPORATE GOVERNANCE REPORT

- (y) reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group and conducting periodic reviews of the hedging policies together with the transactions and hedging activities undertaken by the Group;
- (z) reviewing the Group's transactions with Asia Oil Products Sdn. Bhd². on an internal voluntary basis, to ensure that such transactions are carried out on commercial terms and on arm's length basis;
- (aa) reviewing the job scope and level of responsibility of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) and resolving or mitigating any actual or potential conflicts of interest that may arise from the involvement of such related employees in the relevant job functions;
- (bb) generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and
- (cc) undertaking such other reviews and projects as may be requested by the Board and reporting to the Board its findings from time to time on matters arising therefrom and which require the attention of the ARC.

The ARC is authorised to conduct or authorise investigations into any matter within its terms of reference, and has full access to Management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any Executive Director or Executive Officer to attend its meetings.

The ARC has reviewed the Group's financial reporting function, internal controls and processes and is satisfied with the adequacy and quality of the same. The ARC is satisfied with the adequacy of the Group's financial statements and financial reporting resources and the performance of the Group's finance department.

Whistle-blowing Policy

From time to time, the ARC reviews the policy and arrangements by which the employees of the Group and any other persons may, in confidence, raise concerns about the possible improprieties in matters of financial reporting or other matters within the Group, with the objectives of ensuring that arrangements are put in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken as and when the need arises. As at the date of this Annual Report, the Group has put in place a whistle-blowing policy for this purpose. The whistle-blowing policy will be made available on the Company's website and will be made known to employees. (Provision 10.1(f) of the Code)

The ARC has the responsibility of overseeing the Company's whistle-blowing policy and compliance by all employees. The ARC Chairwoman, being the Designated Party (as defined in the Company's whistle-blowing policy) at the date of this Annual Report, will review and assess the seriousness of all complaints promptly and determine, in consultation with others, if necessary, the manner in which complaints will be investigated. The Designated Party may, among other things, determine whether to instruct relevant members of management, the internal auditors or other independent party to investigate any complaint made in good faith, or take such other action as may be in the best interests of the Company. If upon initial assessment of the complaint it appears that the complaint could materially affect the financial statements of the Company or the integrity of Company's system of internal controls, the Designated Party will advise the ARC. It is anticipated that in the ordinary course, the Designated Party will complete their assessment of each complaint generally within ten business days of receiving such complaint.

Further to the Company's whistle-blowing policy, the Company is fully committed to maintaining procedures for the anonymous and confidential reporting of complaints by staff. All reports of complaints (including the identity of the whistle-blower) will be treated on a confidential basis. Generally, a report of a complaint will only be disclosed to those persons who have a need to know in order to properly carry out an investigation of such complaint. In addition, there will be no retaliation or other action (including any detrimental or unfair treatment) taken against any staff who, in good faith, reports a complaint. Anyone engaging in retaliatory conduct will be subject to disciplinary action by the Company, which may include termination.

² The spouse of Mr Yong Khai Weng, the Executive Director and CEO of the Company, Mdm Tan Law Yong, is a non-executive director and 20% shareholder of Asia Oil Products Sdn. Bhd., a customer of the Group.

CORPORATE GOVERNANCE REPORT

External Audit

The external auditor of the Company is PricewaterhouseCoopers LLP and Mr. Lee Chian Yorn is the current audit partner in charge. During the FY2021, the aggregate amount of fees paid/payable to the external auditors was approximately S\$261,000 (exclusive of GST) with audit related work carried out by the external auditors amounting to fees of approximately S\$155,000 and non-audit related work carried out by the external auditors amounting to fees of approximately S\$106,000 (exclusive of GST) in connection with the listing of the Company on Catalist. The ARC is satisfied that the external auditors' independence has not been impaired.

The ARC also has full access to the external auditors without the presence of Management and is authorised to have full and unrestricted access to Management and all personnel, records, operations, properties and other informational sources of the Group as required or desirable to properly discharge its responsibilities.

The ARC intends to and will meet with the external auditors separately, at least once a year, without the presence of the Management. The ARC has met with the external auditors without the presence of Management to discuss audit matters for FY2021. (Provision 10.5 of the Code)

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the ARC are of the opinion that a suitable auditing firm has been appointed to meet the Group's auditing obligations. The Company thereby complies with Rules 712 and 715 of the Catalist Rules.

The ARC has recommended to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment as external auditors at the forthcoming AGM of the Company.

Internal Audit

The internal auditors' primary line of reporting is to the ARC and the ARC Chairwoman. The ARC also decides and approves the appointment, termination, evaluation and remuneration of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC, and has appropriate standing within the Group. (Provision 10.4 of the Code)

During FY2021, the Company has outsourced its internal audit function to KPMG Services Pte. Ltd. ("**KPMG**") which has conducted its internal audit for the Group for the purposes of the IPO. There were no major internal control weaknesses highlighted by KPMG. The ARC has assessed and is satisfied that KPMG is independent, effective and adequately resourced, taking into consideration that KPMG is staffed with persons with the relevant qualifications and experience and carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The ARC will be appointing KPMG to conduct an internal audit for the Group for the financial year ending 31 December 2022. The ARC will annually assess and ensure the adequacy of the internal audit function.

CORPORATE GOVERNANCE REPORT

Key Audit Matter

The ARC has reviewed the following key audit matter (“KAM”) presented by the external auditors and concurred with the identification of the KAM:

KAM	ARC's comments
Accounting for engineering contracts	<p>The ARC considered the audit procedures performed by the external auditors to address this key audit matter, including obtaining an understanding of the on-going engineering contracts through discussions with management and project teams, assessed the appropriateness of the method selected to measure progress of individual projects and to recognise the contract revenue, and examined project documentation.</p> <p>Based on the above procedures, the ARC was satisfied that this key audit matter has been properly dealt with for purpose of the Board's approval of the financial statements for FY2021.</p> <p>The external auditor has included this item as a key audit matter in its audit report for FY2021. Please refer to page 48 of this Annual Report.</p>

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights, and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company facilitates the exercise of ownership rights by all Shareholders. In particular, Shareholders have the right to be timely and sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.

The Company provides Shareholders with the opportunity to participate effectively in and vote at general meetings of Shareholders. Shareholders are informed of the rules, including voting procedures, that govern general meetings of Shareholders. (Provision 11.1 of the Code)

The Company tables separate resolutions at general meetings of Shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the Company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. (Provision 11.2 of the Code)

The Constitution of the Company currently allows a Shareholder of the Company to appoint up to two proxies to attend and vote in his stead at general meetings, and Shareholders who are a “relevant intermediary” (as defined under section 181 of the Companies Act) may also appoint multiple proxies pursuant to the Companies Act. As the authentication of Shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax. (Provision 11.4 of the Code)

As the forthcoming AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “Order”), Shareholders of the Company will not be able to attend the AGM in person. Under the Order, Shareholders who wish to exercise their voting rights must appoint the Chairman of the AGM as their proxy

CORPORATE GOVERNANCE REPORT

to attend, speak and vote on their behalf at the forthcoming AGM. Alternative arrangements have been put in place to allow Shareholders to submit questions in advance of the forthcoming AGM, and the Company will publish its responses on SGXNET 48 hours before the deadline for submission of proxy form. (Provisions 11.4 of the Code)

The notice of general meetings of Shareholders is despatched to Shareholders, together with explanatory notes or a circular on items of special business, at least 14 clear days (for ordinary resolutions) or 21 clear days (for special resolutions) before the meeting. The Board welcomes questions from Shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings of Shareholders.

All Directors normally attend the general meetings of Shareholders. The Chairmen and/or Chairwoman of the ARC, RC and NC are normally available at the meeting to answer those questions relating to the work of these Committees. The Company's external auditors will also be present to assist the Directors in addressing queries by Shareholders about the conduct of audit and the preparation and content of the auditors' report. The upcoming AGM is the first general meeting to be held by the Company. (Provision 11.3 of the Code)

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting and responses from the Board and Management thereto. These minutes are published on SGXNet as well as the Company's corporate website as soon as practicable, and in any event no later than one (1) month from the date of AGM. (Provision 11.5 of the Code)

The Company puts all resolutions to vote by poll and makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors: (Provision 11.6 of the Code)

- (a) the Group's retained profits and cash flow;
- (b) the Group's actual and projected business and financial performance;
- (c) the Group's projected levels of capital expenditure and other investment plans;
- (d) the Group's working capital requirements and general financial condition;
- (e) the ability of the subsidiaries to declare and pay any dividends to the Company;
- (f) restrictions on payment of dividends imposed on the Group (such as by the banking facilities); and
- (g) the general economic and business conditions in countries in which the Group operates.

However, subject to the above factors, the Directors intend to recommend and distribute dividends of not less than 40.0% of the net profit of the Group attributable to the Shareholders of the Company for financial years ending 31 December 2022 and 2023 (collectively, the "**Proposed Dividends**") as the Company wishes to reward the Shareholders for participating in the Group's growth. The foregoing statement on the Proposed Dividends is merely a statement of the Company's present intention and shall not constitute a legally binding obligation on the Company or a legally binding statement in respect of its future dividends and may be subject to modification (including reduction or non-declaration thereof) in the Directors' sole and absolute discretion.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

In line with continuous disclosure obligations of the Company, pursuant to the Catalist Rules and the Companies Act, the Board's policy is to ensure that Shareholders are informed of all major developments that impact the Group. In disclosing information, the Company will be as descriptive, detailed and forthcoming as possible and avoid boilerplate disclosures.

CORPORATE GOVERNANCE REPORT

The Company currently does not have a formalised written investor relations policy but has in place designated investor relations personnel and considers advice from its legal counsel, external investor relations consultants and professionals on appropriate disclosure requirements and regularly conveys pertinent information to Shareholders to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Shareholders. (Provision 12.2 of the Code)

Shareholders may contact the Company with questions and the Company may respond to such questions via the Company's investor relations email at ir@oiltek.com.my. (Provision 12.3 of the Code)

Information is communicated to Shareholders on a timely basis through SGXNET and other information channels, including a well-maintained and updated corporate website. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as promptly as possible. The Board has established regular dialogue with Shareholders, to gather views or inputs, and address Shareholders' concerns. Communication is made through: (Provision 12.1 of the Code)

- annual reports that are prepared and issued to all Shareholders. The Board makes every effort to ensure that the annual reports include all relevant information about the Group, including future developments and other disclosures required by the Companies Act and the relevant accounting standards;
- interim financial statements containing a summary of the financial information and affairs of the Group for the relevant financial period;
- notices of and explanatory memoranda for AGMs and extraordinary general meetings;
- press and results briefings for the Group's annual results as well as other briefings, as appropriate;
- press releases on major developments of the Group;
- disclosures to the SGX-ST; and
- the Company's website at URL <https://www.oiltek.com.my/> at which Shareholders can access information on the Group. The website provides, *inter alia*, information on the Group's products and the corporate profile of the Group.

