



**CITAGLOBAL**  
Empowering The Future



**ENGINEERING**  
**THE FOUNDATION**  
**OF TOMORROW**



**Citaglobal Berhad** operates across a diverse range of industries, encompassing energy, telecommunications, civil engineering and construction, property, and manufacturing. With a focus on technology-driven sectors, Citaglobal aspires to emerge as a prominent leader, **empowering the future through** innovation and strategic initiatives.

# Our VISION

A successful global conglomerate that is professionally managed.

# Our MISSION

Fulfilling our stakeholders' expectations by:



Delivering innovative and quality solutions



Creating superior value



Ensuring sustainable returns



Establishing our international footprint

# Our CORE VALUES



## **Pride**

Citaglobal is a conglomerate that the employees and stakeholders are proud to be associated with



## **Commitment**

We in Citaglobal are fully committed to deliver the best to our stakeholders



## **Integrity**

We uphold the highest level of integrity and promote transparency



## **Innovation**

We encourage innovation to enhance productivity, efficiency and profitability



## **Diversity**

Diversity and inclusion must remain at the centre of what we do

# 19th

**ANNUAL  
GENERAL MEETING**

## VENUE

Grand Johor, Lower  
Lobby, Shangri-La  
Kuala Lumpur, 11,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur

## DATE

Tuesday, 4 June 2024

## TIME

10:00 a.m. (GMT +8:00)

# CONTENTS



2	Business Structure	67	Additional Compliance Information
3	Five (5) Years Financial Highlights	69	Audit and Risk Committee Report
4	Corporate Information	74	Statement on Risk Management and Internal Control
6	Board of Directors	78	Directors' Responsibility Statement
8	Directors' Profile	79	Financial Statements
16	Group Key Senior Management	180	Analysis of Shareholdings
18	Head of Divisions	183	Analysis of ICPS Holdings
21	Chairman's Statement	185	Analysis of Warrants A Holdings
24	Management Discussion & Analysis	187	Analysis of Warrants B Holdings
30	Sustainability Statement	189	List of Properties
51	Corporate Governance Overview Statement	190	Notice of Annual General Meeting Form of Proxy

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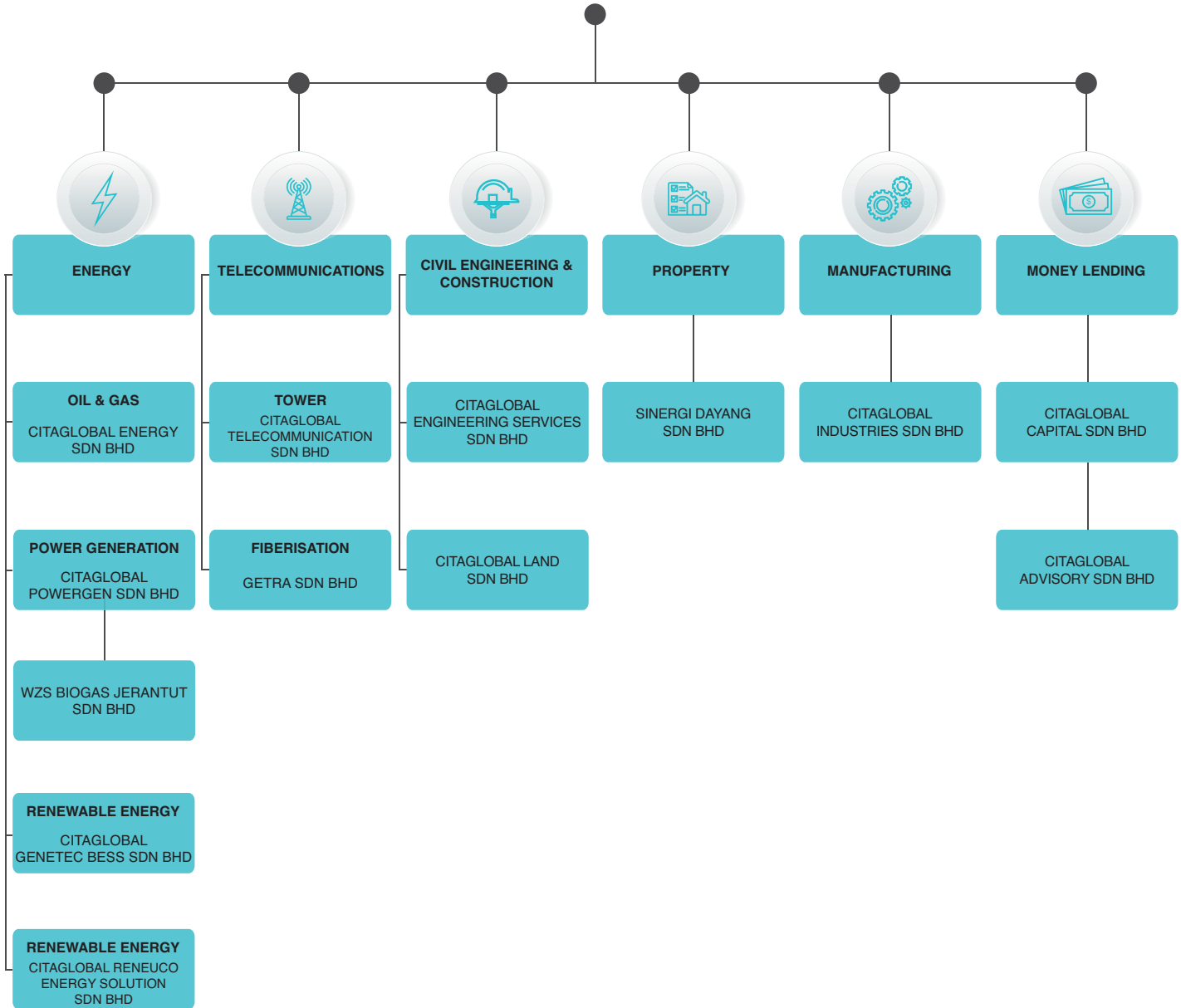
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# BUSINESS STRUCTURE



## CITAGLOBAL Empowering The Future

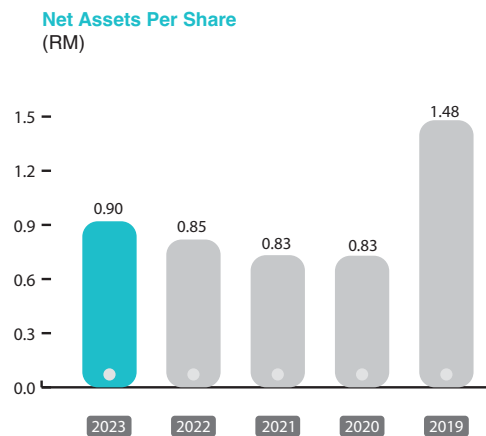
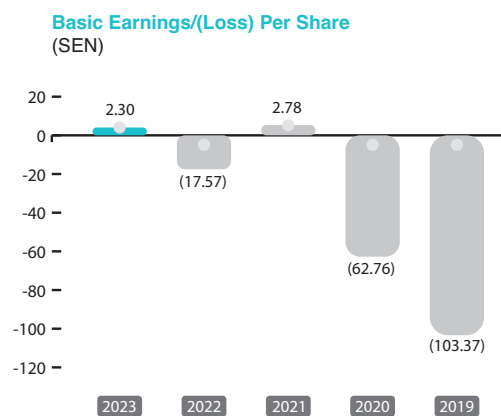
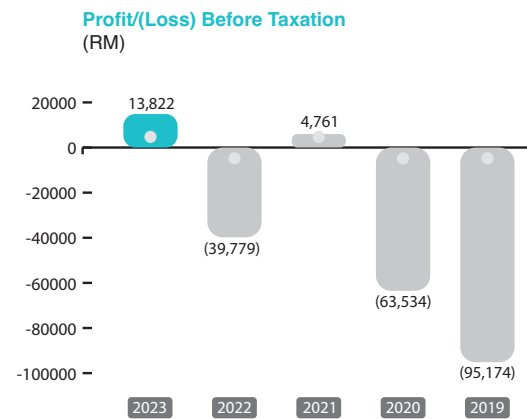
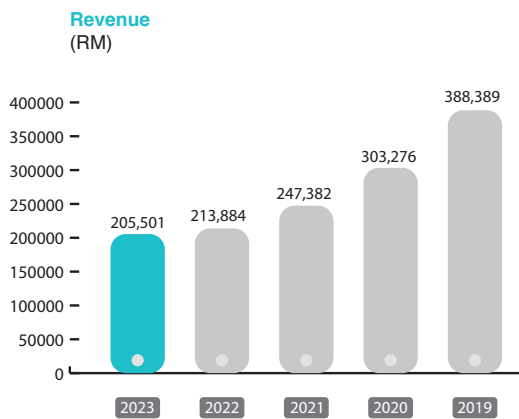




## FIVE (5) YEARS FINANCIAL HIGHLIGHTS

	FY2023	FY2022	FY2021	FP2020	FY2019
	1-Jan-23 to 31-Dec-23	1-Jan-22 to 31-Dec-22	1-Jan-21 to 31-Dec-21	1-Sep-19 to 31-Dec-20	1-Sep-18 to 31-Aug-19
	12 months	12 months (Restated)	12 months	16 months	12 months
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	205,501	213,884	247,382	303,276	388,389
<b>Profit/(Loss) Before Taxation</b>	13,822	(39,779)	4,761	(63,534)	(95,174)
<b>Basic Earnings/(Loss) Per Share (Sen)*</b>	2.30	(17.57)	2.78	(62.76)	(103.37)
<b>Net Assets Per Share (RM)*</b>	0.90	0.85	0.83	0.83	1.48

\* Comparative Basic Earnings/(Loss) Per Share and Net Assets per Share Attributable to the Owners of the Company have been adjusted to account for the 5 into 1 share consolidation exercise of the Company completed on 6 March 2023.





