

Citaglobal Berhad
[Registration No: 200401027590 (666098-X)]

INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Individual Quarter				Cumulative Quarter			
	3 Months Ended		Changes		3 Months Ended		Changes	
	31/03/24	31/03/23			31/03/24	31/03/23		
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
Revenue	78,074	38,239	39,835	104%	78,074	38,239	39,835	104%
Cost of sales	(62,408)	(24,394)	(38,014)	156%	(62,408)	(24,394)	(38,014)	156%
Gross profit	15,666	13,845	1,821	13%	15,666	13,845	1,821	13%
Other income	484	1,466	(982)	-67%	484	1,466	(982)	-67%
Operating expenses	(11,472)	(11,803)	331	-3%	(11,472)	(11,803)	331	-3%
Profit/(Loss) from operations	4,678	3,508	1,170	33%	4,678	3,508	1,170	33%
Finance costs	(522)	(939)	417	-44%	(522)	(939)	417	-44%
Share of results of joint venture and associates, net of tax	488	204	284	139%	488	204	284	139%
Profit/(Loss) before taxation	4,644	2,773	1,871	67%	4,644	2,773	1,871	67%
Taxation	(2,523)	(706)	(1,817)	257%	(2,523)	(706)	(1,817)	257%
Profit/(Loss) for the period	2,121	2,067	54	3%	2,121	2,067	54	3%
Other comprehensive income, net of tax items that will not be reclassified subsequently to profit or loss:	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	2,121	2,067	54	3%	2,121	2,067	54	3%
Profit/(Loss) attributable to:								
Owners of the Company	2,182	2,071	111	5%	2,182	2,071	111	5%
Non-controlling interests	(61)	(4)	(57)	1425%	(61)	(4)	(57)	1425%
Profit/(Loss) for the period	2,121	2,067	54	3%	2,121	2,067	54	3%
Total comprehensive income/(loss) attributable to:								
Owners of the Company	2,182	2,071	111	5%	2,182	2,071	111	5%
Non-controlling interests	(61)	(4)	(57)	1425%	(61)	(4)	(57)	1425%
Total comprehensive income/(loss) for the period	2,121	2,067	54	3%	2,121	2,067	54	3%
Earnings/(Loss) per share attributable to Owners of the Company (sen):								
-Basic	0.52	0.55	(0.03)	-5%	0.52	0.55	(0.03)	-5%
-Diluted	0.51	0.53	(0.02)	-4%	0.51	0.53	(0.02)	-4%
Net assets per share (RM)					0.90	0.90	-	0%

Notes:

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

Citaglobal Berhad
[Registration No: 200401027590 (666098-X)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 31 MARCH 2024**

	Unaudited 31/03/24 RM'000	Audited 31/12/23 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	92,967	90,370
Intangible assets	148,143	147,222
Investment in joint venture and associates	30,870	5,181
Club memberships	155	155
Other receivable	872	642
Total non-current assets	<u>273,007</u>	<u>243,570</u>
Current assets		
Inventories	36,161	37,858
Trade and other receivables	126,711	105,920
Prepayments	3,222	2,448
Contract assets	117,360	88,164
Tax recoverable	383	-
Short term deposits, cash and bank balances	37,836	61,143
Total current assets	<u>321,673</u>	<u>295,533</u>
TOTAL ASSETS	<u>594,680</u>	<u>539,103</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	549,412	549,348
Irredeemable convertible preference shares ("ICPS")	1,147	1,211
Reserves	(173,889)	(176,071)
	<u>376,670</u>	<u>374,488</u>
Non-controlling interests	(137)	(76)
Total equity	<u>376,533</u>	<u>374,412</u>
Non-current liabilities		
Borrowings	33,949	24,126
Deferred tax liabilities	5,609	5,570
Total non-current liabilities	<u>39,558</u>	<u>29,696</u>
Current liabilities		
Trade and other payables	140,908	95,747
Contract liabilities	737	660
Borrowings	36,881	38,340
Provision for liabilities	63	63
Tax payable	-	185
Total current liabilities	<u>178,589</u>	<u>134,995</u>
TOTAL EQUITY AND LIABILITIES	<u>594,680</u>	<u>539,103</u>
Net assets per share attributable to the owners of the Company (RM)	<u>0.90</u>	<u>0.90</u>

