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Orkim poised for growth with strong partnerships

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REVENUE STREAM SECURE

Orkim poised for growth with strong partnerships

KUALA LUMPUR: Orkim Bhd, the owner-operator of clean petroleum product (CPP) and liquefied petroleum gas (LPG) tankers in Malaysia, is leveraging its long-standing partnerships with major energy players to maintain a stable and predictable revenue stream.

The company has long-standing partnerships with Petronas for 16 years, Shell for 15 years, and four years each with Petron Malaysia and BHPetrol — relationships that together account for more than 90 per cent of its revenue, according to Malacca Securities Sdn Bhd.

Supported by long-term contracts ranging from two to 10 years, these partnerships not only provide strong revenue visibility but also enhance Orkim's credibility in securing new business opportunities, the firm said

in a note.

Malacca Securities said such alliances allowed the company to capitalise on structural demand from Malaysia's growing downstream energy sector and major projects like the Pengerang Integrated Petroleum Complex.

By combining established client relationships with long-term contracts, Orkim has strengthened its earnings base and positioned itself for regional expansion and sustained leadership in the marine energy transportation sector.

The company operates a wide network across 93 loading and discharge points in Malaysia and key Asian markets, including Singapore, the Philippines, Indonesia, Brunei and China. Orkim's fleet recorded over 6,500 port calls, servicing domestic routes and flexible regional voyages to meet client demand.

Malacca Securities highlighted that the CPP and LPG marine transportation sector is highly capital-intensive, with strict technical compliance and regulatory licensing requirements such as domestic shipping and Petronas licences.

Orkim's adherence to these standards, coupled with performance awards, positions the company strongly against new entrants in the market.

The research firm projects a three-year earnings compound annual growth rate of 2.9 per cent, with core profit after tax and minority interests expected to reach RM86.3 million, RM94 million, and RM101.4 million, supported by new vessel additions post-initial public offering (IPO) and improved charter rates.

Orkim recently launched a



Malacca Securities projects a three-year earnings compound annual growth rate of 2.9 per cent for Orkim Bhd, supported by new vessel additions post-initial public offering and improved charter rates. PIC FROM PR AGENCY

Main Market IPO priced at 92 sen per share, targeting a RM920 million market valuation and raising RM92 million.

Chief executive officer Captain Cheah Sin Bi said 87 per cent of the proceeds, or RM80 million, will be allocated to acquiring new vessels, including chemical and petroleum product tankers with 9,000 deadweight tonnes, to re-

juvenate and expand the fleet.

With an estimated RM614.2 million in time charter contract value, Orkim commands around 56 per cent of Malaysia's registered CPP tankers and transported 12 per cent of the country's refined petroleum product volume in 2024, positioning the group for sustainable growth and expanded regional market share.