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria**

Executive Chairman & President

**Encik Ikhlas Bin Kamarudin**

Non-Independent Non-Executive Director

**Encik Aimi Aizal Bin Nasharuddin**

Executive Director (Redesignated from an Independent Non-Executive Director to a Non-Independent Non-Executive Director on 3 July 2023 and subsequently, redesignated to Executive Director on 22 April 2024)

**Encik Rosli Bin Shafiei**

Independent Non-Executive Director

**YBhg. Datuk Idris Bin Haji Hashim J.P.**

Independent Non-Executive Director

**YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin**

Independent Non-Executive Director

**YBhg. Dato' Sri Mohan A/L C Sinnathamby**

Independent Non-Executive Director

**YBhg. Datuk (Dr.) Yasmin Binti Mahmood**

Independent Non-Executive Director  
(Appointed on 1 July 2023)

### AUDIT AND RISK COMMITTEE

*(Renamed from "Audit Committee" to "Audit and Risk Committee" on 30 May 2023)*

**Encik Rosli Bin Shafiei**

(Chairman)

**YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin**

(Member)

**YBhg. Datuk Idris Bin Haji Hashim J. P.**

(Member)

**YBhg. Dato' Sri Mohan A/L C Sinnathamby**

(Member)

### NOMINATION AND REMUNERATION COMMITTEE

**YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin**

(Chairman)

**YBhg. Datuk Idris Bin Haji Hashim J. P.**

(Member)

**Encik Rosli Bin Shafiei**

(Member)

### LONG TERM INCENTIVE PLAN COMMITTEE

**Encik Ikhlas Bin Kamarudin**

(Chairman)

**Encik Rosli Bin Shafiei**

(Member)

**YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin**

(Member)

### FINANCE AND INVESTMENT COMMITTEE

*(Redesignated from "Risk, Finance and Investment Committee" to "Finance and Investment Committee" on 1 June 2023)*

**YBhg. Datuk (Dr.) Yasmin Binti Mahmood**

(Chairperson)

(Appointed on 1 September 2023 as member and redesignated from a member to the Chairperson on 28 February 2024)

**Encik Aimi Aizal Bin Nasharuddin**

(Member)

(Redesignated from the Chairman to a member on 28 February 2024)

**YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria**

(Member)

(Redesignated from the Chairman to a member on 28 February 2023)

**Encik Ikhlas Bin Kamarudin**

(Member)

(Appointed on 28 February 2023)

### SHARIAH ADVISORY COMMITTEE

**YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin**

(Chairman)

**Encik Ikhlas Bin Kamarudin**

(Member)

**Encik Mahamahpoyi Hj Walah**

(Advisor)

**Mr. Chan Fook Kwong**

(Management Representative)



## CORPORATE INFORMATION (Cont'd)

### GROUP KEY SENIOR MANAGEMENT

**YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria**  
Executive Chairman & President

**Encik Aimi Aizal Bin Nasharuddin**  
Executive Director - Energy Division

**Encik Wan Shariman Bin Wan Mohamed**  
Group Chief Operating Officer

**Mr. Chan Fook Kwong**  
Group Chief Financial Officer

### HEAD OF DIVISIONS

**Encik Aimi Aizal Bin Nasharuddin**  
Executive Director - Energy Division

**Encik Rodzi Ahmad**  
Head of Telecommunications  
(Appointed on 2 February 2023)

**Encik Azly Bin Abdul Kadir**  
Head of Civil Engineering and Construction

**Encik Azlan Shah Bin Mohd Yusoh**  
Head of Property Development

**Mr. Tan Chong Boon**  
Head of Manufacturing

**Ms. Amelia Tan Mei Yee**  
Head of Money Lending  
(Appointed on 3 July 2023)

### COMPANY SECRETARIES

**Chua Siew Chuan**  
(SSM PC NO. 201908002648)  
(MAICSA 0777689)

**Yau Jye Yee**  
(SSM PC NO. 202008000733)  
(MAICSA 7059233)

### AUDITORS

**Baker Tilly Monteiro Heng PLT**  
[201906000600 (LLP0019411-LCA) & AF 0117]  
Baker Tilly Tower  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Tel : 03-2297 1000  
Fax : 03-2282 9980

### SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.  
[Registration No. 197701005827 (36869-T)]  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Tel : 03-2084 9000  
Fax : 03-2094 9940  
Email : info@sshshb.com.my

### PRINCIPAL BANKERS

**United Overseas Bank (Malaysia) Berhad**  
[Registration No. 199301017069 (271809-K)]  
**AmBank Islamic Berhad**  
[Registration No. 199401009897 (295576-U)]  
**Affin Islamic Bank Berhad**  
[Registration No. 200501027372 (709506-V)]  
**Bank Islam Malaysia Berhad**  
[Registration No. 198301002944 (98127-X)]  
**Maybank Islamic Berhad**  
[Registration No. 200701029411 (787435-M)]

### STOCK EXCHANGE

**Main Market of Bursa Malaysia Securities Berhad**  
Stock Name : CITAGLB  
Stock Code : 7245  
Preference Stock Name : CITAGLB-PA  
Preference Stock Code : 7245PA  
Warrant Name : CITAGLB-WA  
Warrant Code : 7245WA  
Warrant Name : CITAGLB-WB  
Warrant Code : 7245WB

### REGISTERED OFFICE

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Tel : 03-2084 9000  
Fax : 03-2094 9940  
Email : info@sshshb.com.my

### PRINCIPAL PLACE OF BUSINESS

Level 9, Block 4,  
Menara TH Plaza Sentral  
Jalan Stesen Sentral 5,  
KL Sentral  
50470 Kuala Lumpur  
Wilayah Persekutuan  
Tel : 03-2773 8800  
Fax : 03-2773 8878

### CORPORATE WEBSITE

[www.citaglobal.my](http://www.citaglobal.my)

## BOARD OF DIRECTORS

**Encik Aimi Aizal bin  
Nasharuddin**  
Executive Director

**YBhg. Tan Sri Dato'  
Sri (Dr.) Mohamad  
Norza bin Zakaria**  
Executive Chairman &  
President

**Encik Rosli bin  
Shafiei**  
Independent Non-  
Executive  
Director

**Encik Ikhlas bin  
Kamarudin**  
Non-Independent  
Non-Executive  
Director



\* from left to right





**YBhg. Datuk Idris  
bin Haji Hashim J.P.**  
Independent Non-  
Executive  
Director

**YBhg. Dato' Syed  
Kamarulzaman bin  
Dato' Syed Zainol  
Khodki Shahabudin**  
Independent Non-  
Executive Director

**YBhg. Dato' Sri  
Mohan A/L  
C Sinnathamby**  
Independent Non-  
Executive  
Director

**YBhg. Datuk (Dr.)  
Yasmin  
binti Mahmood**  
Independent Non-  
Executive  
Director





## DIRECTORS' PROFILE

### YBHG TAN SRI DATO' SRI (DR.) MOHAMAD NORZA BIN ZAKARIA

Executive Chairman & President

Age : 57

Gender : Male

Nationality : Malaysian

#### Date of appointment:

13 December 2019

#### Length of service (as at 30 April 2024):

4 years 4 months

#### Board Committees membership(s):

Finance and Investment Committee (Member) (*Redesignation on 28 February 2023*)

#### Academic/Professional Qualification:

- Bachelor of Commerce (Major in Accounting) from the University of Wollongong, New South Wales, Australia.
- Fellow of CPA Australia (FCPA) from CPA Australia Ltd.
- Chartered Accountant (CA) from the Malaysian Institute of Accountants (MIA).

#### Working Experience and Occupation:

YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza bin Zakaria began his career as a Senior Audit Assistant in Messrs. Arthur Andersen & Co./ Hanafiah, Raslan & Mohamad in 1988 before joining Bank Negara Malaysia as the Executive of Bank Regulation Department in 1990. Later, he joined PETRONAS as the Senior Executive in the Finance and Administration Department in the Gas and Petrochemical Development Division until April 1994. He moved up the corporate ladder as the Group Financial Controller of SPK-Sentosa Corporation Berhad before he became the Group General Manager of Audit in Mun Loong Berhad from 1995 until 1997.

He was the Chief Executive Officer ("CEO") of Gabungan Strategik Sdn Bhd from 1998 until 2004. His notable contribution in the Government Sector was as the Political Secretary to the Minister of Finance II from 2004 until 2008. Currently, he is also the Executive Chairman & President of TIZA Global Sdn Bhd ("TIZA Global"), a post he has held since April 2008.

He champions sports in Malaysia and nurtures national athletes through his posts as the President of the Olympic Council of Malaysia (OCM), President of the Badminton Association of Malaysia (BAM), President of the Commonwealth Games Association of Malaysia, and Co-Chair of the Road to Gold (RTG) Committee in preparation for Olympic Games Paris 2024 and Olympic Games Los Angeles 2028, Board Member and the Audit Committee Chairman of the National Sports Council (NSC).

Regionally, he was elected to the post of Honorary President of Badminton Asia, as well as a member of the Coordination Committee of the Olympic Council of Asia for the 20th Asian Games Aichi-Nagoya 2026.

He previously served as the Chairman of the National Sports Institute, the Honorary Treasurer of the Football Association of Malaysia (FAM), the President of the Kuala Lumpur Badminton Association (KLBA), the President of the Royal Malaysian Polo Association (RMPA) and Chef de Mission (CDM) of Malaysia for the 28th Southeast Asian Games held from 5–16 June 2015 in Singapore, which was the highest gold medal tally achieved by the Malaysian contingent for a SEA Games held outside Malaysia.

#### Present Directorship(s)

- (i) **Listed Entities** : Nil  
 (ii) **Other Public Companies** : Nil

#### Family relationship with any director and/or major shareholder of the listed issuer:

He is a major shareholder of the Company by virtue of his direct interest in TIZA Global and indirect interest in Citaglobal Energy Resources Sdn Bhd held via TIZA Global pursuant to Section 8 of the Companies Act 2016.

#### Conflict of interest or potential conflict of interest including interest in any competing business that the person has with the listed issuer or its subsidiaries:

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

Nil

#### Board Meeting attendance in the financial year:

10/10



## DIRECTORS' PROFILE (Cont'd)

### ENCIK IKHLAS BIN KAMARUDIN

Non-Independent Non-Executive Director

Age : 31 | Gender : Male | Nationality : Malaysian

#### Date of appointment:

30 October 2019

#### Length of service (as at 30 April 2024):

4 years 6 months

#### Board Committees membership(s):

- Long Term Incentive Plan Committee (Chairman)
- Finance and Investment Committee (Member) (Appointed on 28 February 2023)
- Shariah Advisory Committee (Member)

#### Academic/Professional Qualification:

- Degree in International Business, Finance and Economics from Alliance Manchester Business School, University of Manchester, England.

#### Working Experience and Occupation:

Encik Ikhlas was a part of Air Asia Berhad's management trainee program in Year 2009 for 6 months and was involved in 3 key departments, i.e. operations, corporate finance and corporate culture.

In 2016, he held the position of Chief Strategic Officer in Vidi and was responsible for the strategic planning, and budgeting as well as the commercial and marketing department of Vidi.

From March 2019 to October 2019, he was the Head of International Business Development for Airasia.com. He was responsible for the sourcing and partnerships team as well as manage key partnerships team that manages relationships and campaigns with key partners.

He is the founder of AIIS Solutions Sdn Bhd ("AIIS") and currently held the position of Finance Director in AIIS since Year 2013. He is responsible for the financial control and strategic direction of AIIS. He is also currently holding the role of Head of Islamic Line of Business at Airasia.com, in charge of Umrah and Muslim-friendly travel.

#### Present Directorship(s)

- (i) **Listed Entities** : Nil  
 (ii) **Other Public Companies** : Nil

#### Family relationship with any director and/or major shareholder of the listed issuer:

Nil

#### Conflict of interest or potential conflict of interest including interest in any competing business that the person has with the listed issuer or its subsidiaries:

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Nil

#### Board Meeting attendance in the financial year:

9/10



## DIRECTORS' PROFILE

(Cont'd)

### ENCIK AIMI AIZAL BIN NASHARUDDIN

Executive Director

Age : 57 | Gender : Male | Nationality : Malaysian

*(Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 3 July 2023 and subsequently, redesignated to Executive Director on 22 April 2024)*

#### Date of appointment:

25 August 2021

#### Length of service (as at 30 April 2024):

2 years 8 months

#### Board Committees membership(s):

- Finance and Investment Committee (Member) (Appointed on 20 September 2022) (Redesignated from the Chairman to a member on 28 February 2024)

#### Academic/Professional Qualification:

- Degree in Bachelor of Business (Major in Accounting and Minor in Electronic Data Processing) from Bendigo College of Advanced Education, Victoria, Australia (now known as La Trobe University).
- Fellow, Certified Practising Accountant (CPA) Australia from CPA Australia Ltd.
- Chartered Accountant, Malaysian Institute of Accountants (MIA).