Notes:

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024

<----- Attributable to Owners of the Company ----->

Share Capital RM'000	ICPS RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
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3 months ended 31 March 2024

At 1 January 2024	549,348	1,211	9,559	18,842	(204,472)	374,488	(76)	374,412
Total comprehensive income/(loss) for the period	-	-	-	-	2,182	2,182	(61)	2,121
Changes in revaluation reserve	-	-	-	(53)	53	-	-	-
Conversion of ICPS to ordinary shares	64	(64)	-	-	-	-	-	-
At 31 March 2024	549,412	1,147	9,559	18,789	(202,237)	376,670	(137)	376,533

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (CONT'D)

<----- Attributable to Owners of the Company ----->								
Share Capital RM'000	ICPS RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000	
Restated balance at 1 January 2023	497,985	2,885	9,888	19,055	(212,269)	317,544	(276)	317,268
Total comprehensive income/(loss) for the period	-	-	-	-	2,071	2,071	(4)	2,067
Changes in ownership interests in a subsidiary	-	-	-	-	(1,724)	(1,724)	356	(1,368)
Changes in revaluation reserve	-	-	-	(53)	53	-	-	-
Conversion of warrants	328	-	(328)	-	328	328	-	328
Conversion of ICPS to ordinary shares	1,554	(1,554)	-	-	-	-	-	-
At 31 March 2023	499,867	1,331	9,560	19,002	(211,541)	318,219	76	318,295

Note:

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

Citaglobal Berhad**[Registration No: 200401027590 (666098-X)]****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

3 Months Ended	
31/03/24	31/03/23
RM'000	RM'000

Cash Flows From Operating Activities

Profit/(Loss) before taxation	4,644	2,773
Adjustments for non-cash items	2,722	1,389
	<u>7,366</u>	<u>4,162</u>
Changes in working capital		
Net change in assets	(20,970)	20,574
Net change in liabilities	4,754	(19,131)
	<u>(8,850)</u>	<u>5,605</u>
Interest paid	(522)	(939)
Interest received	302	349
Net taxes paid	(3,052)	(1,961)
Net Operating Cash Flows	<u>(12,122)</u>	<u>3,054</u>

Cash Flows From Investing Activities

Purchase of shares from non-controlling interests	-	(1,369)
Acquisition of an indirect subsidiary, net of cash acquired	(1,000)	-
Investment in an associate	(14,000)	-
Deposits pledged to licensed banks	(307)	(305)
Purchase of plant and equipment	(3,414)	(378)
Proceeds from disposal of plant and equipment	-	315
Net Investing Cash Flows	<u>(18,721)</u>	<u>(1,737)</u>

Citaglobal Berhad**[Registration No: 200401027590 (666098-X)]****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (CONT'D)**

3 Months Ended	
31/03/24	31/03/23
RM'000	RM'000

Cash Flows From Financing Activities

Proceeds from conversion of warrants	-	339
New drawdown of term loan	13,587	1,655
Repayment of lease liabilities	(509)	(418)
Drawdown/(Repayment) of bank borrowings	(8,800)	(12,422)
Net Financing Cash Flows	4,278	(10,846)
Net change in cash and cash equivalents	(26,565)	(9,529)
Cash and cash equivalents at beginning of the financial quarter	52,976	70,610
Effect of the exchange rate fluctuations	3	2
Cash and cash equivalents at end of the financial quarter	26,414	61,083

Notes:

- (i) Short term deposits, cash and bank balances

Cash on hand and at banks	28,723	29,029
Deposits with licensed banks	9,113	43,796
Cash and bank balances	37,836	72,825
Less: Bank overdrafts	(6,393)	(7,981)
Less: Deposits pledged to licensed banks	(5,029)	(3,761)
Cash and cash equivalents	26,414	61,083

- (ii) The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

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Notes To The Interim Financial Report
For The First Quarter Ended 31 March 2024
(Unaudited)

Part A – Explanatory Notes Pursuant to MFRS 134

1 Basis of Preparation

The interim financial statements have been prepared in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard (“MFRS”) No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Chapter 9 (Paragraph 9.22) of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to the understanding of changes in the financial position and performance of the Group.