Shareholders have the opportunity to participate effectively in and to vote at general meetings of Shareholders to ensure a high level of accountability and to stay informed of the Group's strategy and goals. (Provision 12.1 of the Code)

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. The Group identify stakeholders as groups that have an impact, or have the potential to be impacted by the Group's business, as well as external organisations that have expertise in aspects that the Group considers material. The feedback the Group receives from stakeholders helps to determine the Group's material topics and identify focus areas. Stakeholders of the Company include, but are not limited to, customers, employees, suppliers and subcontractors, community and Shareholders and investors. (Provision 13.1 of the Code)

The Company's strategy and key focus areas in relation to the management of stakeholder relationships during the year will also be set out in the Company's sustainability report which will be prepared for the financial year ending 31 December 2022 and will be published on SGXNET in due course. (Provision 13.2 of the Code)

The Company maintains a current corporate website at URL <https://www.oiltek.com.my/> to communicate and engage with stakeholders. (Provision 13.3 of the Code)

CORPORATE GOVERNANCE REPORT

(F) DEALING IN SECURITIES

The Company adopts the following policies in relation to dealings in its securities:

- Officers are not to deal in its securities during the period commencing one (1) month before the announcement of the Group's financial results for the half year and financial statements for the full year, and ending on the date of the announcement of the relevant results.
- The Company reminds its Directors and officers that it is an offence under the Securities and Futures Act 2001 of Singapore for a listed issuer or its officers to deal in the listed issuer's securities as well as securities of other listed issuers when the listed issuer and its officers are in possession of unpublished material price- or trade-sensitive information in relation to those securities. The Company reminds its officers to observe the laws on insider trading at all times, even when dealing in its securities within the permitted trading period.
- The Company's internal compliance code provides guidance to its officers with regard to dealings by the Company and its officers in its securities and requires that its officers should not deal in the Company's securities on short term considerations.

The Board confirms that the Company has complied with Rule 1204(19) of the Catalist Rules.

(G) MATERIAL CONTRACTS

Save for the material contracts as disclosed in the Offer Document dated 18 February 2022, there were no material contracts of the Company or its subsidiaries involving the interest of any Director or Controlling Shareholders subsisting at the end of the FY2021, or if not then subsisting, entered into since the end of the previous financial year.

(H) INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(i) of the Catalist Rules.

There were no interested person transactions entered into during FY2021 with a value of equal to or more than S\$100,000.

(I) NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, non-sponsor fees incurred in FY2021 paid/payable to the Company's sponsor, SAC Capital Private Limited, amounting to S\$350,000 in connection with the listing of the Company on Catalist. Subsequent to FY2021, non-sponsor fees incurred in connection with the listing of the Company on Catalist amounted to S\$461,125.

(J) USE OF IPO PROCEEDS

As at the date of this Report, 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	-

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2021 and the balance sheet of the Company as at 31 December 2021.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 51 to 88 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Koh Keng Siang	(appointed on 22 July 2021)
Yong Khai Weng	(appointed on 30 December 2021)
Bernard Wong Ee Yu	(appointed on 30 December 2021)
Hew Koon Chan	(appointed on 30 December 2021)
Tan Yee Peng	(appointed on 30 December 2021)
Lai Wai Kit Andrew	(appointed on 30 December 2021)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2021	At the beginning of financial year or date of appointment	At 31.12.2021	At the beginning of financial year or date of appointment
The Company				
<u>Ordinary shares</u>				
Koh Keng Siang	-	-	21,814,362	2
Yong Khai Weng	2,040,240	2,040,240	-	-
Immediate holding corporation				
- Koh Brothers Eco Engineering Limited				
<u>Ordinary shares</u>				
Koh Keng Siang	13,120,000	13,120,000	1,544,629,607	1,544,629,607
Yong Khai Weng	11,002,000	11,002,000	-	-
<u>Warrants - 2017</u>				
Koh Keng Siang	-	2,815,195	-	218,444,432
<u>Warrants - 2018</u>				
Koh Keng Siang	4,388,846	4,388,846	-	-
Ultimate holding corporation				
- Koh Brothers Group Limited				
<u>Ordinary shares</u>				
Koh Keng Siang	30,007,035	30,007,035	60,020,000	60,020,000
Yong Khai Weng	60,000	60,000	-	-
<u>S\$70 million 5.1% fixed rate notes due 2022</u>				
Koh Keng Siang	-	-	S\$250,000	S\$250,000

Pursuant to share split on 11 February 2022, as disclosed in Note 1.2(d), Yong Khai Weng holds 9,020,323 shares in the Company and Koh Keng Siang is deemed to have an interest of 96,445,805 shares in the Company.

The directors' interests in the ordinary shares and debentures of the Company as at 5 May 2022 were the same as those as at 11 February 2022.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under option at the end of the financial year.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Audit and Risk Committee

The members of the Audit and Risk Committee at the end of the financial year are as follows:

Tan Yee Peng (Chairwoman)
Hew Koon Chan
Lai Wai Kit Andrew
Koh Keng Siang
Bernard Wong Ee Yu

All members of the Audit and Risk Committee are non-executive directors. Tan Yee Peng, Hew Koon Chan and Lai Wai Kit Andrew are independent directors.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2021 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Audit and Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Yong Khai Weng
Director

Koh Keng Siang
Director

5 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Oiltek International Limited

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Oiltek International Limited (“the Company”) and its subsidiaries (“the Group”) and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (“the Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2021;
- the balance sheets of the Group and the Company as at 31 December 2021;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

To the Members of Oiltek International Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Accounting for engineering contracts <i>Refer to Note 3(a) and Note 4</i></p> <p>During the financial year ended 31 December 2021, revenue from engineering contracts amounted to RM91.3 million and it represented 91% of the total revenue of the Group.</p> <p>The Group uses the input method (i.e. "cost-to-cost" method) to measure project progress and recognise contract revenue in accordance with SFRS(I) 15 Revenue from Contracts with Customers. This requires significant judgement in estimating the total contract costs which affects the accuracy of revenue recognition based on percentage-of-completion and completeness of provision for onerous contracts.</p> <p>We focused on the accuracy of revenue recognition and recoverability of contract assets due to the significant management judgement required in determining the total contract sum and the total contract costs.</p>	<p>We obtained an understanding of the on-going engineering contracts through discussions with management and project teams, assessed the appropriateness of the method selected for individual projects to measure progress and to recognise the contract revenue, and examined project documentation (including contracts, correspondences with customers on delays).</p> <p>In relation to total contract sums for on-going engineering contracts, our audit procedures included the following on a sampling basis:</p> <ul style="list-style-type: none"> • agreed total contract sums to contract entered into by the Group and its customer; • inspected correspondences with customers and supporting documents relating to variation orders included in total contract sums; • inspected progress billings to customers subsequent to year end and compared amounts to contract asset balances at year end; and • assessed the adequacy of the amount of liquidated damages and foreseeable losses to be net off against contract sums, based on our understanding of the projects. <p>In relation to total contracts costs, we have obtained the estimated budgeted costs for all on-going contracts as at year end, and our audit procedures included the following on a sampling basis:</p> <ul style="list-style-type: none"> • traced the cost to complete for each project by substantiating costs that have been committed to quotations and contracts entered; • tested the reasonableness of the cost to complete for selected projects, focusing on those with significant activities during the year; and • assessed the reasonableness of cost incurred against our understanding of the project. <p>Based on the audit procedures performed above, we have assessed management's estimates to be reasonable.</p> <p>We then recomputed the percentage of completion based on actual cumulative contract cost incurred as a portion of total contract costs, cumulative contract revenue and the contract revenue recognised for the current financial year as well as the amount of provision for onerous contract (where relevant) for each project, and traced to the accounting records and found it to be appropriate.</p> <p>We have also assessed the adequacy of the disclosures of the key accounting estimates and the sensitivity and found the disclosures in the financial statements to be appropriate.</p>

INDEPENDENT AUDITOR'S REPORT

To the Members of Oiltek International Limited

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

To the Members of Oiltek International Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chian Yorn.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 5 May 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Revenue	4	100,628	87,538
Cost of sales	7	(77,039)	(59,880)
Gross profit		<u>23,589</u>	27,658
Other income	5	53	212
Other gains/(losses) - net	6	658	(484)
Expenses			
- Reversal of/(allowance for) impairment of trade receivables	7	2,031	(1,791)
- Administrative and others	7	(13,344)	(9,840)
Profit before income tax		<u>12,987</u>	15,755
Income tax expense	9(a)	(3,280)	(3,698)
Profit after income tax and total comprehensive income		<u>9,707</u>	12,057
Profit after income tax and total comprehensive income attributable to:			
Equity holders of the Company		<u>9,707</u>	12,057
Earnings per share for profit attributable to the equity holders of the Company:			
- Basic and diluted earnings per share (in sen)	10	<u>8.06</u>	10.01

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2021

	Note	Group		Company
		2021	2020	2021
		RM'000	RM'000	RM'000
ASSETS				
Current assets				
Cash and bank balances	11	42,896	51,292	-
Trade and other receivables	12	16,976	6,547	-
Contract assets	4(b)	18,246	5,543	-
Inventories	13	895	1,078	-
Income tax receivables	9(b)	98	56	-
		79,111	64,516	-
Non-current assets				
Investments in subsidiaries	14	-	-	85,412
Property, plant and equipment	15	2,949	3,051	-
Deferred tax assets	9(c)	179	-	-
		3,128	3,051	85,412
Total assets		82,239	67,567	85,412
LIABILITIES				
Current liabilities				
Trade and other payables	17	31,167	22,273	4,121
Contract liabilities	4(b)	15,898	10,350	-
Current income tax liabilities	9(b)	811	856	-
		47,876	33,479	4,121
Non-current liability				
Deferred tax liabilities	9(c)	-	2	-
		-	2	-
Total liabilities		47,876	33,481	4,121
NET ASSETS		34,363	34,086	81,291
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	18	83,918	2,482	83,918
Merger reserve	19	(81,436)	-	-
Retained profits		31,881	31,604	(2,627)
Total equity		34,363	34,086	81,291

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Group	Note	Attributable to equity holders of the Company			
		Share capital RM'000	Merger reserve RM'000	Retained profits RM'000	Total RM'000
Balance at 1 January 2021		2,482	–	31,604	34,086
Profit for the financial year		–	–	9,707	9,707
Transactions with owners, recognised directly in equity - dividends	20	–	–	(9,430)	(9,430)
Issuance of shares pursuant to the Restructuring Exercise (Note 1.2)	18,19	81,436	(81,436)	–	–
Balance at 31 December 2021		83,918	(81,436)	31,881	34,363
Balance at 1 January 2020		2,482	–	34,436	36,918
Profit for the financial year		–	–	12,057	12,057
Transactions with owners, recognised directly in equity - dividends	20	–	–	(14,889)	(14,889)
Balance at 31 December 2020		2,482	–	31,604	34,086

Company	Note	Attributable to equity holders of the Company		
		Share capital RM'000	Accumulated loss RM'000	Total RM'000
Balance at beginning of financial period		–	–	–
Issuance of new ordinary shares	18	83,918	–	83,918
Loss for the financial period		–	(2,627)	(2,627)
Balance at 31 December 2021		83,918	(2,627)	81,291