#### Working Experience and Occupation:

Encik Aimi Aizal Bin Nasharuddin carries over 30 years of business, corporate finance and hands-on operational experience. An accountant by profession, he started his career at Arthur Andersen & Co. as an auditor and business advisor where he was involved in mapping out strategies and implementing business processes for various sectors of corporates including manufacturing, financial and investment, property and development, construction and oil and gas based companies.

He later carved further expertise in the corporate world at CIMB, the largest investment bank in Malaysia, where he championed some of the biggest deal-making, financial restructuring, business re-engineering, takeovers, reverse take-overs, acquisitions and corporate financing.

Equipped with diverse experience, he ventured into various private businesses of his own including the creation of the most renown player in web integration and application development company in the nation, the Skali Group. Skali began during the infancy of internet euphoria; a story of survivor, a brand that has overcome monumental challenges. He has created his fame as one of the biggest local entrepreneurs in the IT world.

He is also a founding member of Ata Plus Sdn. Bhd., is one of the first six (6) companies awarded the licence by the Securities Commission Malaysia to operate an Equity Funding platform in Malaysia. En. Aimi served as Chairman of the Audit Committee of Anzo Holdings Berhad from 2015 to 2018. He also sits on the board of a subsidiary company of TH Properties Sdn. Bhd. that develops a property in Klang Valley. En. Aimi also sits as a Board Member and a Member of The Finance and Investment Committee in Upland Resources Ltd, an oil and gas company listed on the London Stock Exchange.

#### Present Directorship(s)

- (i) Listed Entities : Nil  
 (ii) Other Public Companies : Nil

#### Family relationship with any director and/or major shareholder of the listed issuer:

Nil

#### Conflict of interest or potential conflict of interest including interest in any competing business that the person has with the listed issuer or its subsidiaries:

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

Nil

#### Board Meeting attendance in the financial year:

9/10



## DIRECTORS' PROFILE (Cont'd)

### ENCIK ROSLI BIN SHAFIEI

Independent Non-Executive Director

Age : 71 | Gender : Male | Nationality : Malaysian

#### Date of appointment:

28 October 2014

#### Length of service (as at 30 April 2024):

9 years 6 months

#### Board Committees membership(s):

- Audit and Risk Committee (Chairman)
- Nomination and Remuneration Committee (Member)
- Long Term Incentive Plan Committee (Member)

#### Academic/Professional Qualification:

- Advanced Diploma in Accountancy from Universiti Teknologi Mara.
- Member of the Malaysian Institute of Accountants.

#### Working Experience and Occupation:

Encik Rosli Bin Shafiei has extensive experience in finance, insurance and banking, infrastructure and building construction, offshore construction, installation and oil and gas related services industries having held senior positions in private and public listed companies.

He started his career with Malaysia Building Society Berhad, where he took on several postings, namely as loans administration officer, internal audit team leader and Branch Manager for its Klang branch and later Penang branch. He held several other positions from Credit Manager with SPK Bowring Marsh & McLennan Sdn Bhd Insurance Brokers and Consultant, and Accountant with Petfina Sdn Bhd/Petmal Sdn Bhd which operated an oil blending plant. In 1989, he joined United Engineers Malaysia Bhd as Management Accountant and subsequently, he was transferred to its joint-venture company, PATI Sdn Bhd that was involved in the construction of the Continuous Reinforced Concrete Pavement of the North-South Expressway. In 1998 he was appointed as General Manager, Finance of Crest Petroleum Berhad.

Following the acquisition by UEM Group, he was appointed as the Chief Operating Officer/Director of PATI Sdn Bhd, responsible for the operations of the group which was primarily involved in construction, quarrying and supplying construction materials. Subsequently in year 2003, upon completion of acquisition of Intria Berhad and restructuring of the UEM Group, he assumed the position of Chief Financial Officer for UEM Builders Berhad. He left UEM Builders Berhad upon attaining the mandatory retirement age in 2007.

Thereafter, he was also appointed as Chief Financial Officer for Willis (Malaysia) Sdn Bhd, a registered insurance brokers and consultants from January 2011 to February 2013.

#### Present Directorship(s)

- (i) **Listed Entities** : Nil  
(ii) **Other Public Companies** : Nil

#### Family relationship with any director and/or major shareholder of the listed issuer:

Nil

#### Conflict of interest or potential conflict of interest including interest in any competing business that the person has with the listed issuer or its subsidiaries:

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

Nil

#### Board Meeting attendance in the financial year:

10/10



## DIRECTORS' PROFILE (Cont'd)

### YBHG DATUK IDRIS BIN HAJI HASHIM J. P.

Independent Non-Executive Director

Age : 71

Gender : Male

Nationality : Malaysian

#### Date of appointment:

20 November 2014

#### Length of service (as at 30 April 2024):

9 years 5 months

#### Board Committees membership(s):

- Nomination and Remuneration Committee (Member)
- Audit and Risk Committee (Member)

#### Academic/Professional Qualification:

- Diploma in Town and Regional Planning, Universiti Teknologi Mara (UiTM).
- Postgraduate Degree of Master of Science, City and Regional Planning from Illinois Institute of Technology, Chicago.

#### Working Experience and Occupation:

After his graduation, he worked as an Assistant Lecturer at UITM before leaving for America in 1976. Upon graduating from Illinois Institute of Technology, Chicago, he worked at Skidmore Owings and Merrill and also at North Eastern Planning Commission. On returning to Malaysia, he worked as a Lecturer at UITM.

He was the Chairman of Perbadanan Nasional Bhd from 2009 to 2015. He also sat on the Board of Focus Point Bhd.

#### Present Directorship(s)

- (i) **Listed Entities** : Nil  
(ii) **Other Public Companies** : Nil

#### Family relationship with any director and/or major shareholder of the listed issuer:

Nil

#### Conflict of interest or potential conflict of interest including interest in any competing business that the person has with the listed issuer or its subsidiaries:

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

Nil

#### Board Meeting attendance in the financial year:

10/10



## DIRECTORS' PROFILE (Cont'd)

### YBHG DATO' SYED KAMARULZAMAN BIN DATO' SYED ZAINOL KHODKI SHAHABUDIN

Independent Non-Executive Director

Age : 59 | Gender : Male | Nationality : Malaysian

#### Date of appointment:

23 April 2015

#### Length of service (as at 30 April 2024):

9 years

#### Board Committees membership(s):

- Nomination and Remuneration Committee (Chairman)
- Shariah Advisory Committee (Chairman)
- Audit and Risk Committee (Member)
- Long Term Incentive Plan Committee (Member)

#### Academic/Professional Qualification:

- Master in Science Corporate Communication from School of Modern Languages & Communication, Universiti Putra Malaysia (UPM).
- Bachelor in Business Administration from School of Business, Royal Melbourne Institute of Technology (RMIT).
- Diploma in Business Studies from Mara Institute of Technology.

#### Working Experience and Occupation:

YBhg Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin has been appointed as the Chief Executive Officer of Rangkaian Hotel Seri Malaysia Sdn. Bhd. effective from 1 April 2021. He was the Managing Director of Perbadanan Nasional Berhad (PNS) from year 2007 to year 2019. He was also a Non-Independent Non-Executive Director of Focus Point Holdings Berhad until his resignation in year 2019.

He was previously the Managing Director of Yayasan Tekun Nasional and prior to that, he had accumulated over 21 years of experience in banking operations, corporate management, property and information technology with his last attachment at Bank Muamalat Malaysia Berhad as a Branch Manager. He had also served as a lecturer at Universiti Tenaga Nasional (UNITEN).

He was also the Vice Chairman of Association of Development Finance Institution of Malaysia (ADFIM) and the Vice President of Oxford Business Alumni KL Chapter.

#### Present Directorship(s)

- (i) **Listed Entities** : Nil  
(ii) **Other Public Companies** : Nil

#### Family relationship with any director and/or major shareholder of the listed issuer:

Nil

#### Conflict of interest or potential conflict of interest including interest in any competing business that the person has with the listed issuer or its subsidiaries:

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

Nil

#### Board Meeting attendance in the financial year:

10/10



## DIRECTORS' PROFILE

(Cont'd)

### YBHG DATO' SRI MOHAN A/L C SINNATHAMBY

Independent Non-Executive Director

Age : 64 | Gender : Male | Nationality : Malaysian

#### Date of appointment:

18 February 2019

#### Length of service (as at 30 April 2024):

5 years 2 months

#### Board Committees membership(s):

- Audit and Risk Committee (Member)

#### Academic/Professional Qualification:

- Professional Qualification in Dealer's Representative from Kuala Lumpur Stock Exchange with License No. CMSRL/A0374/2007

#### Working Experience and Occupation:

YBhg. Dato' Sri Mohan A/L C Sinnathamby started his career in the stockbroking industry at Razak Ramli Sdn Bhd as a Trader, trading shares for the company in the trading room of the Kuala Lumpur Stock Exchange from 1978 to 1981.

From 1981 to 1987, he was involved in Kenanga Investment Bank Berhad as a Trader in trading shares at the trading room of the Kuala Lumpur Stock Exchange. He also run the arbitrage desk for Malaysian stocks between the Kuala Lumpur and Singapore Stock Exchanges.

From 1987 to 1989, he was given the task as the Dealing Manager after the take-over of Zalik Securities Sdn. Bhd. ("Zalik") by Hong Leong Group, to turn around what was a loss-making company. Within his first year with Zalik, the company made a profit of RM15 million. He was responsible for 15 dealers. The unit mainly serviced the company's institutional clients. He also run the arbitrage desk for Malaysian stocks between Kuala Lumpur and Singapore Stock Exchanges.

From 1989 to 1990, he was the Chief Dealer in Kimara Securities Sdn Bhd ("Kimara"), managing a team of dealers handling the company's clients both institutional and retail. He was seconded from Zalik to prepare Kimara for listing on the Stock Exchange.

Presently, Dato' Sri Mohan is holding the position of Senior Manager for institutional sales in Kenanga Investment Bank Berhad. His duties include developing, maintaining and servicing the institutional client base as well as a group of high net worth individuals. His experience included recruiting remisiers, underwriting initial price offers, arranging financing for public listed company and handling private placement of substantial block of shares.

#### Present Directorship(s)

- (i) **Listed Entities** : Nil  
 (ii) **Other Public Companies** : Nil

#### Family relationship with any director and/or major shareholder of the listed issuer:

Nil

#### Conflict of interest or potential conflict of interest including interest in any competing business that the person has with the listed issuer or its subsidiaries:

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

Nil

#### Board Meeting attendance in the financial year:

9/10





## DIRECTORS' PROFILE (Cont'd)

### YBHG DATUK (DR.) YASMIN MAHMOOD

Independent Non-Executive Director

Age : 61 | Gender : Female | Nationality : Malaysian

#### Date of appointment:

1 July 2023

#### Length of service (as at 30 April 2024):

10 months

#### Board Committees membership(s):

- Finance and Investment Committee (Chairperson)  
(Appointed as a member on 1 September 2023 and redesignated from a member to the Chairperson on 28 February 2024)

#### Academic/Professional Qualification:

- Honoris Causa, Doctor in Management, University Tun Abdul Razak (UNITAR) International University.
- BSc in Computer Science and Applied Maths at University of New South Wales, Sydney, Australia.