2 Accounting Policies

The significant accounting policies and methods of computation adopted by Citaglobal Berhad (“Citaglobal”) in the condensed interim financial statements are consistent with those adopted in the audited consolidated financial statements of Citaglobal for the financial year ended 31 December 2023.

The Group and the Company have adopted the following amendments to MFRSs for the current financial year:

Amendments to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statements of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

The Group and the Company have not adopted the following amendments to MFRSs that have been issued, but yet to be effective:

Effective for
financial periods
beginning on or after

Amendments to MFRSs

MFRS 10	Consolidated Financial Statements	Deferred
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective.

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3 Auditors' Report on Preceding Audited Financial Statements

The auditors' report on the preceding year's audited financial statements was not subject to any qualification.

4 Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by seasonal or cyclical factors during the current quarter under review.

5 Unusual Significant Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review and/or financial year to date.

6 Changes in Accounting Estimates

There were no changes in accounting estimates that have a material impact on the current quarter and financial year to date results.

7 Changes in Debts and Equity Securities

During the current quarter under review, 144,000 ICPS have been converted to ordinary shares of Citaglobal Berhad with no additional cash payments to the Company.

The above new ordinary shares issued ranked pari-passu in all respects with the existing ordinary shares of the Company.

8 Dividends Paid

There was no dividend paid during the current quarter under review.

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Notes To The Interim Financial Report For The First Quarter Ended 31 March 2024 (Unaudited)

9 Segmental Reporting

The Group is principally engaged in the business of Energy, Civil Engineering and Construction, Property and Manufacturing.

Revenue

	Total	Elimination	External
	RM'000	RM'000	RM'000
Energy	1,733	(451)	1,282
Civil Engineering and Construction	59,230	(9,409)	49,821
Property	12,786	-	12,786
Manufacturing	9,899	(1)	9,898
Others	6,571	(2,284)	4,287
Total	<u>90,219</u>	<u>(12,145)</u>	<u>78,074</u>

Results

Energy		RM'000
		(2,508)
Civil Engineering and Construction		10,263
Property		310
Manufacturing		216
Others		(2,031)
Add/(Less): elimination		<u>(1,572)</u>
Profit/(Loss) from operations		4,678
Finance cost		(522)
Share of results of joint venture and associates, net of tax		488
Taxation		<u>(2,523)</u>
Profit/(Loss) for the first quarter		<u>2,121</u>

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Notes To The Interim Financial Report For The First Quarter Ended 31 March 2024 (Unaudited)

9 Segmental Reporting (cont'd)

Assets and Liabilities

	Segment <u>Assets</u> RM'000
Energy	54,314
Civil Engineering and Construction	238,804
Property	92,431
Manufacturing	81,654
Others	455,917
Add/(Less): elimination	(328,440)
Total	<u>594,680</u>

	Segment <u>Liabilities</u> RM'000
Energy	49,177
Civil Engineering and Construction	196,368
Property	53,520
Manufacturing	19,939
Others	80,815
Add/(Less): elimination	(181,672)
Total	<u>218,147</u>

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Notes To The Interim Financial Report For The First Quarter Ended 31 March 2024 (Unaudited)

10 Profit/(Loss) Before Taxation

	3 Months Ended
	31/03/24
	RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):	
Amortisation of intangible assets	79
Depreciation for property, plant and equipment	1,245
Depreciation for rights-of-use assets	709
Impairment loss on receivables	950
Interest expense	522
Interest income	(302)
Share of results of joint venture and associates, net of tax	(488)
Unrealised loss on foreign exchange	7
	<hr/>

11 Valuation Of Property

There was no valuation of property, plant and equipment of the Group during the quarter under review.