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	Group	
		2021 RM'000	2020 RM'000
Cash flows from operating activities			
Profit after income tax		9,707	12,057
Adjustments for:			
- Income tax expense	9(a)	3,280	3,698
- Depreciation of property, plant and equipment	15	133	227
- Property, plant and equipment written off		1	6
- Interest income	5	(53)	(207)
- Unrealised translation loss		304	74
		13,372	15,855
Changes in working capital:			
- Trade and other receivables		(9,575)	7,806
- Inventories		183	(423)
- Contract assets and liabilities		(7,155)	(12,828)
- Trade and other payables		13,857	2,427
Cash generated from operations		10,682	12,837
Interest received		53	207
Income tax paid	9(b)	(3,548)	(2,326)
Net cash provided by operating activities		7,187	10,718
Cash flows from investing activity			
Purchase of property, plant and equipment		(32)	(75)
Net cash used in investing activity		(32)	(75)
Cash flows from financing activities			
Dividends paid to Shareholders		(14,393)	(9,926)
Listing expenses paid		(854)	-
Net cash used in financing activities		(15,247)	(9,926)
Net change in cash and bank balances		(8,092)	717
Beginning of financial year		51,292	50,649
Effect of currency translation on cash and bank balances		(304)	(74)
End of financial year	11	42,896	51,292
Reconciliation of liabilities arising from financing activities			

	1 January RM'000	Dividends declared RM'000	Dividends paid RM'000	31 December RM'000
2021				
Dividend payables (Note 20)	4,963	9,430	(14,393)	-
2020				
Dividend payables (Note 20)	-	14,889	(9,926)	4,963

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information, the restructuring exercise and basis of presentation

1.1 General information

Oiltek International Limited (the “Company”) was incorporated on 19 March 2021 under the Singapore Companies Act as a private company limited by shares under the name of Oiltek International Pte. Ltd. and is domiciled in Singapore. The Company was converted into a public company limited by shares and its name was change to Oiltek International Limited on 11 February 2022. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 3 March 2022. The address of its registered office is 15 Genting Road, Singapore 349493.

The principal activities of the Company is an investment holding company. The Company together with its subsidiaries (together, the “Group”) are principally engaged in the supply and provision of engineering design and commissioning of oil extraction equipment and plant.

The principal activities of its significant subsidiaries are disclosed in Note 14 of the financial statements.

1.2 Restructuring exercise

The Group undertook the following transactions as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Restructuring Exercise”).

(a) *Incorporation of the Company*

On 19 March 2021, the Company was incorporated in Singapore under the Companies Act as a private company limited by shares, with an issued and paid-up share capital of S\$2 (approximately RM6) comprising 2 shares held by the immediate holding corporation, Koh Brothers Eco Engineering Limited (“KBE”).

(b) *Acquisition of subsidiaries*

Pursuant to a restructuring deed dated 14 December 2021 entered into between SWW Pte. Ltd. (“SWW”), WSB Pte. Ltd. (“WSB”), Mr. Yong Khai Weng, Mr. Bernard Wong Ee Yu, Mr. Tan Hun Tee, and Mr. Ma Ong Kee (collectively, the “Vendors”), the Company, Oiltek Sdn. Bhd., and KBE (the “Restructuring Deed”), the Company, on 28 December 2021, acquired:

- (i) all of the issued and paid-up ordinary shares of Oiltek Sdn. Bhd. from the Vendors at an aggregate amount of S\$27,255,000 (approximately RM83,918,145) (the “OSB Consideration”), which was determined on a “willing buyer, willing seller” basis, and satisfied by the allotment and issue of 27,255,000 ordinary shares in the issued and paid-up capital of the Company at an issue price of S\$1.00 per Share (the “Consideration Shares”) to the Vendors (save for SWW, WSB, and Mr Bernard Wong Ee Yu who assigned their respective right to the OSB Consideration to KBE, the allotment and issue of the corresponding number of Consideration Shares to KBE of which constituted good and valuable consideration to SWW, WSB, and Mr. Bernard Wong Ee Yu for the sale of such shares in Oiltek Sdn. Bhd.); and
- (ii) all of issued and paid-up ordinary shares of Oiltek Global Energy Sdn. Bhd. and Oiltek Global Pte. Ltd. from Oiltek Sdn. Bhd. at an aggregate amount of S\$485,181 (approximately RM1,439,872), which was determined taking into consideration of the unaudited net asset value of Oiltek Global Energy Sdn. Bhd. as at 30 June 2021 and the share capital of Oiltek Global Pte. Ltd., and satisfied in cash or such other payment method agreed in writing between the Company and Oiltek Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. General information, the restructuring exercise and basis of presentation (continued)

1.2 Restructuring exercise (continued)

(c) *Conversion of the Company into a public company*

On 11 February 2022, the Company was converted into a public company limited by shares and its name was change from Oiltek International Pte. Ltd. to Oiltek International Limited.

(d) *Share split*

On 11 February 2022, the shareholders of the Company approved the share split, pursuant to which 27,255,002 shares in the issued and paid-up capital of the Company were subdivided into 120,500,000 shares. Following the share split, which was effected on 11 February 2022, the issued and paid-up share capital of the Company was S\$27,255,002, comprising 120,500,000 shares.

1.3 Basis of presentation

The Group resulting from the above Restructuring Exercise is regarded as a continuing entity for the years ended 31 December 2020 and 2021 as the Group is ultimately controlled by the common shareholders both before and after the Restructuring Exercise. Accordingly, although the Company is only incorporated on 19 March 2021, the consolidated financial statements of the Group have been prepared using the principles of merger accounting on the basis that the Restructuring Exercise transfer the equity interest in the combining entities under the common control to the Company has been effected for the years ended 31 December 2020 and 2021.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measurements imposed by the various governments. The Group's significant operations are mainly in Malaysia, which have been affected by the spread of COVID-19 since 2020.

The Group has assessed that the going concern basis of preparation for the combined financial statements for the financial year ended 31 December 2021 remains appropriate.

The Group has also considered the market conditions (including the impact of COVID-19) as at balance sheet date, in making estimates and judgements on estimation of total contract cost for engineering contracts and recoverability of assets as at 31 December 2021. The Group assessed that the carrying amount of assets at 31 December 2021 are not impaired due to impact of COVID-19.

As the COVID-19 pandemic continues to evolve, the Group continues to be impacted by the measures taken by governments to combat the spread of the pandemic. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.2 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective.

Effective on or after 1 January 2021

- Amendments to SFRS(I) 16 Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)
- Amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement, SFRS(I) 7 Financial Instruments: Disclosures, SFRS(I) 4 Insurance Contracts and SFRS(I) 16 Leases (Interest Rate Benchmark Reform – Phase 2)

Effective on or after 1 January 2022

- Amendments to SFRS(I) 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to SFRS(I) 1-16 Property, Plant and Equipment (Proceeds before Intended Use)
- Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)
- Annual improvements to SFRS(I)s 2018-2020

Effective on or after 1 January 2023

- SFRS(I) 17 Insurance Contracts
- Amendments to SFRS(I) 1-1 Presentation of Financial Statements (Classification of Liabilities as Current or Noncurrent)
- Amendments to SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) Practice Statement 2 (Disclosure of Accounting Policies)
- Amendments to SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
- Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 17 Insurance Contracts

Effective date yet to be determined

- Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.3 Revenue recognition

(a) Contract revenue

The Group provides engineering services to customers through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In some circumstances such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.

Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (i) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (ii) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

(b) Sale of goods

Revenue from sale of goods is recognised at a point in time when the Group has delivered the products to the customer and the customer has accepted the products.

(c) Interest income

Interest income is recognised using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.4 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

Except for the Restructuring Exercise as described in Note 1.2, the acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.5 Property, plant and equipment

(a) *Measurement*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land	92 years
Factory building	50 years
Motor vehicles	5 years
Office equipment and computers	5 – 8 years
Furniture, fittings and renovation	6 – 8 years
Machinery and equipment	4 – 6 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.7 Impairment of non-financial assets

- (a) *Property, plant and equipment*
Right-of-use ("ROU") asset
Investments in subsidiaries

Property, plant and equipment, ROU asset and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.8 Financial assets

- (a) *Classification and measurement*

The Group classifies its financial assets measured at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.8 Financial assets (continued)

(a) Classification and measurement (continued)

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets at fair value through profit or loss which are recognised at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances and trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 21(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sale of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.9 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) ROU asset

The Group recognised a ROU asset and lease liability at the date which the underlying asset is available for use. ROU asset is measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the ROU asset.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

The ROU asset is presented within "Property, plant and equipment".

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.9 Leases (continued)

(a) When the Group is the lessee: (continued)

(iii) Short term and low value leases

The Group has elected to not recognise ROU assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(iv) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. There are no variable lease payments for the Group.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.11 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.12 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.12 Income taxes (continued)

Deferred tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.13 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund and the Employees Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.14 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The 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.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within Note 6 "Other gains/(losses) – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

2.14 Currency translation (continued)

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the members of the management and the chief operation decision makers who are responsible for allocating resources and assessing performance of the operating segments.

2.16 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and bank balances.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital and accounts.

2.18 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Estimation of contract costs for engineering contracts*

The Group has significant ongoing construction contracts as at 31 December 2021 that are non-cancellable. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract sum and total contract costs to complete, which are used in the input method to determine the Group's recognition of revenue. When it is probable that the total contract costs will exceed the total contract revenue, a provision for onerous contracts is recognised immediately.

Significant assumptions are used to estimate the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management has relied on past experience.

If the remaining estimated contract costs increase by 1% from management's estimates, the Group's profit before income tax will decrease by approximately RM255,000.

(b) *Measurement of expected credit loss allowances for financial assets*

The loss allowances for financial assets (Note 21(b)) are determined based on management's assumptions on risk of default and expected loss rates. Management has applied judgement in making those assumptions and selecting inputs in estimating the expected credit loss using the Group's past history, existing market conditions, as well as forward-looking information at the balance sheet date.

(c) *Critical judgement in determination of functional currencies of Oiltek Sdn. Bhd. and Oiltek Global Energy Sdn. Bhd.*

The functional currency of the Group's major subsidiaries, Oiltek Sdn. Bhd. and Oiltek Global Energy Sdn. Bhd. is Malaysian Ringgit. In determining the appropriate functional currency for these subsidiaries, management has considered (i) the currency that mainly influences sales prices for goods and services, (ii) the currency that mainly influence cost of sales, (iii) the currency in which funds from financing activities are generated and (iv) the currency in which operating activities are usually retained in.

4. Revenue

(a) Disaggregation of revenue from contracts with customers

	Group	
	2021 RM'000	2020 RM'000
Contract revenue – over time	91,313	76,467
Sales of goods – at a point in time	9,315	11,071
Total	100,628	87,538

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. Revenue (continued)

(b) Contract assets and liabilities

	Group		
	31 December		1 January
	2021	2020	2020
	RM'000	RM'000	RM'000
Contract assets			
<i>Current</i>			
Engineering contracts	18,246	5,543	9,099
Contract liabilities			
<i>Current</i>			
Engineering contracts	15,898	10,350	26,734

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date on engineering contracts. The increase in contract assets was mainly due to revenue being recognised during the financial year but which has not yet been billed to the customers.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for engineering contracts. The increase in contract liabilities was mainly due to advances received from customers during the financial year.