#### Working Experience and Occupation:

YBhg Datuk (Dr.) Yasmin Binti Mahmood has served in the technology industry for more than 31 years, both in the private and public sectors. She started her career as an analyst programmer before working her way up to chief executive officer and senior positions within Malaysia of global brands such as Regional Manager of Dell Asia Pacific and Managing Director of Microsoft Malaysia. She was appointed as the Chief Executive Officer of Malaysia Digital Economy Corporation (“MDEC”) from 2014 to 2019. Prior to joining MDEC, she was the Executive Director at YTL Communications Sdn Bhd. In her early career, she served as the General Manager, CPSD of HP Sales Malaysia from 1995 to 1999. She was also the General Manager of Dataprep Retail Sdn Bhd from 1993 to 1995.

YBhg Datuk (Dr.) Yasmin Binti Mahmood is presently the Chairperson of Skymind Holdings Berhad, and Managing Partner of FutureReady Consulting Sdn. Bhd. She is also a Board member of Malaysian Industrial Development Finance Berhad, Malaysia Building Society Berhad Citaglobal Berhad, Prosignal Consortium Sdn Bhd and Kintan Bersama Sdn Bhd

#### Present Directorship(s)

- (i) **Listed Entities** : 1. Malaysia Building Society Berhad
- (ii) **Other Public Companies** : 1. Malaysian Industrial Development Finance Berhad  
2. Skymind Holdings Berhad  
3. Prosignal Consortium Sdn Bhd  
4. Kintan Bersama Sdn Bhd

#### Family relationship with any director and/or major shareholder of the listed issuer:

Nil

#### Conflict of interest or potential conflict of interest including interest in any competing business that the person has with the listed issuer or its subsidiaries:

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

Nil

#### Board Meeting attendance in the financial year:

4/4



## GROUP KEY SENIOR MANAGEMENT



### YBHG. TAN SRI DATO' SRI (DR.) MOHAMAD NORZA BIN ZAKARIA

Executive Chairman & President

Age : 57  
Gender : Male  
Nationality : Malaysian

He was appointed as the Non-Independent Non-Executive Deputy Chairman of the Company on 13 December 2019 and was subsequently redesignated as the Executive Chairman on 14 May 2020. He was later re-designated as the Executive Chairman & President of the Company on 8 September 2021.

He is a major shareholder of the Company by virtue of his direct interest in TIZA Global Sdn Bhd (formerly know as Citaglobal Sdn Bhd) ("TIZA Global") and indirect interest in Citaglobal Energy Resources Sdn Bhd held via TIZA Global pursuant to Section 8 of the Companies Act 2016.

His profile is listed in the Directors' Profile set out in this Annual Report.

### ENCIK AIMI AIZAL BIN NASHARUDDIN

Executive Director

Age : 57  
Gender : Male  
Nationality : Malaysian

He was appointed as the Independent Non-Executive Director of the Company on 25 August 2021 and redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 3 July 2023. Subsequently, he was redesignated to Executive Director on 22 April 2024

His profile is listed in the Directors' Profile set out in this Annual Report.





## GROUP KEY SENIOR MANAGEMENT (Cont'd)



### ENCIK WAN SHARIMAN BIN WAN MOHAMED

Group Chief Operating Officer

Age : 57  
Gender : Male  
Nationality : Malaysian

Wan Shariman was appointed as Group Chief Operating Officer of Citaglobal Berhad on 1 August 2022.

Prior to joining Citaglobal Berhad, he was Executive Director, AZ Land & Properties / Director, Corporate Services of Ahmad Zaki Resources Berhad. He was also previously Chief Operating Officer of MAJU Group, Vice President of MRCB, and Financial Controller of APL-NOL Malaysia.

An alumnus of Maktab Rendah Sains MARA (MRSM) Kota Bharu Kelantan, he is a Fellow of Chartered Institute of Management Accountants (FCMA) UK, and a Chartered Accountant (CA) of Malaysian Institute of Accountants. He also holds a Master in Business Administration (with Distinction) from Nottingham Trent University, UK.

He is a Fellow of Institute of Corporate Directors Malaysia (ICDM), and has attended Bursa Malaysia's Mandatory Accreditation Program (MAP) for Directors of Public Listed Companies. He is also an Elite Fellow of University Malaya.

He has extensive senior management experience gained from more than 30 years in multiple industries. He has held senior leadership roles in MRCB, MAJU and AZRB overseeing various business units and group at strategic and operational levels.

### MR. CHAN FOOK KWONG

Group Chief Financial Officer

Age : 55  
Gender : Male  
Nationality : Malaysian

He was appointed as the Chief Financial Officer of Citaglobal Group on 7 November 2018.

He is a member of the Malaysian Institute of Accountants and an associate of the Chartered Institute of Management Accountants. He has over 20 years of experience in accounting and reporting, financial management, treasury management, corporate finance and tax planning.

Prior to joining Citaglobal Berhad, he was the Chief Financial Officer for a Malaysian company listed on the Main Board of Singapore Exchange and subsequently the Chief Financial Officer for another Malaysian company listed on the Main Board of Bursa Malaysia; a structural steel turnkey and power plant contractor undertaking many highly complex projects in the Asian and Middle Eastern regions. He spent 3 years working in its operations in UAE before returning to assist in the IPO exercise of the company in 2011. He served as the Head of Corporate Finance prior to his appointment as the Chief Financial Officer of the company in August 2015 before joining Citaglobal Group in November 2018.



Save as disclosed above, none of the members of Citaglobal Group Key Senior Management has:-

1. any other directorships in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest with the Company; and
4. any conviction for offences within the past 5 years other than traffic offences, if any; and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



## HEAD OF DIVISIONS



### ENCIK AIMI AIZAL BIN NASHARUDDIN

Executive Director - Energy Division

Age : 57  
Gender : Male  
Nationality : Malaysian

He was appointed as an Independent Non-Executive Director of the Company on 25 August 2021 and was subsequently redesignated to a Non-Independent Non-Executive Director on 3 July 2023. Subsequently, he was redesignated to Executive Director on 22 April 2024.

His profile is listed in the Directors' Profile set out in this Annual Report.



### ENCIK RODZI BIN AHMAD

Head of Telecommunications

Age : 56  
Gender : Male  
Nationality : Malaysian

He was appointed as the Chief Executive Officer of Citaglobal Telecommunication Sdn Bhd on 2 February 2023.

He has a degree in Electronic System and Control Engineering from Sheffield Hallam University, UK.

He has more than 30 years of experience in the telecommunication industry, specialising in the development of fibre optic network in Malaysia. He was the CEO of Allo Technology Sdn Bhd, a fully owned subsidiary of TNB that was formerly known as Setia Haruman Technology, a technology arm of the master developer of Cyberjaya. His role was crucial for the development of the fiber network infrastructure for enterprise and homes along with substantial cellular tower fiberisation, data centre connectivity, and cross-border connectivity to the neighbouring nations; promoting the growth of international telco and data centre business.

After that, he moved to Altel Holdings Sdn Bhd to oversee Altel Communication Sdn Bhd and netZone Sdn Bhd, which focused on the network rollout of private LTE and Mobile Virtual Network Operations (MVNO). Also, he put together the private LTE ecosystem and planned for the national rollout of the network for sectors that require high accuracy and low latency networks for IOT, cybersecurity, data analysis, cloud computing services and private LTE networks.

He is currently spearheading Citaglobal Group's Telecommunications Division to rollout 5G telecommunication towers, fibre and fixed networks, as well as a private 5G enterprise solution.



### ENCIK AZLY BIN ABDUL KADIR

Head of Civil Engineering and Construction

Age : 51  
Gender : Male  
Nationality : Malaysian

He was appointed as the Chief Executive Officer of Citaglobal Land Sdn Bhd and Citaglobal Engineering Services Sdn Bhd on 14 November 2022.

An alumnus of Sekolah Alam Shah Kuala Lumpur, he holds a Bachelor of Science in Quantity Surveying from Glasgow Caledonian University, UK and is registered with the Board of Quantity Surveyors Malaysia.

He has over 25 years of extensive commercial, technical and management experience in the construction industry, locally and abroad. He started his career as a Quantity Surveyor at IBAI BINA Sdn Bhd in July 1996. He later moved to Peremba Construction Sdn Bhd as a Senior Quantity Surveyor and was involved in the various infrastructure projects in Putrajaya and Cyberjaya. He subsequently joined Muhibbah Engineering (M) Bhd in April 2000 where he excelled in his leadership role as the General Manager and served the company for 22 years. He was involved in the management and operations of the company including bidding, contracting, procurement and project management. He was later appointed as a Director for two subsidiaries of the Muhibbah Group until 2022.



## HEAD OF DIVISIONS (Cont'd)



### ENCIK AZLAN SHAH BIN MOHD YUSOH

Head of Property Development

Age : 49  
Gender : Male  
Nationality : Malaysian

He was appointed as the Chief Executive Officer of the Property Development Division on 20 October 2022.

He is an alumnus of MRSM Kerteh Terengganu and graduated from University of Newcastle Upon Tyne, UK in BSc. Land Surveyor and Mapping Science.

He has more than 20 years of experience in property development, construction and palm oil activities and businesses. Prior to leading the Property Division, he headed the Civil Engineering and Construction Segment of the Citaglobal Group. His largest achievement before joining the Group was heading the township development in Kuantan, Pahang where he led his team to convert 1,500 acres of oil palm plantation into a new township known as KotaSAS. He successfully included the new State of Pahang administration center and the ECRL station within the township.



### MR. TAN CHONG BOON

Head of Manufacturing

Age : 58  
Gender : Male  
Nationality : Malaysian

He was appointed as the Chief Executive Officer for Citaglobal Industries Sdn Bhd on 12 July 1994.

He graduated from Universiti Putra Malaysia (UPM) with an honour's degree in Civil Engineering.

He has experience in the areas of designing and building of civil and structural works. He commenced his career as a Design Engineer in a civil and structural consulting company. In 1995, he successfully established and spearheaded the Manufacturing Business Segment for Citaglobal Berhad on cold drawn bright steel production plant. Over the years, due to his vast experience and strong networking with his counterparts within Malaysia and internationally, he spearheaded the venture into the production of Cold Drawn polished shafts for automotive parts, office automation, industrial machines, computer part of components, fasteners, home electrical appliances, furniture industry and etc



### MS. AMELIA TAN MEI YEE

Head of Money Lending

Age : 46  
Gender : Female  
Nationality : Malaysian

She was appointed as the Chief Executive Officer of the Money Lending Division on 3 July 2023

She has over 20 years of experience in various industries, particularly in the digital and fintech sectors. She joined Citaglobal in 2023 after spearheading the establishment of their digital lending division as a consultant in 2022.

She is known for her expertise in business strategy, digital transformation, and media, among other areas. She returned to Malaysia in 2017 and has since been a key figure in driving fintech initiatives, including pioneering the country's first online microlending platform in 2019. Her influence extends to governmental bodies, where she has helped shape digital lending guidelines and has been recognised for her contributions to the industry.

She is also active on the global stage, advocating for innovation and sustainable finance through speaking engagements and leadership roles, including serving as the Malaysia Country Chair for Innovation & Technology under the UN umbrella G100 Global Women Network.