12 Material Subsequent Event

There is no material subsequent event up to the date of this report.

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13 Changes In The Composition Of The Group

13.1 Acquisition of 100% Equity Interest in Spectra Suria Sdn Bhd ("Spectra Suria")

On 22 March 2024, Citaglobal Berhad via its wholly-owned subsidiary Citaglobal Engineering Services Sdn Bhd ("CESSB") acquired 100% equity interest in Spectra Suria for a purchase consideration of RM1 million in cash. The Spectra Suria Acquisition has been completed on the even date in accordance with the terms of the Spectra Suria Share Sale Agreement (as amended and supplemented by the Supplementary Share Sale Agreement).

The following summarises the major classes of consideration transferred and the amounts of assets acquired and liabilities recognised at the acquisition date:

Fair value of identifiable assets acquired and liabilities recognised:

	Fair value RM
Short term deposits, cash and bank balances	307
Liabilities	-
Total identifiable net assets acquired	<u>307</u>
Goodwill arising on acquisition	999,693
Fair value of consideration transferred	<u>1,000,000</u>

Effects of acquisition on cash flows:

	RM
Cash and cash equivalents acquired	307
<u>Less:</u>	
Purchase consideration in cash and cash equivalents	(1,000,000)
Net cash outflow on acquisition	<u>(999,693)</u>

13.2 Acquisition of 30% Equity Interest in IFactors Sdn Bhd ("IFactors")

On 26 October 2023, Citaglobal Berhad entered into the following agreements:

- (i) a subscription agreement ("Subscription Agreement") with IFactors to subscribe for 157,894 new ordinary shares in IFactors ("IFactors Shares") ("Subscription Shares"), for a total subscription consideration of RM4,000,000 to be fully satisfied in cash ("Subscription Amount") ("Proposed Subscription"); and
- (ii) a share purchase agreement ("SPA") with Abu Bakar Bin Sutan Taharudin ("Abu Bakar" or "Vendor") for the acquisition of 789,475 IFactors Shares from the Vendor ("Sale Shares"), for a total purchase consideration of RM21,200,000 ("Purchase Consideration" or "Purchase Amount") to be satisfied in the following manners:
 - (a) RM10,000,000 in cash; and
 - (b) RM11,200,000 via the issuance of 7,466,666 new ordinary shares in Citaglobal ("Citaglobal Shares" or "Shares") ("Consideration Shares") at an issue price of RM1.50 per Consideration Share ("Issue Price") ("Proposed Acquisition").

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13 Changes In The Composition Of The Group (cont'd)

(Collectively, referred to as the “Proposals”)

On 31 January 2024, the Company and Abu Bakar had entered into a supplemental agreement to the SPA (“Supplemental SPA”) to vary the date of issuance of the 7,466,666 Consideration Shares to no later than six (6) months from the completion date of the Proposed Acquisition and the consequential changes (“Variations”).

The Subscription Agreement and the SPA (as amended and supplemented by the Supplemental SPA) (collectively, the “Agreements”) have become unconditional on 31 January 2024 upon fulfilment of all the conditions precedent set out therein and the Proposals have been completed on even date in accordance with the terms of the Agreements.

Hence, IFactors becomes an associated company of the Group with Citaglobal's acquisition of 30% equity interest in IFactors on even date.

Other than the above, there were no material changes in the composition of the Group for the current quarter.

14 Changes In Contingent Liabilities And Assets

The contingent liabilities as at 31 March 2024 were as follows:

	Group	
	31/03/24	31/12/23
	RM'000	RM'000
Guarantees in favour of third parties	<u>42,127</u>	<u>45,870</u>

15 Capital Commitments

The capital commitments as at 31 March 2024 were as follows:

	RM'000
(a) Contracted and not provided for	1,785
(b) Authorised and not contracted for	-
	<u>1,785</u>

Analysed as follows:

(i) Plant and equipment	427
(ii) Asset under construction - Biogas power plant	115
(iii) Network facilities - Telecommunication towers	<u>1,243</u>
	<u>1,785</u>