(i) *Revenue recognised in relation to contract balances*

	Group	
	2021	2020
	RM'000	RM'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
- Engineering contracts	9,131	15,587

(ii) *Unsatisfied performance obligations*

	Group	
	2021	2020
	RM'000	RM'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
- Engineering contracts	162,616	93,709

Management expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 31 December 2021 will be recognised as revenue as the Group continue to perform to complete the projects, which is expected to occur over the next few years up to 2023. The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. Revenue (continued)

(c) Trade receivables from contracts with customers

	Group	
	31 December	1 January
	2021	2020
	RM'000	RM'000
Current assets		
Trade receivables from contracts with customers	15,196	14,517
Less: Allowance for impairment	(389)	(7,882)
	14,807	13,816

5. Other income

	Group	
	2021	2020
	RM'000	RM'000
Interest income	53	207
Other income	-	5
	53	212

6. Other gains/(losses) - net

	Group	
	2021	2020
	RM'000	RM'000
Net foreign exchange gain/(loss)	658	(484)

7. Expenses by nature

	Group	
	2021	2020
	RM'000	RM'000
Purchases of raw material, equipment, consumables and subcontractor costs	71,879	56,597
Changes in inventories	183	(423)
(Reversal of)/allowance for impairment of trade receivables	(2,031)	1,791
Sales commission expenses	1,829	1,974
Depreciation of property, plant and equipment (Note 15)	133	227
Employee compensation (Note 8)	9,520	8,107
Freight, shipping, transport and travelling expenses	3,148	1,732
Legal and professional fees	275	238
Listing expenses	2,509	-
Other expenses	907	1,268
	88,352	71,511

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. Employee compensation

	Group	
	2021 RM'000	2020 RM'000
Salaries, bonus and other costs	8,446	7,201
Employer's contribution to defined contribution plans	1,074	906
	9,520	8,107

Compensation to key management personnel, including directors' remuneration is separately disclosed in Note 22(b).

9. Income taxes

(a) Income tax expense

	Group	
	2021 RM'000	2020 RM'000
Tax expense attributable to profit is made up of:		
- Current income tax [Note 9(b)]	3,304	3,546
- Deferred tax [Note 9(c)]	(181)	199
	3,123	3,745
Under/(over) provision in prior financial year		
- Current income tax [Note 9(b)]	157	(47)
	3,280	3,698

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the respective domestic standard rates of income tax as follows:

	Group	
	2021 RM'000	2020 RM'000
Profit before income tax	12,987	15,755
Tax calculated at domestic rates applicable to profit in countries where the Group operates	3,300	3,781
Effects of:		
Expenses not deductible for tax purposes	464	104
Income not subject to tax	(667)	(5)
Under/(over) provision in prior financial years	157	(47)
Others	26	(135)
Tax charge	3,280	3,698

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. Income taxes (continued)

(b) Movement in current income tax liabilities/(receivables)

	Group	
	2021 RM'000	2020 RM'000
Balance as at 1 January	800	(373)
Currency translation differences		
Income tax paid	(3,548)	(2,326)
Tax expense [Note 9(a)]	3,304	3,546
Under/(over) provision in prior financial year [Note 9(a)]	157	(47)
Balance at 31 December	713	800

The amounts shown on the balance sheet as follows:

	Group	
	2021 RM'000	2020 RM'000
Income tax receivables	(98)	(56)
Current income tax liabilities	811	856
Net current income tax liabilities	713	800

(c) Deferred tax

The movement in the net deferred tax account is as follows:

	Group	
	2021 RM'000	2020 RM'000
Balance at 1 January	2	(197)
(Credited)/charged to profit or loss [Note 9(a)]	(181)	199
Balance at 31 December	(179)	2

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred taxes relate to the same fiscal authority.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. Income taxes (continued)

(d) Movement in deferred tax

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2021 RM'000	2020 RM'000
Deferred tax assets	(179)	–
Deferred tax liabilities	–	2
Net deferred tax (assets)/liabilities	(179)	2

Movements in the Group's deferred tax liabilities and assets (prior to offsetting of the balances within the same tax jurisdiction) during the financial year are as follows:

Deferred tax assets

Group 2021	Unrealised foreign exchange differences RM'000	Timing difference in taxation of contract profits RM'000	Total RM'000
Balance as at 1 January	–	(32)	(32)
Credited to profit or loss	(5)	(165)	(170)
Balance at 31 December	(5)	(197)	(202)

2020

Balance as at 1 January	(249)	–	(249)
Charged/(credited) to profit or loss	249	(32)	217
Balance at 31 December	–	(32)	(32)

Deferred tax liabilities

Group 2021	Accelerated tax depreciation RM'000	Unrealised foreign exchange differences RM'000	Timing difference in taxation of contract profits RM'000	Total RM'000
Balance as at 1 January	17	17	–	34
Charged/(credited) to profit or loss	6	(17)	–	(11)
Balance at 31 December	23	–	–	23

2020

Balance as at 1 January	7	–	45	52
Charged/(credited) to profit or loss	10	17	(45)	(18)
Balance at 31 December	17	17	–	34

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021	2020
Net profit attributable to equity holders of the Company (RM'000)	9,707	12,057
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)*	120,500	120,500
Basic earnings per share (in sen)	8.06	10.01

* The weighted average number of ordinary shares is derived from the number of ordinary shares in issue by the Company, adjusted retrospectively for the effects of restructuring as described in Note 1.2.

(b) Diluted earnings per share

There is no dilution of earnings per share for the financial years ended 31 December 2021 and 2020 as there were no potential dilutive ordinary shares.

11. Cash and bank balances

For the purpose of presenting the consolidated statement of cash flows, cash and bank balances comprise the following:

	Group	
	2021	2020
	RM'000	RM'000
Cash and bank balances	42,896	43,266
Fixed deposits	-	8,026
	42,896	51,292

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. Trade and other receivables

	Group	
	2021 RM'000	2020 RM'000
Trade receivables from non-related parties	15,196	8,862
Less: Allowance for impairment of trade receivables	(389)	(2,373)
Trade receivables - net	14,807	6,489
Amount due from a fellow subsidiary (trade)	-	5,655
Less: Allowance for impairment	-	(5,655)
Deposits	239	48
Prepaid listing expenses	854	-
Other receivables	1,076	10
	16,976	6,547

13. Inventories

	Group	
	2021 RM'000	2020 RM'000
Finished goods	895	1,078

The cost of inventories recognised as an expense and included in "cost of sales" amounts to RM2,770,000 (2020: RM1,609,000).

14. Investments in subsidiaries

	Company 2021 RM'000
<i>Unquoted equity shares, at cost</i>	
Balance at 1 January	-
Acquisition of subsidiaries (Note 1.2)	85,412
Balance at 31 December	85,412

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14. Investments in subsidiaries (continued)

Details of the Group's subsidiaries as at 31 December 2021 are as follows:

Name	Country of incorporation and business	Principal activities	Effective interest held by Group 2021 %
SUBSIDIARIES			
<i>Held by the Company</i>			
Oiltek Sdn. Bhd. ⁽¹⁾	Malaysia	Specialist engineers	100
Oiltek Global Energy Sdn. Bhd. ⁽¹⁾	Malaysia	Specialist engineers in the renewable energy segment	100
Oiltek Global Pte. Ltd. ⁽²⁾	Singapore	Engineering design and consultancy activities	100

⁽¹⁾ Audited by PricewaterhouseCoopers PLT, Malaysia.

⁽²⁾ Audited by PricewaterhouseCoopers LLP, Singapore.

15. Property, plant and equipment

	Leasehold land and buildings	Machinery and equipment	Furniture, fittings and renovation	Motor vehicles	Office equipment and computers	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Cost						
At 1 January 2021	3,611	106	468	594	644	5,423
Additions	-	-	-	-	32	32
Write-off	-	-	-	-	(15)	(15)
At 31 December 2021	3,611	106	468	594	661	5,440
Accumulated depreciation						
At 1 January 2021	830	106	462	547	427	2,372
Write-off	-	-	-	-	(14)	(14)
Depreciation charge (Note 7)	49	-	1	23	60	133
At 31 December 2021	879	106	463	570	473	2,491
Net book value at 31 December 2021	2,732	-	5	24	188	2,949

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. Property, plant and equipment (continued)

	Leasehold land and buildings	Machinery and equipment	Furniture, fittings and renovation	Motor vehicles	Office equipment and computers	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Cost						
At 1 January 2020	3,611	106	481	594	841	5,633
Additions	–	–	–	–	75	75
Write-off	–	–	(13)	–	(272)	(285)
At 31 December 2020	3,611	106	468	594	644	5,423
Accumulated depreciation						
At 1 January 2020	780	106	472	441	625	2,424
Write-off	–	–	(13)	–	(266)	(279)
Depreciation charge	50	–	3	106	68	227
At 31 December 2020	830	106	462	547	427	2,372
Net book value at 31 December 2020	2,781	–	6	47	217	3,051

- (i) ROU asset acquired under leasing arrangements is presented together with the owned assets of the same class. Details of such leased asset is disclosed in Note 16(a).
- (ii) The Group's major property included in property, plant and equipment is as follows:

Name and location	Description	Tenure
Lot 6 Jalan Pasaran 23/5, Kawasan MIEL, Shah Alam, Selangor Darul Ehsan, Malaysia	Factory-cum-office building	99 years from 15 August 1997

16. Leases – The Group as a lessee

Nature of the Group's leasing activities

Leasehold land

The Group leases leasehold land from a non-related party under a non-cancellable lease agreement, for which the Group has prepaid upfront in full. The leasehold land is recognised within property, plant and equipment (Note 15).

There is no externally imposed covenant on the lease arrangement.

- (a) Carrying amounts of ROU asset classified within Property, plant and equipment

	2021 RM'000	2020 RM'000
Leasehold land	2,025	2,052

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16. Leases – The Group as a lessee (continued)

(b) Depreciation charge during the year

	2021 RM'000	2020 RM'000
Leasehold land	27	27

17. Trade and other payables

	Group		Company
	2021 RM'000	2020 RM'000	2021 RM'000
Trade payables to non-related parties	27,197	12,392	–
Non-trade amounts due to immediate holding corporation	–	1,748	–
Non-trade amounts due to subsidiaries	–	–	1,495
Dividend payable	–	4,963	–
Other payables	1,618	1,134	–
Accrued operating expenses	2,352	2,036	2,626
	31,167	22,273	4,121

The non-trade amounts due to related corporations are unsecured, interest-free and are repayable on demand.

18. Share capital

	No. of ordinary shares 2021	Amount 2021 RM'000
<u>Group and Company</u>		
Issue of shares upon incorporation	2	–*
Issue of shares pursuant to the Restructuring Exercise (Note 1.2)	27,255,000	83,918
Share split pursuant to the Restructuring Exercise (Note 1.2)	93,244,998	–
Balance at 31 December	120,500,000	83,918

*Denotes less than RM1,000

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.