# Going Beyond:

**Green Growth,  
Resilient  
Community,  
Liveable Planet.**

- Demonstrating its leadership in sustainability to the world;
- Reflecting Malaysia's ability to convene global, multistakeholder dialogues on emerging and critical sustainability topics; and
- Attracting interest and showcasing international cooperation in Malaysia.



# COP28 UAE



Attracting Green FDI in Malaysia's Green Economy: Green Growth Opportunities in Malaysia's Renewable Energy Sector for Sustainable Energy Solutions (Presenter: Encik Aimi Aizal bin Nasharuddin, Executive Director, Energy Division)



Advancement of Battery Energy Storage Solutions (BESS): Empowering the Future for Sustainable Energy Solutions (Presenter: Puan Chok Yin Peng, General Manager, Renewable Energy and Encik Chua Kean Poh, General Manager, Citaglobal Genetec BESS Sdn Bhd)

# GREENER TODAY, SUSTAIN TOMORROW



## CHAIRMAN'S STATEMENT

# Dear Esteemed Shareholders,

“

*The year 2023 was marked by several landmark corporate developments for Citaglobal Berhad (“Citaglobal” or “Group”). Building on the strong foundations we laid out in the previous financial year, we embarked on our transition into a leading player in the renewable energy (“RE”) and telecommunications sector, with global ambitions. I am pleased to note that our plans and projects are progressing well, and FY2024 stands to be an even stronger year for the Group.”*

### YBHG TAN SRI DATO’ SRI (DR.) MOHAMAD NORZA BIN ZAKARIA

Executive Chairman & President



The Group registered a profit before taxation (“PBT”) of RM13.8 million in FY2023, returning into the black from a loss before taxation of RM39.8 million in FY2022. If we had excluded the impact of the goodwill impairment made on the acquisition of Citaglobal Engineering Services Sdn. Bhd. (“CESSB”), Citaglobal’s PBT for FY2022 would have been RM8.1 million. From this point of view, our PBT for FY2023 was 70.4% higher on a year-on-year basis. I am confident that Citaglobal can sustain and even exceed these growth rates as we start to see earnings contributions from ongoing projects and newly secured contracts.

Throughout FY2023, we continued strengthening the Group’s business segments, which comprise of Energy, Civil Engineering and Construction (“CEC”), Telecommunications, Property and Manufacturing. In particular, we have worked to improve the earnings contribution from Energy and CEC, including via inorganic growth and actively tendering for major projects.

On the Energy front, we have positioned RE as the new growth area for Citaglobal. On 1<sup>st</sup> December 2023 Citaglobal and TIZA Global Sdn. Bhd. signed a Joint Development Framework Agreement (“JDFA”) with Abu Dhabi Future Energy Company PJSC (“MASDAR”), an investment vehicle of the Government of Abu Dhabi. This is in relation to Project 2GW, a US\$2 billion 2-Gigawatt (“GW”) solar farm project in Pahang. This massive project will see the construction of ground-mounted solar arrays, floating solar farms and Battery Energy Storage System (“BESS”) across multiple sites on suitable land, dams and lakes across Pahang.

The JDFA was signed during the United Nations Climate Change Conference of the Parties (“COP 28”), where the Group was one of the main sponsors of the Malaysia Pavilion. The JDFA document exchange was witnessed by His Majesty Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong XVI Al-Sultan Abdullah Ri’ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Musta’in Billah, and the President of the UAE and Ruler of Abu Dhabi, His Highness Sheikh Mohamed bin Zayed Al Nahyan.

The JDFA with MASDAR is a continued progress from a Memorandum of Understanding (“MoU”) signed earlier on 27<sup>th</sup> July 2023, which was for the joint development of renewable energy projects across solar, BESS, wind and other renewable energy technologies with MASDAR.

Further on 1<sup>st</sup> December 2023, Citaglobal and MASDAR entered into an MoU with Malaysia’s national utility company, Tenaga Nasional Berhad (“TNB”) via its wholly-owned subsidiary TNB Renewables Sdn. Bhd. (TRe), to participate in the development of renewable energy projects in Malaysia including Project 2GW. We are honoured to combine our strengths with renowned energy players such as MASDAR and TNB. Together, our resources and expertise across asset management, infrastructure development and shared innovations will make Project 2GW a success.



## CHAIRMAN'S STATEMENT (Cont'd)

The Group's Energy division is also transcending into a groundbreaking National project. On 21<sup>st</sup> February 2024, a consortium led by Citaglobal, Citaglobal Reneuco Energy Solution Sdn. Bhd. ("CREES"), accepted a Conditional Letter Of Award ("CLOA") from Malaysia Rail Link Sdn. Bhd. ("MRL") as the 30-year exclusive concessionaire to provide electricity and RE for the East Coast Rail Link ("ECRL") network that spans over 665km from Kota Bahru, Kelantan to Port Klang, Selangor. CREES is a consortium of two companies comprising Citaglobal with a 60% shareholding and Reneuco Bhd. holding the remaining 40%.

This concession, which comprises the provision of electricity to both traction and non-traction of the ECRL Network, also includes the development and construction of transmission and interconnection facilities valued at RM600 million. Over a period of 30 years, the Consortium led by Citaglobal is expected to also develop and provide green energy of up to 100MW, targeting an energy mix of 30% green energy for the ECRL network.

Securing this CLOA is in line with our vision for Citaglobal as asset owners of high-quality RE projects, which will see us benefit from long-term recurring income streams throughout our concession period. We also see ourselves as a developer of end-to-end turnkey EPCC services within the RE segment from development and engineering design, procurement, remote monitoring, and maintenance, to performance-enhancing upgrades.

Another facet of the Energy segment that the Group is exploring is Waste-to-Energy ("WtE"), with the signing of an MoU with China's Shanghai SUS Environment Co Ltd ("Shanghai SUS"), a state-linked conglomerate involved in solid waste treatment, for the joint collaboration and development of WtE projects in Malaysia. Notably, Shanghai SUS has pledged to inject RM15 billion of foreign direct investment into the Malaysian economy to deploy WtE solutions. We are proud to be working with one of China's top WtE providers to solve the critical problem of unsustainable landfills in Malaysia, generate renewable energy and produce revenue for local municipalities and governments.

Another milestone achieved was on 27<sup>th</sup> June 2023, when we entered into an MoU with Petronas Global Technical Solutions Sdn. Bhd. ("PGTSSB"), a wholly-owned subsidiary of Petroliaam Nasional Berhad ("PETRONAS"), to collaborate on a wide range of RE technologies and applications. The scope of this collaboration will include renewable energy technologies and applications comprising BESS, biogas engines, biomass engineering, WtE, Heat to Energy ("HtE") and Carbon Capture & Utilization ("CCU") among others.

Notably, we intend to work with PGTSSB on the development and implementation of BESS applications and projects, by which the technology and solutions shall be provided by Citaglobal Genetec BESS Sdn. Bhd. ("CG BESS"). To recap, CG BESS is a 50:50 joint venture company between Citaglobal and Genetec Technology Bhd. that has developed Malaysia's first BESS, MYBESS. As part of our collaboration with PETRONAS, we are currently in the midst of a joint feasibility study to scale up BESS technology solutions in all of PETRONAS' existing and future facilities, as well as a separate joint feasibility study for the application of WtE and HtE in PETRONAS' plants.

With a diverse mix of RE projects, we are solidifying our earnings base and multiple engines for future growth.

### REVIEW OF FINANCIAL PERFORMANCE

In FY2023, Citaglobal recorded revenue of RM205.5 million as compared to RM213.9 million in the preceding financial year. Revenue was impacted by lower contributions from the Energy, Manufacturing and CEC segments, although this was mitigated to some extent by higher contributions from the Group's Property and remaining segments.

During the financial year under review, the Group registered a PBT of RM13.8 million, compared to a loss before taxation of RM39.8 million in the preceding year. The increase in PBT of RM53.6 million was due in part to stronger operating results from the Group's CEC segment. In addition, last year's PBT had been affected by the impairment of goodwill of RM47.9 million arising from the acquisition of CESSB.

Citaglobal's balance sheet remains solid, with total assets as at 31 December 2023 recorded at RM539.1 million, while total liabilities stood at RM164.7 million. Meanwhile, the Group has short-term deposits, cash and bank balances of RM61.1 million as at 31 December 2023, against total borrowings of RM62.5 million.





## CHAIRMAN'S STATEMENT (Cont'd)

### LOOKING AHEAD

As we enter 2024, a perfect storm is brewing. Among nation-states, climate change concerns, rising energy demand and geopolitical tensions fuel the growing need for RE and energy security. In addition, there is rising interest in Environmental, Social and Governance (“ESG”) investing, with ESG factors increasingly integrated into the investment screening process. We also see evidence of broadening policy support for renewables and emission reduction, as borne out in Malaysia’s National Energy Transition Roadmap, or NETR for short.

Implementing large-scale, growth-inducing RE projects will not only attract foreign direct investments but also unlock a multiplier effect for our economy. NETR, which was unveiled in July 2023, is expected to create investment opportunities of up to RM1.85 trillion by 2050.

With our growth plans fully aligned with NETR, Citaglobal is well-positioned to ride the wave of ESG adoption and be a leading driver of Malaysia’s energy transition.

Within the CEC segment, we will continue to tender for projects with higher margins to further strengthen the Group’s financial performance.

Amongst the key CEC project wins in FY2023, the Group secured a project for works on the Klang Valley Electrified Double Track Phase 2 (KVDT 2) project amounting to RM261 million, from Dhaya Maju Infrastructure (Asia) Sdn Bhd (“DMIA”). As at 31 December 2023, the Group has a total outstanding order book of RM641.3 million.

The Group also made inroads with its plans to benefit from the ramp-up of telecommunication infrastructure across Southeast Asia, with the acquisition of a 30% stake in submarine cable systems company iFACTORS Sdn Bhd (“iFactors”) for RM25.2 million. Incorporated in 1997, iFACTORS provides niche solutions in the maintenance and implementation of optical submarine cable networks, particularly in the area of repeaterless submarine cable systems.

The Group through its indirect subsidiary has diversified into the property development business, namely the PR1MA Phase 2 Project, with an estimated remaining gross development value of RM356 million. In addition to these businesses, 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.

### APPRECIATION

I wish to offer my gratitude to the Citaglobal family, including our board members, senior management and the rest of our employees. Your excellent contributions were instrumental.

I would also like to thank our other stakeholders such as our shareholders, business partners, financiers, customers and government agencies. Your support and vote of confidence mean a lot to us.

I also take this opportunity to extend my warm welcome to Ybhg. Datuk (Dr.) Yasmin Mahmood who recently joined our Board of Directors. Ybhg. Datuk Yasmin is currently a board member of MIDF Berhad, UMW Holdings Berhad, Malaysia Building Society Berhad and Skymind Holdings Berhad. From 2014 to 2019, Ybhg. Datuk Yasmin was the CEO of Malaysia Digital Economy Corporation (“MDEC”) Sdn Bhd, spearheading nation-building initiatives such as the Digital Free Trade Zone (“DFTZ”), nurturing the local tech ecosystem and driving foreign direct investments into Malaysia. I look forward to her contributions in the coming years.

A wise man once said, “The best way to predict the future is to create it.” While the year ahead will likely be fraught with macroeconomic uncertainties and other challenges, what matters is a long-term focus and resilience, even during dark and difficult moments. Recognising this, in FY2024 we will continue to work to realise our mission to become a leading player in technology-driven industries that empower the future. Together, we will ascend to even greater heights.