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Notes To The Interim Financial Report For The First Quarter Ended 31 March 2024 (Unaudited)

PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1 Review Of Performance

Current Year Quarter against Preceding Year Corresponding Quarter

	Individual Quarter			
	3 Months Ended		Changes	
	31/03/24	31/03/23	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	78,074	38,239	39,835	104%
Profit/(Loss) before taxation	4,644	2,773	1,871	67%

The Group registered a higher revenue of RM78.0 million in the current quarter compared to RM38.2 million in the preceding year corresponding quarter. The increase in revenue of RM39.8 million was due to the higher revenues of RM30.8 million, RM12.5 million and RM0.7 million from the Civil Engineering and Construction ("CEC"), Property and Manufacturing segments, respectively. However, this was offset by the lower revenues of RM4.0 million and RM0.2 million from the Energy and remaining segments, respectively.

The Group registered a higher profit before taxation of RM4.6 million in the current quarter compared to RM2.8 million in the preceding year corresponding quarter. The increase in profit before taxation of RM1.8 million was due to the stronger results of RM2.0 million, RM0.6 million and RM0.5 million from the CEC, Manufacturing and Property segments, respectively. This was offset by the lower results of RM1.0 million and RM0.3 million from the Energy and remaining segments, respectively. The stronger results from the CEC, Manufacturing and Property segments were due to the corresponding higher revenues registered in these segments quarter to quarter, respectively.

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2 Variation Of Results Against Preceding Quarter

	3 Months Ended	
	31/03/24	31/12/23
	RM'000	RM'000
Revenue	78,074	60,824
Profit/(Loss) before taxation	4,644	3,169

The Group registered a higher revenue of RM78.0 million in this quarter compared to RM60.8 million in the preceding quarter. The increase in revenue of RM17.2 million was due to the higher revenues of RM10.7 million, RM5.5 million, RM1.3 million and RM4.0 million from the CEC, Property, Manufacturing and remaining segments (mainly contributed by Telecommunications division), respectively. This was offset by the lower revenue of RM4.3 million from the Energy segment.

The current quarter registered a profit before taxation of RM4.6 million compared to RM3.2 million in the preceding quarter. The higher profit before taxation of RM1.4 million in the current quarter was due to the stronger results of RM3.1 million, RM0.5 million and RM0.5 million from the CEC, Manufacturing and Property segments, respectively. This was offset by the lower results of RM0.8 million and RM1.9 million from the Energy and remaining segments, respectively. The stronger results in the CEC, Manufacturing and Property segments were due to the corresponding higher revenues registered in these segments quarter to preceding quarter, respectively.

3 Prospects

Outlook

The business segments of the Group are Energy, Civil Engineering and Construction ("CEC"), Property and Manufacturing. The Group is embarking on various opportunities to improve the contributions for the CEC and Energy segments by instituting several initiatives including acquisition growth and is actively tendering for projects to further strengthen the financial performance of the Group.

As at 31 March 2024, the Group has a total outstanding order book of RM1.2 billion whilst the Group's property segment has an estimated remaining gross development value of RM356 million.

On 15 March 2024, Sinergi Dayang Sdn Bhd an indirect wholly-owned subsidiary of Citaglobal Berhad, entered into a joint venture agreement with United Sabah Islamic Association for a proposed commercial development consisting of 108 units of 2-storey shop office on 2 parcels of land held under title Country Lease 125104163 and Country Lease 125114758 both in the District of Semporna, the State of Sabah measuring in a total of approximately 11.88 acres ("Proposed Joint Venture"). The Proposed Joint Venture is expected to contribute positively to the earnings and net assets of the Group for the financial year ending 31 December 2024 onwards.

The Group is in a transition phase to focus on renewable energy and telecommunication sectors which will contribute positively to the Group.

The performance outlook of the Group will also depend on the award of contracts arising from the various memorandum of understanding collaborations and tender participations by the Group.

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Notes To The Interim Financial Report
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4 Variance Between Actual Profit And Forecast Profit

There is no profit forecast issued by the Group for the current financial year.