As part of the Restructuring Exercise (Note 1.2), there was issue of 27,255,000 ordinary shares for the total consideration of RM83,918,145 on 28 December 2021. The newly issued shares rank pari passu in all aspects with the previously issued shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. Merger reserve

	Group	
	2021 RM'000	2020 RM'000
Balance at 1 January	-	-
Pursuant to the Restructuring Exercise (Note 1.2)	(81,436)	-
Balance at 31 December	(81,436)	-

The merger reserve represents the difference between the consideration paid and the aggregate of share capital of the entities acquired under common control accounted for by applying the principles of merger accounting.

Merger reserve is not available for dividend distribution.

20. Dividend

	Group	
	2021 RM'000	2020 RM'000
Dividends paid in respect of the financial year ended of RM3.80 (2020: RM6.00) per share	9,430	14,889

The above dividends are declared by a subsidiary to the shareholders.

21. Financial risk management

Financial risk factors

The Group's activities expose it to market risks (including currency risks), credit risks and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. Where possible, the Group seeks to match assets and liabilities of the same currency.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Market risk

(i) *Currency risk*

The Group operates mainly in Asia with operations mainly in Malaysia. Entities in the Group transact predominantly in their respective functional currencies.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as Singapore Dollar ("SGD"), Euro ("EUR") and United States Dollar ("USD"). The Group monitors the foreign currency exchange rate movements closely to ensure that its exposure is minimised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows:

	MYR RM'000	SGD RM'000	EUR RM'000	USD RM'000	Total RM'000
At 31 December 2021					
Financial assets					
Cash and bank balances	10,571	37	803	31,485	42,896
Trade and other receivables	7,671	-	921	8,384	16,976
Intra-group balances	1,494	23	-	-	1,517
	19,736	60	1,724	39,869	61,389
Financial liabilities					
Trade and other payables	(22,515)	(343)	(4,719)	(3,590)	(31,167)
Intra-group balances	(1,494)	(23)	-	-	(1,517)
	(24,009)	(366)	(4,719)	(3,590)	(32,684)
Net financial (liabilities)/assets	(4,273)	(306)	(2,995)	36,279	28,705
Less: Net liabilities denominated in the respective entities' functional currency	4,273	96	-	-	4,369
Net currency exposure	-	(210)	(2,995)	36,279	33,074
At 31 December 2020					
Financial assets					
Cash and bank balances	18,155	-	816	32,321	51,292
Trade and other receivables	4,252	-	516	1,779	6,547
Intra-group balances	1,000	-	-	-	1,000
	23,407	-	1,332	34,100	58,839
Financial liabilities					
Trade and other payables	(14,600)	(2,034)	(1,748)	(3,891)	(22,273)
Intra-group balances	(1,000)	-	-	-	(1,000)
	(15,600)	(2,034)	(1,748)	(3,891)	(23,273)
Net financial assets/ (liabilities)	7,807	(2,034)	(416)	30,209	35,566
Less: Net assets denominated in the respective entities' functional currency	(7,807)	-	-	-	(7,807)
Net currency exposure	-	(2,034)	(416)	30,209	27,759

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, EUR and SGD change against the RM by 6%, 6% and 6% respectively with all other variables including tax rate held constant, the effects arising from the net financial assets and liabilities position on profit after income tax will be as follows:

	2021 RM'000	2020 RM'000
Group		
USD against RM		
- Strengthened	1,654	1,378
- Weakened	(1,654)	(1,378)
<hr/>		
EUR against RM		
- Strengthened	(137)	(19)
- Weakened	137	19
<hr/>		
SGD against RM		
- Strengthened	(10)	(93)
- Weakened	10	93
<hr/>		

(ii) Interest rate risk

The Group has insignificant exposure to interest rate risk.

(iii) Price risk

The Company is not exposed to price risk.

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, where cash term, advance payments, bankers' guarantees and performance bonds are required for customers of lower credit standing; and
- High credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The Group has no significant concentration of credit risk with any single customer.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. Financial risk management (continued)

(b) Credit risk (continued)

The credit risk for trade receivables from non-related parties based on the information provided to key management is as follows:

	Group	
	2021 RM'000	2020 RM'000
<i>By geographical areas</i>		
Malaysia	6,314	4,202
Indonesia	2,109	824
Africa	556	1,451
Pakistan	5,817	–
Others	11	12
	14,807	6,489

The movement in credit loss allowance for trade receivables are as follows:

	Group	
	2021 RM'000	2020 RM'000
<u>Trade receivables from non-related parties⁽¹⁾</u>		
Balance at 1 January	2,373	2,395
Loss allowance recognised in profit or loss during the year on:		
- Asset acquired/originated	221	2,289
- Reversal of unutilised amount	(2,205)	(498)
Allowance written off	–	(1,813)
Balance at 31 December	389	2,373

⁽¹⁾ Loss allowance measured at lifetime expected credit loss

	Group	
	2021 RM'000	2020 RM'000
<u>Amount due from a fellow subsidiary (trade)</u>		
Balance at 1 January	5,655	5,487
Currency translation difference	–	168
Allowance written off	(5,655)	–
Balance at 31 December	–	5,655

The Group's contract assets and other receivables are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets

In measuring the expected credit losses (“ECL”), trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data. The Group has identified the gross domestic product (“GDP”) growth of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in this factor.

The Group considers a financial asset as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor’s ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Group and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the expected credit loss rate for trade receivables past due less than 1 year approximates nil and is immaterial, while the expected credit loss rate for trade receivables past due more than 1 year approximates 50% to 100%, except for specific cases where management has assessed that the amount is still fully recoverable.

The Group’s and the Company’s credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 are set out in the provision matrix as follows:

	Current RM’000	← Past due →			Total RM’000
		1 to 6 months RM’000	7 to 12 months RM’000	Over 12 months RM’000	
2021					
Group					
Contract assets	18,246	–	–	–	18,246
Trade receivables	11,537	2,832	–	827	15,196
Loss allowance	–	–	–	(389)	(389)
2020					
Group					
Contract assets	5,543	–	–	–	5,543
Trade receivables	506	2,762	3,092	8,157	14,517
Loss allowance	–	–	–	(8,028)	(8,028)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and bank balances as disclosed in Note 11.

The Group's financial liabilities due within one year as at 31 December 2021 is RM31,167,000 (2020: RM22,273,000).

The Company's financial liabilities due within one year as at 31 December 2021 is RM4,121,000.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group is in a net cash position as it has no borrowings.

The Group is not subject to any externally imposed requirements for the financial years ended 31 December 2021 and 2020.

(e) Financial instruments by category

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

	Group		Company
	2021	2020	2021
	RM'000	RM'000	RM'000
Financial assets at amortised cost	59,017	57,839	-
Financial liabilities at amortised cost	31,167	22,273	4,121

22. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2021	2020
	RM'000	RM'000
Rental of premise from a related corporation	6	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. Related party transactions (continued)

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group	
	2021 RM'000	2020 RM'000
Salaries and other short-term employee benefits	2,615	1,213
Employer's contribution to defined contribution plans	320	152
	2,935	1,365

23. Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer ("CEO") that are used to make strategic decisions. The CEO is the Group's chief operating decision-maker.

The CEO 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.

CEO 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23. Segment information (continued)

(a) *Analysis by Reportable Segment*

The segment information provided to the CEO for the reportable segments for the financial period ended 31 December 2021 are as follows:

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
2021					
Revenue					
External	74,262	17,051	9,315	–	<u>100,628</u>
Results					
Segment results	12,532	1,036	1,350	–	14,918
Other income					53
Other gains - net					658
Depreciation of property, plant and equipment					(133)
Listing expenses					<u>(2,509)</u>
Profit before income tax					12,987
Income tax expense					<u>(3,280)</u>
Profit after income tax					<u>9,707</u>
Assets					
Segment assets	28,203	3,948	2,873	1,093	36,117
<u>Unallocated assets:</u>					
Cash and bank balances					42,896
Income tax receivables					98
Property, plant and equipment					2,949
Deferred tax assets					179
Total assets					<u>82,239</u>
Liabilities					
Segment liabilities	37,379	4,723	1,866	3,097	47,065
<u>Unallocated liabilities:</u>					
Current income tax liabilities					811
Total liabilities					<u>47,876</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23. Segment information (continued)

(a) *Analysis by Reportable Segment* (continued)

Group (RM'000)	Edible & Non-Edible Oil Refinery	Renewable Energy	Product Sales and Trading	Others	Total
2020					
Revenue					
External	58,880	17,587	11,071	–	<u>87,538</u>
Results					
Segment results	10,956	3,815	1,483	–	16,254
Other income					212
Other losses - net					(484)
Depreciation of property, plant and equipment					<u>(227)</u>
Profit before income tax					15,755
Income tax expense					<u>(3,698)</u>
Profit after income tax					<u>12,057</u>
Assets					
Segment assets	8,759	1,529	2,851	29	13,168
<u>Unallocated assets:</u>					
Cash and bank balances					51,292
Income tax receivables					56
Property, plant and equipment					<u>3,051</u>
Total assets					<u>67,567</u>
Liabilities					
Segment liabilities	19,878	2,645	1,100	9,000	32,623
<u>Unallocated liabilities:</u>					
Current income tax liabilities					856
Deferred tax liabilities					<u>2</u>
Total liabilities					<u>33,481</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23. Segment information (continued)

(b) *Geographical Information*

The Group operate in several main geographical areas: Asia, America and Africa.

The following table presents sales information for the main geographical areas for the financial years ended 31 December 2021 and 2020.

Group	Total revenue	
	2021 RM'000	2020 RM'000
Asia:		
- Bangladesh	169	761
- Indonesia	36,746	10,209
- Malaysia	32,224	20,778
- Pakistan	13,492	9,209
- Thailand	1,173	5,222
- Others	1,616	3,262
	85,420	49,441
America	4,063	1,566
Africa:		
- Algeria	3,996	2,495
- Benin	1,142	9,407
- Kenya	1,691	24,476
- Uganda	3,943	3
- Others	373	150
	11,145	36,531
	100,628	87,538

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.

(c) *Information about major customers*

Revenue of approximately 31% (2020: 50%) are derived from two (2020: three) major customers. Major customers are defined as customers that contributed 10% or more of the Group's revenue. These revenue are attributable to the Edible & Non-Edible Oil Refinery and Renewable Energy segments.

24. Immediate and ultimate holding corporation

The Company's immediate holding corporation is Koh Brothers Eco Engineering Limited, incorporated in Singapore. The Company's ultimate holding corporation is Koh Brothers Group Limited, incorporated in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

26. Events occurring after balance sheet date

On 4 March 2022, Oiltek Sdn. Bhd., a subsidiary of the Company, fully paid the remaining interim dividends of RM8,933,601 which was declared on 30 July 2021 and conditional upon the listing of the Company to the existing shareholders. The Company was listed on the Catalist Board of SGX-ST on 3 March 2022.

27. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Oiltek International Limited on 5 May 2022.

STATISTICS OF SHAREHOLDINGS

As at 28 April 2022

ISSUED AND FULLY PAID CAPITAL

Number of shares issued	:	143,000,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	59	15.90	54,000	0.04
1,001 - 10,000	147	39.62	667,300	0.46
10,001 - 1,000,000	158	42.59	11,810,200	8.26
1,000,001 and above	7	1.89	130,468,500	91.24
TOTAL	371	100.00	143,000,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	KOH BROTHERS ECO ENGINEERING LIMITED	96,445,805	67.44
2	YONG KHAI WENG	9,020,323	6.31
3	TAN HUN TEE	9,020,323	6.31
4	MA ONG KEE	6,013,549	4.21
5	UOB KAY HIAN PTE LTD	4,899,000	3.43
6	DBS NOMINEES PTE LTD	3,944,500	2.76
7	CHU CHEE KEONG (ZHU ZHIQIANG)	1,125,000	0.79
8	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	840,000	0.59
9	RAFFLES NOMINEES (PTE) LIMITED	669,100	0.47
10	ELAINE CHAN LI FEI OR TAN -KIM TIPPI	641,800	0.45
11	GOI KOK MING (WEI GUOMING)	450,000	0.31
12	TEO CHIN MENG (ZHANG ZHENMING)	450,000	0.31
13	TEO HARK PIANG (ZHANG XUEBIN)	450,000	0.31
14	NG CHWEE TECK	300,000	0.21
15	TIEW YEW SENG	300,000	0.21
16	LAI WENG KAY	244,000	0.17
17	KOH TIAN YEOW	220,000	0.15
18	ONG KIEN SOO	220,000	0.15
19	YAP CHAY LEE	220,000	0.15
20	ELVINA DUAN	216,000	0.15
		135,689,400	94.88

STATISTICS OF SHAREHOLDINGS

As at 28 April 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Company's Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
KOH BROTHERS ECO ENGINEERING LIMITED	96,445,805	67.44	–	–
YONG KHAI WENG	9,020,323	6.31	–	–
TAN HUN TEE	9,020,323	6.31	–	–
KOH BROTHERS GROUP LIMITED ⁽¹⁾	–	–	96,445,805	67.44
PENTA-OCEAN CONSTRUCTION CO., LTD. ⁽¹⁾	–	–	96,445,805	67.44
KOH KENG SIANG ⁽²⁾	–	–	96,445,805	67.44

Notes:

⁽¹⁾ Koh Brothers Group Limited and Penta-Ocean Construction Co., Ltd. are the Controlling Shareholders of Koh Brothers Eco Engineering Limited holding 54.82% and 28.75% respectively, and are deemed interested in shares held by Koh Brothers Eco Engineering Limited by virtue of Section 4 of the SFA.

⁽²⁾ Koh Keng Siang has direct and deemed interest in Koh Brothers Eco Engineering Limited of approximately 0.47% and 54.82% respectively. His deemed interest in Koh Brothers Eco Engineering Limited is by virtue of shares held by his spouse and by Koh Brothers Group Limited. Accordingly, Koh Keng Siang is deemed to have interest in all shares held by Koh Brothers Eco Engineering Limited by virtue of Section 4 of the SFA.

SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 28 April 2022, approximately 15.73% of the issued ordinary shares of the Company was held by the public (which also excluded Shares under moratorium) and therefore, the Company complied with Rule 723 of the Listing Manual Section B : Rules of Catalist issued by SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Oiltek International Limited (the “**Company**”) will be convened and held by way of electronic means on Friday, 27 May 2022 at 10 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors’ Report thereon. **(Resolution 1)**

2. To re-elect Mr. Hew Koon Chan (“**Mr. Hew**”) as Director of the Company who will be retiring pursuant to Regulation 122 of the Company’s Constitution.

*Mr. Hew will, upon re-election as a Director of the Company, remain as the Non-Executive Chairman and an Independent Director of the Company, Chairman of the Remuneration Committee, member of the Audit and Risk Committee and Nominating Committee and will be considered independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”). Detailed information of Mr. Hew required pursuant to Rule 720(5) of the Catalist Rules can be found in the section entitled “Additional Information on Directors Seeking Re-election” of the Annual Report.*

(Resolution 2)

3. To re-elect Mr. Yong Khai Weng (“**Mr. Yong**”) as Director of the Company who will be retiring pursuant to Regulation 122 of the Company’s Constitution.

Mr. Yong will, upon re-election as a Director of the Company, remain as an Executive Director and the Chief Executive Officer of the Company. Detailed information of Mr. Yong required pursuant to Rule 720(5) of the Catalist Rules can be found in the section entitled “Additional Information on Directors Seeking Re-election” of the Annual Report.

(Resolution 3)

4. To re-elect Mr Koh Keng Siang (“**Mr. Koh**”) as Director of the Company who will be retiring pursuant to Regulation 122 of the Company’s Constitution.

Mr. Koh will, upon re-election as a Director of the Company, remain as a Non-Executive Director of the Company and a member of the Audit and Risk Committee, Nominating Committee and Remuneration Committee. Detailed information of Mr. Koh required pursuant to Rule 720(5) of the Catalist Rules can be found in the section entitled “Additional Information on Directors Seeking Re-election” of the Annual Report.

(Resolution 4)

5. To re-elect Mr. Bernard Wong Ee Yu (“**Mr. Wong**”) as Director of the Company who will be retiring pursuant to Regulation 122 of the Company’s Constitution.

Mr. Wong will, upon re-election as a Director of the Company, remain as a Non-Executive Director of the Company and a member of the Audit and Risk Committee, Nominating Committee and Remuneration Committee. Detailed information of Mr. Wong required pursuant to Rule 720(5) of the Catalist Rules can be found in the section entitled “Additional Information on Directors Seeking Re-election” of the Annual Report.

(Resolution 5)

6. To re-elect Mr. Lai Wai Kit Andrew (“**Mr. Lai**”) as Director of the Company who will be retiring pursuant to Regulation 122 of the Company’s Constitution.

Mr. Lai will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the Nominating Committee, a member of the Audit and Risk Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information of Mr. Lai required pursuant to Rule 720(5) of the Catalist Rules can be found in the section entitled “Additional Information on Directors Seeking Re-election” of the Annual Report.

(Resolution 6)

NOTICE OF ANNUAL GENERAL MEETING

7. To re-elect Ms. Tan Yee Peng (“**Ms. Tan**”) as Director of the Company who will be retiring pursuant to Regulation 122 of the Company’s Constitution.

Ms. Tan will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairwoman of the Audit and Risk Committee, a member of the Nominating Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information of Ms. Tan required pursuant to Rule 720(5) of the Catalist Rules can be found in the section entitled “Additional Information on Directors Seeking Re-election” of the Annual Report. **(Resolution 7)**

8. To approve the payment of Directors’ fees of S\$215,000 for the financial year ending 31 December 2022, payable quarterly in arrears. **(Resolution 8)**

[See Explanatory Note (i)]

9. To re-appoint M/s PricewaterhouseCoopers LLP as the Auditors of the Company, and to authorise the Directors of the Company to fix their remuneration. **(Resolution 9)**

10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

11. **Authority to issue shares under the Oiltek Employee Share Option Scheme**

That pursuant to Section 161 of the Companies Act 1967 of Singapore, the Directors of the Company be authorised and empowered to grant options (the “**Options**”) in accordance with the provisions of the Oiltek Employee Share Option Scheme (“**ESOS**”) and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and/or issued pursuant to the exercise of the Options (the “**Option Shares**”) provided that the total number of Option Shares which may be issued and/or transferred pursuant to the exercise of the Options to be granted pursuant to the ESOS on any date when added to the number of Option Shares issued and/or transferred and issuable and/or transferable in respect of all Options granted under the ESOS shall not exceed 2.5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at 3 March 2022, being a total of 3,575,000 Option Shares. **(Resolution 10)**

[See Explanatory Note (ii)]

12. **Authority to issue shares under the Oiltek Performance Share Plan**

That pursuant to Section 161 of the Companies Act 1967 of Singapore, the Directors of the Company be authorised and empowered to grant awards (“**Awards**”) in accordance with the provisions of the Oiltek Performance Share Plan (“**PSP**”) and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and/or issued pursuant to the vesting of the Awards (the “**Award Shares**”) provided that the total number of Award Shares which may be issued and/or transferred pursuant to Awards granted under the PSP on any date, when added to the number of Award Shares issued and/or transferred or issuable and/or transferable in respect of all Awards granted under the PSP shall not exceed 2.5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at 3 March 2022, being a total of 3,575,000 Award Shares. **(Resolution 11)**

[See Explanatory Note (iii)]

By Order of the Board

Tan Swee Gek
Joint Company Secretary

Singapore
12 May 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Resolutions to be passed:

- (i) The Directors' fees include a special one-off Directors' fees of S\$21,000 to the Independent Directors of the Company in recognition of their contributions to the Company during the initial public offering process.
- (ii) The Ordinary Resolution 10 proposed in item 11 above, if passed, will authorise the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant Options in accordance with the ESOS and to allot and issue from time to time Option Shares pursuant to the exercise of the Options provided that the total number of Option Shares which may be issued and/or transferred pursuant to the exercise of the Options to be granted pursuant to the ESOS on any date when added to the number of Option Shares issued and/or transferred and issuable and/or transferable in respect of all Options granted under the ESOS shall not exceed 2.5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at 3 March 2022, being a total of 3,575,000 Option Shares. Please refer to the Company's Offer Document dated 18 February 2022 for further information on the ESOS.
- (iii) The Ordinary Resolution 11 proposed in item 12 above, if passed, will authorise the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant Awards in accordance with the PSP and to allot and issue from time to time Award Shares in the capital of the Company as may be required to be issued pursuant to the vesting of the Awards provided that total number of Award Shares which may be issued and/or transferred pursuant to Awards granted under the PSP on any date, when added to the number of Award Shares issued and/or transferred or issuable and/or transferable in respect of all Awards granted under the PSP shall not exceed 2.5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at 3 March 2022, being a total of 3,575,000 Award Shares. Please refer to the Company's Offer Document dated 18 February 2022 for further information of the PSP.

Notes:

1. The Annual General Meeting ("**AGM**") is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, videoconferencing, tele-conferencing or other electronic means and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 which was gazetted on 13 April 2020 and is deemed to have come into operation on 27 March 2020 and shall remain in effect until it is revoked or amended by the Ministry of Law and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of companies.
2. This Notice of AGM will also be sent to members by way of electronic means via publication on the SGXNET and the Company's website at URL <https://www.oiltek.com.my/>.

Live Webcast

3. The proceedings of this AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed ("**Live Webcast**"). Persons who hold shares and wish to follow the proceedings must pre-register at URL <https://globalmeeting.bigbangdesign.co/oiltekagm/> no later than 10 a.m. on 24 May 2022. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email with instructions to access the Live Webcast.