## MANAGEMENT DISCUSSION & ANALYSIS



This Management Discussion and Analysis (“MDA”) of the Citaglobal Berhad (“the Company”) (“Citaglobal”) and its subsidiaries (“the Group”) is to provide the shareholders/ stakeholders with an overview, understanding and appreciation of the financial and operating performances of the Group for the financial year ended 31 December 2023 (“FY2023”). Any information, assumptions, patterns and/or trends provided that is predictive or futuristic in nature should not be taken as absolute and/or construed to necessarily continue in the foreseeable future. This MDA should be read in conjunction with the Audited Financial Statements for the FY2023 and the related notes thereto.

The Group is principally involved in Energy, Civil Engineering and Construction (“CEC”), Property and Manufacturing. The Energy segment is principally engaged in onshore oil and gas downstream activities, renewable energy and power generation. The CEC segment is primarily involved in infrastructure construction contracts. The Property segment is principally involved in property investment, construction and development. The Manufacturing segment is the manufacturing of cold drawn bright steel products.

### GROUP FINANCIAL PERFORMANCE

Revenue decreased from RM213.9 million in the financial year ended 31 December 2022 (“FY2022”) to RM205.5 million in the FY2023 by 4% or RM8.4 million. The lower revenue was due to the decrease in revenues of RM21.0 million, RM13.4 million and RM2.5 million from the Energy, Manufacturing and CEC segments, respectively. This was offset by the higher revenues of RM20.1 million and RM8.4 million from the Property and remaining segments, respectively. The higher revenue from the remaining segments was mainly from the telecommunications division.

Despite the lower revenue, profit before tax increased significantly from a loss before tax of RM39.8 million in FY2022 to a profit before tax of RM13.8 million in FY2023. The increase in profit before tax of RM53.6 million was due to the stronger results of RM19.0 million and RM42.8 million from the CEC and remaining segments, respectively. This was offset by the losses of RM4.5 million, RM3.0 million and RM0.7 million from the Manufacturing, Energy and Property segments of the Group, respectively. The stronger result from the remaining segments was due to the impairment of goodwill of RM47.9 million in FY2022 arising from the acquisition of Citaglobal Engineering Services Sdn Bhd.

The financial results are further analysed in the following section of “Review of Operating Activities and Risks”:



# MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

## REVIEW OF OPERATING ACTIVITIES AND RISKS



## ENERGY

### Review

The segment consists of the Oil & Gas, the Renewable Energy and the Power Generation business divisions.

Revenue decreased from RM45.1 million in FY2022 to RM24.1 million in FY2023, marking a 47% or RM21.0 million reduction. The decline primarily arose from Oil & Gas division, due to diminished downstream development in Oil & Gas sector. This slowdown resulted in lower and delays in securing new prospects, hence adversely affecting its revenue performance.

The loss before tax increased from RM4.1 million in FY2022 to RM7.1 million in the FY2023, marking a rise of RM3.0 million for overall Energy Segment. Despite Oil & Gas and Power Generation divisions achieving cost savings of RM1.8 million in administrative and operating expenses through continuous effort in costs and manpower optimisation, coupled with lower financing costs of RM1.1 million, the loss before tax escalated by RM1.3 million attributed to lower revenue and gross margin contributions. In the Renewable Energy division, notable investment costs were made in Battery Energy Storage System ("BESS"), East Coast Rail Link (ECRL) and Solar Plant development, alongside with expenditure on staff deployment and strategic partner and consultant engagements, totalling RM1.7 million were incurred for pre-operation costs. These endeavours aim to establish a robust market presence and foster growth opportunities for FY2024 onwards.

### Challenges

FY2024 the Oil & Gas industry forecasted to be less active in greenfield projects but will see a series of busy tendering activities for brownfields and long-term services contracts. Competition remains stiff among contractors in Engineering, Procurement, Construction and Commissioning (EPCC) and Topside Major Maintenance (TMM) sectors which remain highly competitive. CITAGLOBAL ENERGY will need to also face the challenge of maintaining a right sized overhead cost in order to manage highly aggressive pricing by smaller sized competitors.

The Oil & Gas upstream sector will be focused on works related to maintenance and repairs, whereas the downstream sector is expected to start turnaround work. The industry tendering activities for major works have been done in late 2023 and it is expected that FY2024 will see these tenders awarded.

The renewable energy segment is expected to continue on positive trajectory. However, the unlocking of processes to enable ease of doing business in this segment remains a challenge and

is expected to continue in FY2024. The technology and deployment of various renewable business initiatives such as BESS, Green Mobility and Hydrogen power will continue to flourish in neighbouring countries due to various initiatives and policies implemented, thus the market capitalisation is fast being taken up creating an opportunity challenge. We see a lot of potential in these segments but see high investments necessary to get these renewable projects off the ground.

Power generation is also in transition towards green initiatives, however the lack of interest and awareness are due to cheaper available fossil oil driven engines. The industry will need to be continuously educated and policies must be enforced to help the industry to move into reduced CO2 footprint platform; but currently the quickest form of Power Generation implementation will still be Diesel Operated Generator Sets.

### Prospects In

In FY2024, CITAGLOBAL ENERGY Management will focus on key areas where we are strong in for growth. Areas where we will actively participate in tenders are with Gas Malaysia as well as Petronas Gas, from their announcements that they intend to increase their gas pipeline distribution lines throughout the country. With this focus we hope to be able to re-establish our core competencies and in FY2025 project a lot more revenue for the company. We will also identify and obtain products to represent, that will complement this growth in the pipeline business.

CITAGLOBAL ENERGY Management is also driving the transition from fossil energy sector to diversify into renewable energy development works (i.e. BESS, solar and hydro) via strategic collaborations with technical partners and strategic client engagements. This transition is expected to allow CITAGLOBAL ENERGY to expand its services portfolios into wider customer base. The inclusion of Power Generation and Renewable Gas Engines as part of the energy offerings that are expected to boost the supply and service range of products with Product Services being repositioned as part of Power Generation division.

With the new products such as BESS, Solar services offering, Biogas plants with Sustainable Energy Development Authority Malaysia (SEDA) approved engines and a wider new range of product sales, FY2024 is projected to show a stronger market venture that will be key foundation for stronger FY2024 and beyond. FY2024 should be the turning point for CITAGLOBAL ENERGY whereby we will start securing projects and project a turnaround.



## MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)



# CIVIL ENGINEERING AND CONSTRUCTION

### Review

Revenue decreased marginally from RM107.9 million in FY2022 to RM105.4 million in FY2023 by 2% or RM2.5 million. This decline was primarily influenced by the conclusion of various projects, including Kedah Rubber City (KRC), PR1MA Phase 1 in Kuantan, and two projects associated with the East Coast Rail Link (ECRL), alongside a deferment in the initiation of the Perlis Inland Project.

Despite the marginally lower revenue, profit before tax increased significantly from RM7.0 million in FY2022 to RM26.0 million in FY2023 by 271% or RM19.0 million. The higher profit before tax was mainly due to better profit margins from new projects undertaken during the year. Notable contributors include power plant demolition work, the valuation for the physical completion of KRC, and the acceptance of a global settlement from Syarikat Pembinaan Yeoh Tiong Lay for EDT S2 and EDT S4 projects.

### Challenges

The outlook for this segment greatly depends on the Group's ongoing efforts to secure new projects with reasonable margins to replenish the current order book. Given the competitive environment, the Management continues to be selective and strategic in prospecting for new contracts.

Furthermore, the Management is conscious of the execution risks including those of costs overruns and clients' non-payments for ongoing projects. Therefore, the Management will remain highly vigilant in order to mitigate these risks via close monitoring of every level of project activities primarily in engineering, procurement and construction.

### Prospects

As at 31 December 2023, the Civil Engineering and Construction had an accumulated order book of RM587.2 million to sustain operations for the next five financial years.

One key potential project in the pipeline is Sanglang Integrated Jetty in Perlis where Citaglobal Engineering Services Sdn Bhd ("CESSB") has accepted a Letter of Intent ("LOI") issued by the Client i.e. Mutiara Perlis Sdn Bhd for Phase 1A with an estimated value of RM200.0 million. In addition, Citaglobal Berhad together with Reneuco Berhad via a joint venture special vehicle namely Citaglobal Reneuco Energy Solution Sdn Bhd (CREES) has accepted a Conditional Letter of Award (CLOA) from Malaysia Rail Link Sdn Bhd to develop an independent power producer project for the East Coast Rail Link network. CESSB is actively seeking a significant contract from this joint venture to provide engineering, procurement and construction management services.

Further, as CESSB continues to pursue the range of civil engineering and construction projects like PR1MA housing project Phase 2B, at Kuantan Pahang and commercial development in Semporna, Sabah, the company is simultaneously exploring opportunities in Pengerang, Johor, where CESSB is actively proposing to undertake the engineering, procurement and construction of Industrial Business Park in Pengerang, Johor under Pengerang Infrastructure Development Sdn Bhd.

Citaglobal Land Sdn Bhd is also currently bidding for a few major infrastructures works under selective tender invited by the Government of Malaysia.



**REVENUE**  
**RM105.4** Million



**PROFIT BEFORE TAX**  
**RM26.0** Million





## MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)



# PROPERTY

### Review

The Group, through its indirect wholly-owned subsidiary Sinergi Dayang Sdn Bhd (“SDSB”), has reported its maiden results from the Property segment for FY2023.

SDSB recorded a revenue of RM20.1 million and a loss before tax of RM0.7 million from the PR1MA Phase 2A project. The main reason for this loss was the lower recognition of revenue from the current project as it was still in the early stage of completion at the end of the financial year. Although the property segment recorded a loss in FY2023, we remain optimistic about future opportunities. We are confident that our new development projects will deliver positive results once they are launched.

### Challenges

Forecast for the forthcoming fiscal year underscores the likelihood of continued challenges, prominently marked by slow construction progress which affected project's billing and collection, a persistent escalation in raw material costs and rising inflation. Nevertheless, SDSB remains steadfast in its determination to maintain the momentum established in FY2023, poised to coordinate yet another year of growth in FY2024.

A foundation to this strategic plan lies with the continuous detailed project and construction monitoring of the contractor, effective communication and strategic innovation. As we embark into new economic spheres, SDSB needs to refine its construction monitoring processes while also improving product offering, ensuring an alignment with prevailing market demands while upholding the product qualities.

Acknowledging the importance of effective communication, SDSB remains committed to fortifying its sales and marketing strategies. This pursuit will extend to a motivated online presence through improved websites and social media platforms, supporting SDSB's online engagement. Moreover, SDSB's sales team is ready to embrace enhanced sales closing skills, further stimulating the realisation of strategic objectives.

### Prospects

As SDSB advances into the forthcoming fiscal year, our versatile strategies underscore our visionary approach to adaptability, innovation and sustainable growth. We believe the potential of growth within the Property segment in FY2024 is encouraging although the global market remains uncertain due to tighter monetary policy and escalation of geopolitical tensions. However, we are well-positioned to navigate through these challenges and to continuously contribute to Citaglobal Berhad's bottom line.