5 Taxation

Breakdown of taxation is as follow:

	3 Months Ended
	31/03/24
	RM'000
Current taxation	2,484
Movement in deferred taxation	39
	<u>2,523</u>

The effective tax rates for the current quarter and year-to-date were higher than the statutory tax rate due to losses incurred by the Company and certain direct and indirect subsidiaries of the Group.

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6 Status Of Corporate Proposal

(a) Irredeemable Convertible Preference Shares

On 10 May 2021, the Company completed the listing and quotation of 511,665,197 Irredeemable Convertible Preference Shares, 63,958,049 free detachable warrants ("Warrants B") and 51,800,538 additional Warrants 2014/2024 ("Warrants A") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") raising gross proceeds of RM56.28 million.

On 8 September 2021, the Company announced to Bursa Securities the variation of utilisation proceeds of RM14 million from future projects to an existing project in line with the current business needs of the Group. The variation is not subject to approval of any authorities or shareholders of the Company as the variation is less than 25% of the total proceeds raised from the rights issue pursuant to Paragraph 8.22 of the Listing Requirements. The utilisation of proceeds status as at 31 March 2024 is as set out below:

Purpose	Proposed utilisation RM'000	Variation/ Transfer from/(to) RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Expected time frame for utilisation of proceeds
Funding for future construction and/or project/business financing activities	54,883	(13,954)	40,929	(35,511)	5,418	Within 36 months
Working capital	700	-	700	(700)	-	Within 12 months
Estimated expenses*	700	(46)	654	(654)	-	Within 1 month
Existing project	-	14,000	14,000	(14,000)	-	Within 6 months
Total	56,283	-	56,283	(50,865)	5,418	

* The surplus from Estimated expenses has been adjusted against the portion earmarked for funding for future construction and/or project/business financing activities of our Group.

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6 Status Of Corporate Proposal (cont'd)

(b) Private Placement

On 17 April 2023, the Company announced to Bursa Securities its intention to undertake a placement of 37,956,885 Placement Shares, representing 10% of the total number of issued Citaglobal Shares at a subscription price of RM1.32 per Placement Share.

On 3 May 2023, the Company completed the listing and quotation of 37,956,885 Placement Shares on the Main Market of Bursa Securities raising gross proceeds of RM50.10 million. The utilisation of proceeds status as at 31 March 2024 is as set out below:

Purpose	Proposed utilisation RM'000	Variation/ Transfer from/(to) RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Expected time frame for utilisation of proceeds
Investment/ Expansion in the existing businesses	33,000	-	33,000	(30,200)	2,800	Within 12 months
Working capital	15,873	158	16,031	(16,031)	-	Within 12 months
Estimated expenses*	1,230	(158)	1,072	(1,072)	-	Within 2 months
Total	50,103	-	50,103	(47,303)	2,800	

* The estimated expenses comprise of professional fees, regulatory fees, placement fees and other incidental expenses incurred for the above private placement. The surplus has been adjusted against the portion earmarked for working capital of the Group.

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7 Borrowings And Debts Securities

The Group's borrowings were as follows:

	As at	
	31/03/24	31/03/23
	RM'000	RM'000
Non-current		
<u>Secured</u>		
Floating rate bank loan	2,770	4,317
Hire purchase liabilities	760	861
Term Loans	22,417	9,726
<u>Unsecured</u>		
Lease liabilities	7,874	608
Term Loan	128	173
	<u>33,949</u>	<u>15,685</u>
Current		
<u>Secured</u>		
Floating rate bank loan	1,593	1,489
Hire purchase liabilities	403	390
Term Loans	4,275	2,127
Trade financing	4,937	5,067
<u>Unsecured</u>		
Bank overdrafts	6,393	7,981
Lease liabilities	2,593	1,078
Term Loan	53	53
Trade financing	16,634	17,814
	<u>36,881</u>	<u>35,999</u>
Total	<u>70,830</u>	<u>51,684</u>