Members are advised to also check the junk / spam folder of their emails in case the emails are directed there instead of the inbox. Members who registered but do not receive an email response by 10 a.m. on 26 May 2022 may contact the Company's webcast vendor, Big Bang Design by email at webcast@bigbangdesign.co with the following details included: (1) the full name of the shareholder; and (2) his/her/its identification/registration number.

Persons who hold shares through relevant intermediaries, including CPF and SRS investors, and who wish to participate in the AGM should approach their respective relevant intermediaries as soon as possible for necessary arrangements to be made for their participation in the AGM.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register for the Live Webcast. An Investor (other than CPF/SRS investors) who wish to participate in the Live Webcast should instead approach his/her relevant intermediary as soon as possible but not less than 7 working days before the AGM, i.e. by 10 a.m. on 18 May 2022 in order for the relevant intermediary to make the necessary arrangements to pre-register.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Proxy Form to Vote

4. Due to the current COVID-19 restriction orders in Singapore, members will **not** be able to attend the AGM in person. Members will also not be able to vote online on the resolutions tabled for approval at the AGM.
5. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote in his/her/its stead at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as a proxy, need not be a member of the Company.
6. The accompanying Proxy Form for the AGM may be accessed on the SGXNET and the Company's website at URL <https://www.oiltek.com.my/>. In addition, where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
7. If a member of the Company, being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) wishes to appoint the Chairman of the Meeting as his/her/its proxy to vote in his/her/its stead at the AGM, he/she/its must be shown to have shares entered against his/her/its name in the Depository Register, as certified by The Central Depository (Pte) Limited, at least 72 hours before the time of the AGM.
8. CPF/SRS investors should be informed that if they wish to vote, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM, i.e. by 10 a.m. on 18 May 2022. Investors who have deposited their shares into a nominee account should also approach their depository agent and relevant intermediaries at least 7 working days, i.e. by 10 a.m. on 18 May 2022 before the AGM if they wish to vote. Proxy Forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy.
9. The Proxy Form must be submitted in the following manner:
 - (a) if submitted by post, be deposited at the Registered Office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be sent via email to main@zicoholdings.com,

in either case, by 10 a.m. on 24 May 2022, being not less than 72 hours before the time appointed for the AGM.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed Proxy Forms electronically via email.

Submission of Questions in Advance

10. Members and Investors will not be able to ask questions "live" during the Live Webcast. All members may submit questions relating to the business of the AGM within 7 days of the date of this Notice of AGM, i.e. by 5 p.m., 19 May 2022 via the pre-registration website at URL <https://globalmeeting.bigbangdesign.co/oiltekagm/>.
11. The Company will endeavour to address all relevant questions via the release of an announcement on SGXNET at least 48 hours prior to the closing date and time for the lodgement of the Proxy Forms, i.e. by 10 a.m. on 22 May 2022. The minutes of the AGM proceedings will be published on SGXNET and the Company's website within 1 month after the date of the AGM.

Personal data privacy:

By (i) submitting an instrument appointing a proxy and/or representative to attend and vote at the AGM and/or any adjournment thereof or (ii) submitting details for the registration to observe the proceedings of the AGM via the Live Webcast, or (iii) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data and/or its representative's by the Company (or its agents or service providers) for the following purposes: (a) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); (b) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary; (c) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and (d) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities. The member's personal data and its representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM.

This notice has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It 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 notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

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.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Hew Koon Chan, Mr. Yong Khai Weng, Mr. Koh Keng Siang, Mr. Bernard Wong Ee Yu, Mr. Lai Wai Kit Andrew and Ms. Tan Yee Peng are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened and held on Friday, 27 May 2022 at 10 a.m. (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules of the SGX-ST is set out below:

Name of Director	HEW KOON CHAN
Date of first appointment	30 December 2021
Date of last re-appointment	–
Age	60
Country of principal residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr. Hew Koon Chan for re-appointment as Non-Executive Chairman and Independent Director of the Company. The Board has reviewed and concluded that Mr. Hew Koon Chan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Chairman and Independent Director Chairman of Remuneration Committee, member of the Audit and Risk Committee and Nominating Committee
Professional qualifications	Bachelor of Engineering (Mechanical), National University of Singapore Graduate Diploma in Financial Management, Singapore Institute of Management Certified Diploma in Accounting and Finance, Chartered Association of Certified Accountants (UK)
Working experience and occupation(s) during the past 10 years	From December 2004 to present, Managing Director of Integer Capital Pte. Ltd. From May 2011 to present, Director of SEA Family Trust Pte. Ltd. From May 2009 to present, Non-Executive Director of SP Manufacturing Pte. Ltd. From May 2017 to present, Non-Executive Director of Shopper360 Limited From December 2019 to present, Non-Executive Director of Resources Global Development Limited
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	No
Conflict of Interest (including any competing business)	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	HEW KOON CHAN
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships# * “Principal Commitments” has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	<u>Past (for last 5 years)</u> Director of ATXL Invest Pte. Ltd. (Struck Off) Director of DeClout Pte. Ltd. (formerly known as DeClout Limited) Director of Ecowise Holdings Limited Director of Far East Group Limited Director of Livingstone Health Ltd (formerly known as Ardmore Medical Group Limited) Director of Nordic Group Limited Director of Plasmotech Pte Ltd Director of Roxy-Pacific Holdings Limited Director of Tai Icon Sdn. Bhd. (Dissolved) <u>Present</u> Managing Director of Integer Capital Pte. Ltd.
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	HEW KOON CHAN
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	HEW KOON CHAN
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>Yes. During his tenure as an independent director of DeClout Limited (now known as DeClout Pte. Ltd., a company which was previously listed on the Catalist Board of SGX-ST), Mr Hew sold 200,000 shares in DeClout Limited in the public market. Although the shares were sold on 8 March 2017 (Wednesday), he only received the contract statement from his broker on 11 March 2017 (Saturday) and he subsequently informed DeClout Limited on 13 March 2017 (Monday). The notification made on 13 March 2017 (Monday) was more than 2 business days from the date of change of his interest on 8 March 2017. On 28 April 2017, he was held by the Monetary Authority of Singapore (“MAS”) to be in breach of Section 133 of the Securities and Futures Act 2001 (“SFA”) which, <i>inter alia</i>, requires directors of a corporation to notify the corporation of any change of their interest in the shares of the corporation within 2 business days from their becoming aware of such change of interest. MAS has not taken any regulatory action against Mr Hew in respect of this matter, except to remind him of the obligations to comply with Section 133 of the SFA and other applicable laws and regulations at all times, and that MAS may take this contravention into account when considering actions to be taken against him for any future violations. Accordingly, this matter has been concluded.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	YONG KHAI WENG
Date of first appointment	30 December 2021
Date of last re-appointment	–
Age	49
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr. Yong Khai Weng for re-appointment as Executive Director and Chief Executive Officer of the Company. The Board has reviewed and concluded that Mr. Yong Khai Weng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Yong Khai Weng is principally in charge of (a) the Group's overall business policies and strategic direction; and (b) the overall oversight and management of the Group's business operations and development.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer
Professional qualifications	Bachelor of Engineering (Chemical) (First Class Honours), University of Malaya
Working experience and occupation(s) during the past 10 years	From May 2008 to present, Director of Oiltek Sdn. Bhd. From June 2010 to present, Director of Oiltek Global Energy Sdn. Bhd. From March 2021 to present, Director of Oiltek Global Pte. Ltd. From December 2021 to present, Executive Director and Chief Executive Officer of Oiltek International Limited
Shareholding interest in the listed issuer and its subsidiaries	Direct interest in 9,020,323 shares
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships#	<p><u>Past (for last 5 years)</u> Director of Agrilogix Bio Sciences Sdn. Bhd. Director of FGV Lipid Venture Sdn. Bhd. (Dissolved) Director of Greatland Biotech Sdn. Bhd. (Dissolved) Director of KBEE Engineering Sdn. Bhd. Director of Lipid Venture Sdn. Bhd. (Dissolved – Members' Voluntary Winding Up)</p> <p><u>Present</u> Director of Oiltek Sdn. Bhd. Director of Oiltek Global Energy Sdn. Bhd. Director of Oiltek Global Pte. Ltd.</p>
* "Principal Commitments" has the same meaning as defined in the Code.	
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	YONG KHAI WENG
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. Please refer to the section entitled “General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders” of the Offer Document of the Company dated 18 February 2022 for the relevant disclosure.
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	YONG KHAI WENG
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	Yes. Please refer to the section entitled “General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders” of the Offer Document of the Company dated 18 February 2022 for the relevant disclosure.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	KOH KENG SIANG
Date of first appointment	22 July 2021
Date of last re-appointment	–
Age	60
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr. Koh Keng Siang for re-appointment as Non-Executive Director of the Company. The Board has reviewed and concluded that Mr. Koh Keng Siang possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director and member of the Audit and Risk Committee, Remuneration Committee and Nominating Committee.
Professional qualifications	Bachelor of Engineering with Honours in Civil Engineering, University of Birmingham Master of Business Administration, National University of Singapore
Working experience and occupation(s) during the past 10 years	From 1994 to present, Managing Director and Group Chief Executive Officer of Koh Brothers Group Limited From 2013 to present, Non-Executive and Non-Independent Director of Koh Brothers Eco Engineering Limited
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in 96,445,805 shares
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	KOH KENG SIANG
<p>Other Principal Commitments* Including Directorships#</p> <p>* “Principal Commitments” has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p><u>Past (last 5 years)</u> Director of Dalian Megacity Trading Co. Ltd Director of KBD Flora Pte. Ltd. (Dissolved - Members’ Voluntary Winding Up) Director of Megacity Investment Pte Ltd Director of Metax Engineering (India) Pvt Ltd Metax Eco Solutions Pte Ltd</p> <p><u>Present</u> Director of Canberra Development Pte Ltd Director of FEC Skypark Pte Ltd Director of G & W Industries Pte Ltd Director of G & W Precast Pte Ltd Director of G & W Ready-Mix Pte Ltd Director of G & W Industries (M) Sdn Bhd Director of G & W Building Materials Sdn Bhd Director of KBD Holland Pte Ltd Director of KBD Kosdale Pte Ltd Director of KBD Westwood Pte. Ltd. (In Liquidation - Members’ Voluntary Winding Up) Director of Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd Director of Koh Brothers Development Pte Ltd Director of Koh Brothers Holdings Pte Ltd Director of Koh Brothers Investment Pte Ltd Director of Kosland Pte Ltd Director of Koh Brothers Eco Engineering Limited Director of Koh Brothers Gangnam Limited Director of Koh Maju Sdn. Bhd. Director of Meteco Solutions Sdn Bhd Director of Oxford Hotel Pte Ltd Director of Oiltek Global Energy Sdn. Bhd. Director of Oiltek Sdn. Bhd. Director of Phileap Pte Ltd Director of PT Koh Brothers Indonesia Director of Panareno Sdn Bhd</p>
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	KOH KENG SIANG
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. Please refer to the section entitled “General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders” of the Offer Document of the Company dated 18 February 2022 for the relevant disclosure.
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	KOH KENG SIANG
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	Yes. Please refer to the section entitled “General and Statutory Information – Information on Directors, Executive Officers and Controlling Shareholders” of the Offer Document of the Company dated 18 February 2022 for the relevant disclosure.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	BERNARD WONG EE YU
Date of first appointment	30 December 2021
Date of last re-appointment	–
Age	57
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr. Bernard Wong Ee Yu for re-appointment as Non-Executive Director of the Company. The Board has reviewed and concluded that Mr. Bernard Wong Ee Yu possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director and member of the Audit and Risk Committee, Remuneration Committee and Nominating Committee
Professional qualifications	Bachelor of Engineering with Honours in Civil Engineering from the University of Birmingham
Working experience and occupation(s) during the past 10 years	From March 2012 to present, Executive Director (Real Estate Division) of Koh Brothers Group Limited
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	<p><u>Past (last 5 years)</u> Director of Daeryun Koh Brothers PFV Co., Ltd. (Dissolved – Members' Voluntary Winding Up) Director of KBD Flora Pte. Ltd. (Dissolved – Members' Voluntary Winding Up) Director of Oei Tiong Ham Pte. Ltd. (Struck Off)</p> <p><u>Present</u> Director of Atlantic Star Pte. Ltd. Director of KBEE Engineering Sdn. Bhd. Director of KBD Westwood Pte. Ltd. (In Liquidation – Members' Voluntary Winding Up) Director of KBD Ventures Pte. Ltd. Director of KBD Holland Pte. Ltd. Director of Koh Maju Sdn. Bhd. Director of Koh Brothers Gangnam Limited Director of Oiltek Sdn. Bhd. Director of Oiltek Global Energy Sdn. Bhd.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	BERNARD WONG EE YU
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	BERNARD WONG EE YU
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	LAI WAI KIT ANDREW
Date of first appointment	30 December 2021
Date of last re-appointment	–
Age	52
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr. Lai Wai Kit Andrew for re-appointment as Independent Director. The Board has reviewed and concluded that Mr. Lai Wai Kit Andrew possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of Nominating Committee, member of the Audit and Risk Committee and Remuneration Committee
Professional qualifications	Bachelor of Laws (Honours), National University of Singapore Advocate and Solicitor, Singapore Roll of Solicitors of England and Wales Roll of Solicitors of Hong Kong
Working experience and occupation(s) during the past 10 years	From 2017 to present: Partner at Lee & Lee From 2005 to 2017: Partner at Kelvin Chia Partnership
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships#	<u>Past (last 5 years)</u> Nil
* "Principal Commitments" has the same meaning as defined in the Code.	<u>Present</u> Partner at Lee & Lee
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	LAI WAI KIT ANDREW
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	LAI WAI KIT ANDREW
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	TAN YEE PENG
Date of first appointment	30 December 2021
Date of last re-appointment	–
Age	48
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Ms. Tan Yee Peng for re-appointment as Independent Director. The Board has reviewed and concluded that Ms. Tan Yee Peng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Audit and Risk Committee, member of the Remuneration Committee and Nominating Committee
Professional qualifications	Degree in Accountancy (First Class Honours), Nanyang Technological University Fellow of the Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	From 2009 to 2018, Adjunct Associate Professor, Nanyang Technological University From 2014 to 2020, Director of City Developments Limited From 2017 to 2021, Director of Viriya Community Services From 2017 to present, Director of Vanguard Health Fund Limited From 2019 to present, Director of 1FSS Pte. Ltd. From 2019 to present, Director of Dutech Holdings Pte. Ltd. From 2019 to present, Director of Hercules Pte Ltd From 2021 to present, Director of Singapore Aerospace Manufacturing Pte Ltd From 2021 to present, Director of TDCX Inc. From 2021 to present, Director of TTSH Community Fund From 2021 to present, Director of Tri Star Security Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	TAN YEE PENG
<p>Other Principal Commitments* Including Directorships#</p> <p>* “Principal Commitments” has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p><u>Past (last 5 years)</u> Director of City Developments Limited Director of Viriya Community Services</p> <p><u>Present</u> Director of 1FSS Pte. Ltd. Director of Dutech Holdings Pte. Ltd. Director of Hercules Pte Ltd Director of Singapore Aerospace Manufacturing Pte Ltd Director of TDCX Inc.</p>
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	TAN YEE PENG
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	TAN YEE PENG
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No