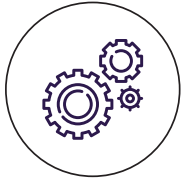
This confidence is influenced by the sales performance in Citaglobal D'Marina Phase 2A project located in Kuantan whereby 80% of units were successfully sold in the first 8 months from the date of sales launching, demonstrating the project's popularity in Kuantan market contributed by the strong image branding from both SDSB and Citaglobal Berhad. Anticipating further sales momentum, the upcoming fiscal year is poised to witness increased unit sales, courtesy of the planned launching for Citaglobal D'Marina Phase 2B.

In addition, the Board and Management of SDSB are optimistic about its outlook in FY2024 due to the new venture into Commercial Development in Sabah. This new venture located in Semporna city centre will be the first development for SDSB in Sabah which leverage on tourism activities that can attract foreign investors from China and Korea. The project is anticipated to complete within 48-months from the project commencement date and we believe the commercial development will boost the revenues of SDSB.





## MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)



# MANUFACTURING

### Review

Revenue of Citaglobal Industries Sdn Bhd decreased from RM50.1 million in FY2022 to RM36.7 million in FY2023 by 27% or RM13.4 million. The decrease in revenue was due to the combined effects of lower average steel price per metric tonne and lower sales tonnage in FY2023.

FY2023 registered a loss before tax of RM1.8 million compared to a profit before tax of RM2.7 million in FY2022. The lower result of RM4.5 million was due to the lower gross profit margin per metric tonne in FY2023.

### Challenges

The constant instability and fluctuation in steel prices, coupled with the persistent rise in the average cost of raw materials, have significantly eroded the margins of our products. In response, the management is steadfastly dedicated to proactively implementing and intensifying cost-cutting measures. These measures aim to effectively counteract the adverse financial effects stemming from these market challenges, ensuring the continued stability and profitability of our operations.

### Prospects

The outlook of steel market is influenced by global high inflation, elevated energy prices and geopolitical conflicts. We remain committed to responding to market conditions and enhancing operational efficiencies.



**REVENUE**  
**RM36.7** Million



**LOSS BEFORE TAX**  
**RM1.8** Million



## MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)



### GROUP

#### Total Assets And Liabilities

Total assets increased by RM65.0 million from RM474.1 million in 2022 to RM539.1 million in 2023. This is mainly contributed by the increase of RM49.7 million, RM13.9 million and RM13.2 million in contract assets, trade and other receivables and property, plant and equipment ("PPE"), respectively. Increase in contract assets is due to the comparative incremental volume of work done for new projects of the Group pending clients' certification. Increase in trade and other receivables is mainly due to the increase in loan size to third parties by the money lending division of the Group and an initial deposit of RM4 million paid for the acquisition of IFactors Sdn Bhd. Increase in PPE is mainly due to the accretion in value of telecommunication towers and biogas plant under construction and/or completed. However, the increase in total assets was offset by a net decrease of RM11.8 million in the remaining assets.

Total liabilities increased by RM7.8 million from RM156.9 million to RM164.7 million mainly contributed by the increase in trade and other payables of RM20.4 million due to the comparative incremental volume of work done for new projects of the Group. This was offset by the reduction of RM10.4 million and RM2.2 million in the contract liabilities and the remaining liabilities, respectively.

#### Shareholders' Fund

During the financial year, the Company completed the listing and quotation of 37,956,885 Placement Shares at a subscription price of RM1.32 per Placement Share on the Main Market of Bursa Malaysia Securities Berhad raising gross proceeds of RM50.1 million. At year end, the Group's shareholders' fund and short-term deposits, cash and bank balances were RM374.4 million and RM61.1 million, respectively.

#### Dividend Policy

The Company has a dividend policy to distribute 20% to 35% of the consolidated profit after tax and non-controlling interest in respect of any financial year to its shareholders, subject to the availability of distributable profits and provided that such distribution will not be detrimental to the Company after taking into account, amongst others, the capital requirements and working capital needs of the Group.

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2023.

#### Strategies

The Group is expected to stay its course and remain focus on the key areas of competency namely Energy, Civil Engineering and Construction, Property and Manufacturing.

The Group is in a transition phase to focus on its renewable energy and telecommunication divisions to contribute positively to the Group.

The performance outlook of the Group will depend on the award of contracts from the Group's tender participations and the finalisation of joint venture agreements with various collaborative partners.



**TOTAL ASSETS**  
**RM539.1** Million



**TOTAL LIABILITIES**  
**RM164.7** Million



## SUSTAINABILITY STATEMENT

### ABOUT THIS REPORT

Citaglobal Berhad Group (“the Group”) is pleased to present our Annual Sustainability Statement (SS) covering the period from 1 January 2023 to 31 December 2023, unless stated otherwise.

The Group continues our sustainability journey, recognising and prioritising the importance of managing and operating a responsible business as we strive to achieve continual financial performance and long-term value creation. In the year 2023, we continue to embed sustainability in our investment decision-making and daily business operations and practices

The Group acknowledges our responsibility to ensure that our services, practices and offerings are delivered in a way that recognises the interconnectedness of environmental, social, economic and governance issues, striving to address these considerations in a balanced and sustainable way. The Group is committed to conduct our business and operations in an environmentally conscious and socially responsible manner, whilst upholding good governance standards. This means being resilient, capitalising on opportunities to create value and prudently managing risks to achieve financial and operational sustainability.

Restatement of information for this reporting cycle can be found in the Performance Data table on page 48 to 49.

#### SCOPE AND BASIS OF SCOPE

This statement covers the Group’s sustainability performance and progress of our business operations at various locations in Peninsular Malaysia covering Energy, Civil Engineering and Construction, Property and Manufacturing.

The Group has expanded the reporting scope in this Statement to include our new business operations that we embark in 2023, i.e. renewable energy.

#### REPORTING FRAMEWORKS AND STANDARDS

This Statement has been developed according to Bursa Malaysia’s Listing Requirement, with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative (GRI) Standards and Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

#### FEEDBACK

The Group seeks to continuously improve the disclosure standards and drive more meaningful integration of sustainability practices within the organisation. As such, the Group welcomes all feedback and suggestions for improvement to this Statement and the issues covered to us via email at [sustainability@citaglobal.my](mailto:sustainability@citaglobal.my) or through the communication channels available as listed on our website [www.citaglobal.my](http://www.citaglobal.my).







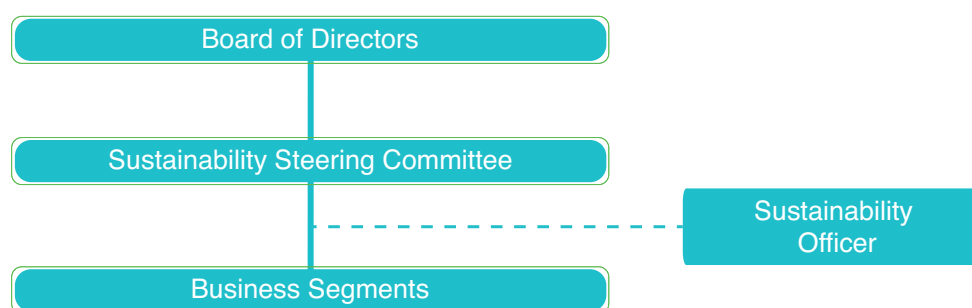
## SUSTAINABILITY STATEMENT (Cont'd)

### SUSTAINABILITY GOVERNANCE

The Board acknowledges the importance for the Group to adopt and continuously practice good corporate governance throughout the Group's operations in ensuring accountability and transparency, as a fundamental part of discharging its responsibilities towards protecting and enhancing shareholders' value and financial performance of the Group. The Group's sustainability practice is guided by the Group's Sustainability Policy, which was established in year 2021.

The Group believes in the institutionalisation of sustainability throughout all levels of the organisation, as it is a collective responsibility. Accordingly, the sustainability practices are reflected through robust governance and operational structures, guiding the implementation of initiatives and the building of a culture that values and promotes sustainability. The sustainability matters (Economic, Environment, Social and Governance) is governed by the structure below that allows material matters to be strategised, monitored, assessed and deliberated across all levels of the Group:

#### Citaglobal's Sustainability Governance Structure



The responsibilities of the Board and its Committees have been broadened to encompass sustainability elements, as reflected in their respective Terms of Reference. The Board is ultimately responsible for the Group's oversight and strategic direction on sustainability, while being supported by the Sustainability Steering Committee. The Board also ensures that sustainability matters are considered and sustainability culture is progressively embedded throughout the Group as part of our efforts to respond to the increased levels of scrutiny in corporate responsibility, transparency, fairness and accountability.

The Sustainability Steering Committee provides stewardship on the Group's sustainability policies, programmes and strategies; reviews progress on key initiatives and deliberates on key sustainability challenges as well as review the sustainability statement. This Committee also oversees the management of material sustainability matters.

Head of Business Segments are responsible for the day-to-day implementation of sustainability initiatives and plans. They work alongside various business functions to identify, evaluate, monitor and manage sustainability risks and opportunities directly. They take the lead in driving the involvement of the employees in executing sustainability strategies and play a key role in promoting a sustainability culture across all level.

The Sustainability Officer, who reports to the GCOO, coordinates the Group's efforts and performance, including undertaking the materiality assessment process and periodically reports the status of sustainability initiatives and performance to the Sustainability Steering Committee and the Board.

The Board strives to continuously be equipped with the necessary knowledge on sustainability management (including the related risks and opportunities) to drive informed decision making by attending periodic capacity-building programs.










## SUSTAINABILITY STATEMENT

(Cont'd)

### OUR STAKEHOLDERS ENGAGEMENT

The Group acknowledges seven primary stakeholder categories that make an impact or are directly impacted by our value creation initiatives. These stakeholders are directly or indirectly engaged in this value creation process, making them integral to the overall sustainability of the Group. Effective communication is imperative to ensure that our stakeholders understand our business, governance, financial performance and prospects. These engagements also help us to identify relevant material issues and provide insights into emerging opportunities and risks while responding to their needs more effectively.

STAKEHOLDERS	ENGAGEMENT PLATFORM
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Feedback</li> <li>• Marketing plans</li> <li>• Sales activities</li> <li>• Social media</li> <li>• Public engagements / events / campaigns</li> <li>• Customer satisfaction survey</li> </ul>
 <b>Shareholders, Investors, Financiers</b>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• One-on-one and group meetings</li> <li>• Financial reports and announcements</li> <li>• Notices / Circulars</li> <li>• Investor's briefings</li> <li>• General Meetings</li> <li>• Annual reports</li> </ul>
 <b>Suppliers/ Contractors</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Supplier evaluations / Feedback</li> <li>• Tender exercises</li> <li>• Toolbox sessions</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Induction</li> <li>• Performance management</li> <li>• Workshop and training</li> <li>• Succession Planning</li> <li>• Employee engagement sessions / programs</li> <li>• Town halls / meetings / discussions</li> <li>• Internal communications / emails</li> <li>• Corporate announcements</li> </ul>
 <b>Regulatory and Statutory bodies</b>	<ul style="list-style-type: none"> <li>• Active engagement with regulating agencies and bodies including Suruhanjaya Tenaga, Malaysian Communications and Multimedia Commission ("MCMC")</li> <li>• Inspections by local authorities</li> <li>• Annual license renewals</li> </ul>
 <b>Government Agencies</b>	<ul style="list-style-type: none"> <li>• Engagement programmes held by government agencies:             <ul style="list-style-type: none"> <li>- Department of Occupational Safety and Health ("DOSH");</li> <li>- National Institute of Occupational Safety &amp; Health ("NIOSH")</li> <li>- Construction Industry Development Board ("CIDB")</li> <li>- Sustainable Energy Development Authority ("SEDA")</li> <li>- Perkeso</li> <li>- Local Authorities</li> </ul> </li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>• Media releases and interviews</li> <li>• Advertorial placements</li> <li>• Media briefing and press kits</li> </ul>

The Company's website, which is regularly updated, serves to promote and facilitate communication with our stakeholders while providing them with useful information about the Company and its subsidiaries. Moving forward, the Group will continue working to address the challenges and opportunities identified through feedback from our stakeholders.