8 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

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9 Material Litigation

As at the date of this announcement, there are no other material litigations against or taken by the Group other than the following:

(a) Notice Of Adjudication Under The Construction Industry Payment & Adjudication Act 2012 By Proweld Engineering Sdn Bhd Against Citaglobal Energy Sdn Bhd

On 27 July 2022, the Company via its wholly-owned subsidiary Citaglobal Energy Sdn Bhd ("Citaglobal Energy") was served with a Notice of Adjudication dated 20 July 2022 by Proweld Engineering Sdn Bhd ("PESB") under Section 5 of the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") in an amount of RM5,258,026.08 which Citaglobal Energy received via A.R. Post on 27 July 2022.

PESB is claiming for work and/or services in relation to the piping and mechanical works for M2020 ASPAC KANCIL PROJECT (Work order no. REQ: MSOG-M2020-M57-0008) located at Lot No. 197 II & 197 III Darul Ehsan, Jalan Pelabuhan Klang Utara, 42000, Port Klang, Selangor Darul Ehsan.

Citaglobal Energy was on 5 December 2022 notified by its appointed solicitors that the Adjudicator had on the same date determined and delivered the Adjudication Decisions as follows:

- (i) The claimed amount being RM5,258,026.08 was duly adjudicated and the amount adjudicated to be payable by Citaglobal Energy to PESB is RM1,062,676.18.
- (ii) Pursuant to CIPAA subsection 25(o), Citaglobal Energy shall pay to PESB interest on the adjudicated amount, calculated at 5% per annum up to 13 June 2022 amounting to RM44,882.03.
- (iii) Pursuant to CIPAA subsection 25(o), Citaglobal Energy shall pay to PESB interest on the adjudicated amount, calculated at 5% per annum from 5 December 2022 and continuing until the adjudicated amount is completely paid.
- (iv) Pursuant to CIPAA subsection 18(1), and in accordance with the principle that costs follow the event, Citaglobal Energy shall pay to PESB the costs of the adjudication proceeding, including the Adjudicator's fees and expenses and the Asian International Arbitration Centre (AIAC)'s fees and expenses in the total amount of RM81,289.00.
- (v) The above amounts shall be paid by Citaglobal Energy to PESB on or before 14 December 2022.

On the advice of the solicitors for Citaglobal Energy, on 20 January 2023, Citaglobal Energy had through its solicitors filed an application before the High Court of Shah Alam (Suit No.: BA-24C-9-01/2023) to apply for an Order that the Adjudication Decision dated 5 December 2022 be set aside and/or declared null and ("Setting Aside Application") on the grounds that the Adjudication Decision is wrong and defective and the Adjudicator has acted contrary to and in conflict with natural justice. The costs of these proceedings are to be borne by PESB. No payments pursuant to the Adjudication Decision has been made by Citaglobal Energy to PESB. Citaglobal Energy shall pay the adjudicated award sum to PESB's solicitors account to be held by said solicitors as stakeholders as a condition to the Stay of Execution granted by the High Court of Shah Alam on 6 November 2023 pending disposal of the Appeal to the Court of Appeal.

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9 Material Litigation (cont'd)

On 24 February 2023, Citaglobal Energy was served with an Originating Summons filed in the High Court of Shah Alam (Suit No.: BA-24C-16-02/2023) by PESB to register the Adjudication Decision dated 5 December 2022.

The Setting Aside Application by Citaglobal Energy was dismissed by the High Court. Citaglobal Energy shall be appealing the said decision to the Court of Appeal. The appeal is fixed for Hearing on 9 July 2024.

The Company is of the opinion that it has sufficient grounds to set aside the Adjudication Decision at the Court of Appeal, which will have a material impact on PESB's Originating Summons to register the Adjudication Decision dated 5 December 2022. However, it is not expected to have any material financial and operational impacts on the Group for the financial year ending 31 December 2024.