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OILTEK INTERNATIONAL LIMITED

Company Registration No. 202109778W

(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting ("AGM") are set out in the Company's announcement dated 12 May 2022 entitled "Annual General Meeting" in the Notice of AGM dated 12 May 2022 on SGXNET on the same day. The Notice of AGM may also be accessed at the Company's website at URL <https://www.oiltek.com.my/>.
2. Members are not able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/ its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. Persons who hold shares through relevant intermediaries, including CPF and SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them. CPF/SRS Investors should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 May 2022.
5. Please read the notes to the Proxy Form.

I/We, _____ (Name)

_____ (NRIC/Passport Number/Company Registration Number)

of _____ (Address)

being a member/members of Oiltek International Limited (the "**Company**"), hereby appoint:

The Chairman of the Meeting

as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting ("**AGM**") of the Company to be held by way of electronic means on Friday, 27 May 2022 at 10 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the AGM, please indicate with a "√" in the space provided under "**For**" or "**Against**". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the AGM, please indicate with a "√" in the space provided under "**Abstained**". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "**For**" or "**Against**" or "**Abstained**". In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.)

No.	Resolutions relating to:	No. of Votes For	No. of Votes Against	No. of Votes Abstained
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2	Re-election of Mr. Hew Koon Chan as Director			
3	Re-election of Mr. Yong Khai Weng as Director			
4	Re-election of Mr. Koh Keng Siang as a Director			
5	Re-election of Mr. Bernard Wong Ee Yu as a Director			
6	Re-election of Mr. Lai Wai Kit Andrew as a Director			
7	Re-election of Ms. Tan Yee Peng as a Director			
8	Approval of Directors' fees of S\$215,000 for the financial year ending 31 December 2022, payable quarterly in arrears			
9	Re-appointment of M/s PricewaterhouseCoopers LLP as Auditors			
10	Authority to issue shares under the Oiltek Employee Share Option Scheme			
11	Authority to issue shares under the Oiltek Performance Share Plan			

Dated this _____ day of _____ 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)

or, Common Seal of Corporate Shareholder

*Delete where inapplicable



Notes:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting (“AGM”) are set out in the Company’s announcement dated 12 May 2022 entitled “Annual General Meeting” in the Notice of AGM dated 12 May 2022 on SGXNet on the same day. The Notice of AGM may also be accessed at the Company’s website at URL <https://www.oiltek.com.my/>.

The proceedings of this AGM will be broadcasted “live” through an audio-and-video webcast and an audio-only feed (“Live Webcast”). Persons who hold shares and wish to follow the proceedings must pre-register at URL <https://globalmeeting.bigbangdesign.co/oiltekagm/> no later than 10 a.m. on 24 May 2022. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email with instructions to access the Live Webcast.

Members are advised to also check the junk / spam folder of their emails in case the emails are directed there instead of the inbox. Members who registered but do not receive an email response by 10 a.m. on 26 May 2022 may contact the Company’s webcast vendor, Big Bang Design by email at webcast@bigbangdesign.co with the following details included: (1) the full name of the shareholder; and (2) his/her/its identification/registration number.

Persons who hold shares through relevant intermediaries, including CPF and SRS investors, and who wish to participate in the AGM should approach their respective relevant intermediaries as soon as possible for necessary arrangements to be made for their participation in the AGM.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (“Investors”) (other than CPF/SRS investors) will not be able to pre-register for the Live Webcast. An Investor (other than CPF/SRS investors) who wish to participate in the Live Webcast should instead approach his/her relevant intermediary as soon as possible but not less than 7 working days before the AGM, i.e. by 10 a.m. on 18 May 2022 in order for the relevant intermediary to make the necessary arrangements to pre-register.

2. Members will **not** be able to attend the AGM in person. Members will also not be able to vote online on the resolutions tabled for approval at the AGM.
3. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. If a member of the Company, being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) wishes to appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote in his/her/its stead at the AGM, he/she/its must be shown to have shares entered against his/her/its name in the Depository Register, as certified by The Central Depository (Pte) Limited, at least 72 hours before the time of the Meeting.
6. CPF/SRS investors should be informed that if they wish to vote, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM, i.e. by 10 a.m. on 18 May 2022. Investors who have deposited their shares into a nominee account should also approach their depository agent and relevant intermediaries at least 7 working days, i.e. by 10 a.m. on 18 May 2022 before the AGM if they wish to vote. Proxy forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy.
7. The Proxy Form must be submitted in the following manner:
 - (a) if submitted by post, be deposited at the Registered Office of the Company’s Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be sent via email to main@zicoholdings.com,

in either case, by 10 a.m. on 24 May 2022, being not less than 72 hours before the time appointed for the AGM.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed Proxy Forms electronically via email.

8. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
9. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 May 2022.

General:

The Company shall be entitled to reject the instrument appointing the Chairman as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

REGISTERED OFFICE

15 Genting Road
Singapore 349493
Tel: (65) 6845 7265
www.oiltek.com.my

PRINCIPLE PLACE OF BUSINESS

Lot 6, Jalan Pasaran 23/5
Kawasan MIEL Phase 10
Section 23, 40300 Shah Alam
Selangor Darul Ehsan
Malaysia

BOARD OF DIRECTOR

Hew Koon Chan

(Non-Executive Chairman and Independent Director)

Yong Khai Weng

(Executive Director and CEO)

Koh Keng Siang

(Non-Executive Director)

Bernard Wong Ee Yu

(Non-Executive Director)

Lai Wai Kit Andrew

(Independent Director)

Tan Yee Peng

(Independent Director)

AUDIT AND RISK COMMITTEE

Tan Yee Peng (Chairwoman)

Hew Koon Chan

Lai Wai Kit Andrew

Koh Keng Siang

Bernard Wong Ee Yu

NOMINATING COMMITTEE

Lai Wai Kit Andrew (Chairman)

Hew Koon Chan

Tan Yee Peng

Koh Keng Siang

Bernard Wong Ee Yu

REMUNERATION COMMITTEE

Hew Koon Chan (Chairman)

Lai Wai Kit Andrew

Tan Yee Peng

Koh Keng Siang

Bernard Wong Ee Yu

JOINT COMPANY SECRETARIES

Ong Beng Hong

Tan Swee Gek

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

Partner-in-charge

Lee Chian Yorn

(appointed during the financial year ended 31 December 2021)

SHARE REGISTRAR

B.A.C.S Private Limited

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

SPONSOR

SAC Capital Private Limited

1 Robinson Road

#21-00 AIA Tower

Singapore 048542

INVESTOR RELATIONS

Cogent Media Pte Ltd

203B Henderson Road

#12-08 Singapore 159546

Contact Person: Gerald Woon

Tel: (65) 6704 9287



OILTEK

优特科技国际有限公司

OILTEK INTERNATIONAL LIMITED

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

15 Genting Road, Singapore 349493

Tel: (65) 6845 7265

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