(b) Citaglobal Berhad (Citaglobal or the Company) Writ of Summons and Statement of Claim Served to UMD Energy Sdn. Bhd. in The High Court in Kuala Lumpur bearing Suit No. WA-22NCC-299-05/2023

The Company via Citaglobal Energy Sdn Bhd, a wholly-owned subsidiary of the Company had on 24 May 2023 served a Writ of Summons and Statement of Claim to UMD Energy Sdn Bhd Sdn. Bhd. (“UMD”) (“Defendant”) in the High Court of Kuala Lumpur via Suit No. WA-22NCC-299-05/2023 (“Writ”).

The Plaintiff’s claim against the Defendant pertains to the alleged payment default in relation to the promise of the Defendant to pay the Plaintiff the sum of RM1,556,228.01 being the profit sharing due and payable to the Plaintiff following the closure and discontinuance of the project known as Provision of Engineering, Procurement, Constructions, Installation and Commissioning (EPCIC) of PM309 Gas Ledang Redev Segment 2 Development Project (“the project”). The Plaintiff and the Defendant were executing the said project as a consortium. The project had been discontinued by the Client, Petronas Carigali Sdn. Bhd. Pursuant to the discontinuance of the project and payments received from the Client, the Defendant had promised to pay the Plaintiff vide a letter dated 14 November 2022 the sum of RM1,556,228.01 in 4 installments commencing 31 March 2023. The Defendant had failed to make payment.

Pursuant to the Writ, the Plaintiff has claimed from the Defendant the following:

- (i) The sum of RM1,556,228.01; and
- (ii) Interest at the rate of 5% per annum from the date of filing of the suit until full payment of the judgment sum.

The aforesaid Writ is not expected to have any material financial and operational impacts on the Group for the financial year ending 31 December 2024.

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9 Material Litigation (cont'd)

(c) Writ and Statement of Claim Served by UMD Energy Sdn. Bhd. in The High Court in Kuala Lumpur bearing Suit No. WA-22NCC-411-06/2023

The Company via Citaglobal Energy Sdn Bhd (“Defendant”), a wholly-owned subsidiary of the Company had on 20 June 2023 received a Writ and Statement of Claim from UMD Energy Sdn Bhd Sdn. Bhd. (“UMD”) (“Plaintiff”) in the High Court of Kuala Lumpur (“Court”) via Suit No. WA-22NCC-411-06/2023 (“Writ”).

Pursuant to the Writ, the Plaintiff claimed the following reliefs against the Defendant:

- (i) A declaration that the Defendant is not entitled to charge the admin fees of RM1,169,129.42 from the Plaintiff;
- (ii) A declaration that the Defendant is not entitled to charge the interest of RM3,588,518.72 from the Plaintiff as the Defendant is not a licensed money lender;
- (iii) Defendant is to return RM3,500,673.87 to the Plaintiff within 7 days from the judgement date;
- (iv) Interest at the rate of 5% per annum from the date of filing of the suit until full payment of the judgement sum;
- (v) Costs on a solicitor-client basis; and/or
- (vi) Any further and/or other relief which the Court deems fit and reasonable.

Nevertheless, the Company is of the opinion that it has a good defence to the suit and the aforesaid Writ is not expected to have material financial and operational impact on the Company for the financial year ending 31 December 2024.

Further announcements on the material developments of the above litigations will be made to Bursa Malaysia Securities Berhad from time to time.

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10 Dividend

No dividend has been declared during the current quarter under review.

11 Earnings/(Loss) Per Share

	3 Months Ended 31/03/24
<u>Basic</u>	
Profit/(Loss) attributable to owners of the Company (RM'000)	2,182
Weighted average number of ordinary shares for basic earnings per share ('000)	417,896
Earnings/(Loss) per ordinary share (sen)	0.52
<u>Diluted</u>	
Profit/(Loss) attributable to owners of the Company (RM'000)	2,182
Weighted average number of ordinary shares for basic earnings per share ('000)	417,896
Effect of dilution due to convertible securities ('000)	7,348
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	425,244
Earnings/(Loss) per ordinary share (sen)	0.51

13 Approval For The Release Of Quarterly Results

The quarterly financial results have been approved for release by the Board of Directors.