## SUSTAINABILITY STATEMENT (Cont'd)

### MATERIAL MATTERS

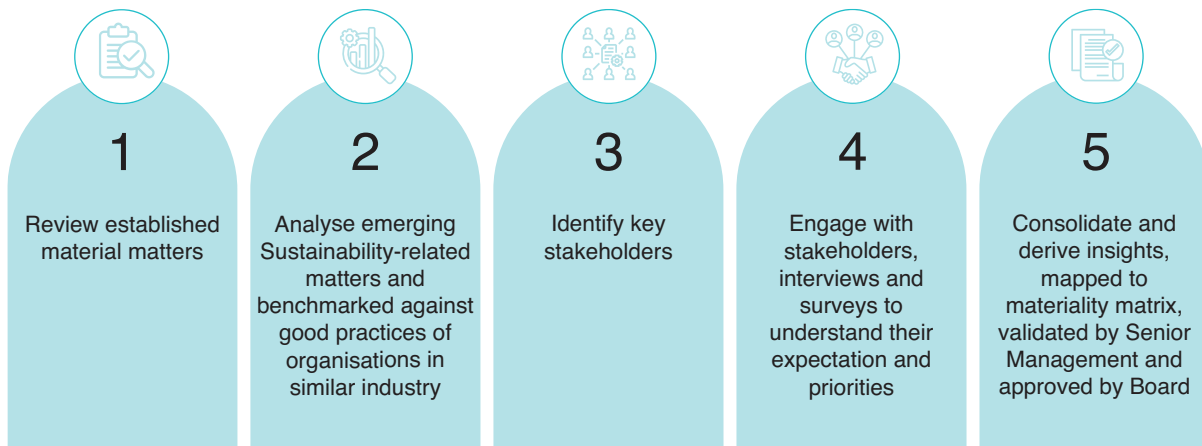
The Group's sustainability covers four key pillars that are sustainably material where we can make the greatest impact – Economic, Environmental, Social and Governance. In achieving this, the Group is committed to conduct our business and operations in an environmentally conscious and socially responsible manner, while upholding good governance. These material issues can directly or indirectly impact our ability to create long-term value for our stakeholders. The Group endeavours to inculcate sustainability within our core operations that influence our business strategies and decisions on resource allocation to material sustainability issues in the pursuit of creating long-term value.

The Group aims to conduct a comprehensive materiality assessment once every 3 years and undertake an annual review of the relevance of our previously prioritised Economic, Environment, Social and Governance impacts arising from our day-to-day activities, involving both internal and external stakeholders.

Through a limited-scale materiality assessment performed in year 2023, a total of 10 material matters (vs 8 in year 2022) are aligned to the Group's strategic priorities and stakeholder expectations. Two material matters, namely Contract Management and Data Security and Privacy have been added to the material matters list.

In 2023, the Group refined the material matters to reflect stakeholders' expectations post pandemic and take into consideration changes in strategy, opportunities and risks, external business, operating environment and industry practices.

The following steps were used in performing the materiality assessment:



These were also benchmarked against the relevant frameworks, i.e. Global Reporting Initiatives (GRI), Sustainability Accounting Standards Board ("SASB"), Task Force on Climate-Related Financial Disclosures ("TCFD") and relevant regulatory requirements. Additionally, comparison was also made against industry and other competitive landscape evaluation to understand matters that our peers are focusing on with respect to sustainability.

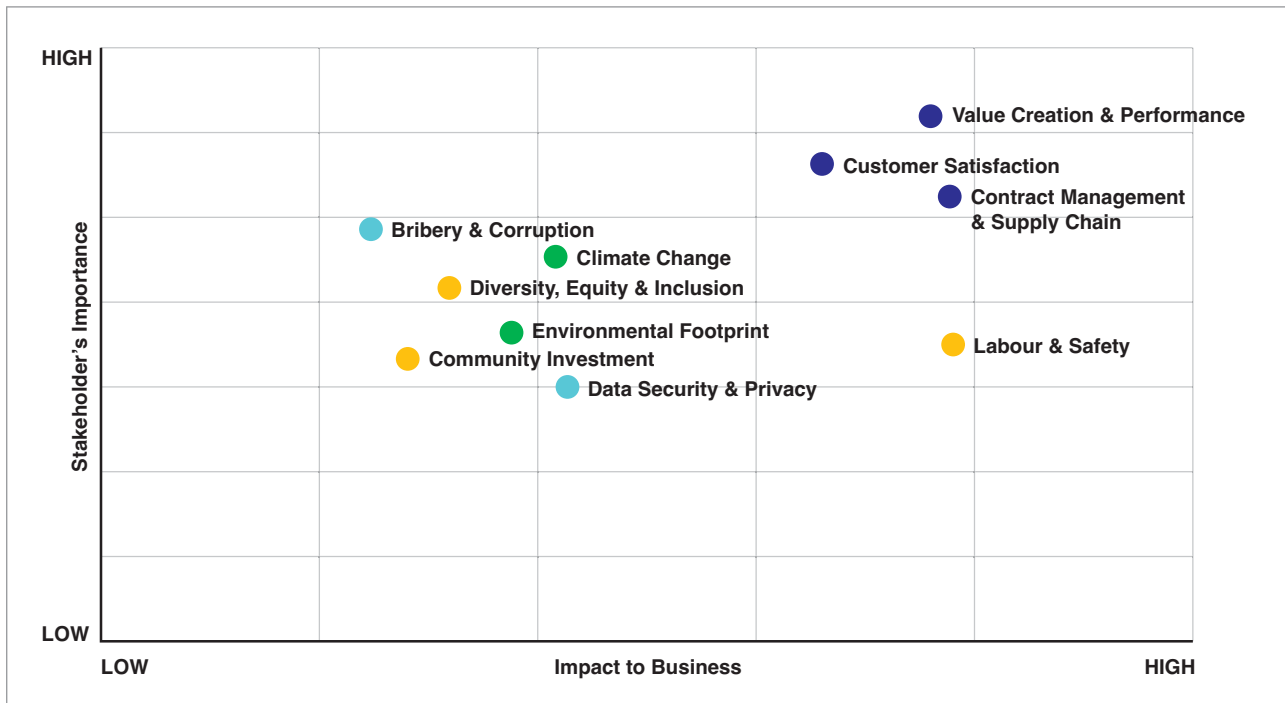


# SUSTAINABILITY STATEMENT

(Cont'd)

The material matters are mapped to the Materiality Matrix as follows:

Citaglobal's Materiality Matrix 2023



● Economic ● Environment ● Social ● Governance





## SUSTAINABILITY STATEMENT (Cont'd)

### RISK MANAGEMENT

Citaglobal's Enterprise Risk Management (ERM) Framework has integrated sustainability and climate-related risks in addition to our strategic, financial and operational risks to build readiness and resilience through the identification and management of potential risks encountered by the Group. All identified risks are ensured to stay within our risk appetite through revision and monitoring by the Risk Management Unit under the Internal Audit & Risk Management Department which is further deliberated by the Sustainability Steering Committee.

Material Matters	Risks	Opportunities
1. Value creation & performance	Poor financial performance threatens business continuity, value creation and loss of investment opportunities	Renewable energy is an important global agenda as the world continues to mitigate the impacts of climate change and global warming. Citaglobal intends to play a key role in supporting states and nations to implement their energy transition roadmap.
2. Contract Management	Poorly designed and potential breach of contract terms may lead to disputes over deliverables or payments, and failure to meet regulatory compliance, litigation and affecting company's reputation.	Cost savings through optimised terms, improved relationships with suppliers or clients, and reduced legal risks through clear documentation and communication.
3. Customer Satisfaction	Inability to meet customers' expectations may lead to loss of confidence, loss of business, negative word-of-mouth, affecting company's reputation	Effectively managed customer expectation can lead to increased customer retention, positive referrals, and enhanced brand reputation, ultimately driving business growth and profitability.
4. Climate Change	Poor water, waste and energy management may lead to increased cost, wastage, regulatory compliance issues, and reputational damage due to environmental impact.	Cost savings, enhanced sustainability, and improved operational efficiency through measures such as energy conservation, renewable energy adoption, compliance with emissions standards and tax incentives
5. Environmental Footprint	Environmental harm, regulatory fines for non-compliance and reputational damage.	Cost savings through efficiency improvements, compliance with emissions standards and enhanced sustainability practices and improved public perception and stakeholder's confidence.
6. Labour & Safety	Potential workplace accidents lead to productivity loss, legal and regulatory repercussion and reputational damage.	Proper labour and safety practices will improve employees' morale and productivity and enhance brand reputation as a responsible employer.
7. Diversity, Equity & Inclusion	Potential legal liabilities, decreased employee morale and engagement, discriminatory practices and limited innovation and creativity.	Improved employee satisfaction and retention, enhanced creativity will enhance productivity, innovation which will result in enhanced overall company's performance and broader market appeal as employer of choice.
8. Community Investment	Potential backlash from stakeholders if initiatives are perceived as insincere or insufficient, misalignment with business objectives may impact company's reputation.	Investing in the community presents opportunities for building strong relationships, enhancing brand reputation, attracting socially conscious customers and investors and fostering long-term social and economic sustainability, positively impacting society and the environment
9. Bribery & Corruption	Legal consequences, damage to reputation, and loss of business opportunities.	Fostering a culture of integrity and trust, gaining competitive advantage through ethical business practices, and building stronger relationships with stakeholders.
10. Data Security & Privacy	Cybersecurity threats, can result in a loss of trust, disruption to operations, damage to reputation and strained customer relationship	Robust cybersecurity measures and improved data management protect critical customer information will increase customer's trust and loyalty, compliance with data protection regulations, and innovation in data-driven business strategies.

# SUSTAINABILITY STATEMENT

(Cont'd)

## SUSTAINABILITY FRAMEWORK

The sustainability initiatives are guided by an overarching framework with aspirations to provide clarity, foster cross-functional collaborations and ensure sustainability aspects are given due consideration in the development of our strategies.

<b>Vision</b>	To inculcate sustainability within our core operations, in pursuit of creating long-term value for our stakeholders			
<b>Mission</b>	To conduct our business in an environmentally conscious and socially responsible manner, while upholding good governance that will empower the future			
<b>Sustainability Pillars</b>	<b>Economic</b>	<b>Environment</b>	<b>Social</b>	<b>Governance</b>
<b>Aspiration</b>	<ul style="list-style-type: none"> <li>Protecting and enhancing shareholders' value and financial performance of the Group while upholding transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>To reduce carbon emission in our operations and increase the use of renewable energy</li> <li>To leverage on green technology for operational excellence and competitiveness</li> <li>Embed good environmental practices and Sustainability mindset into strategic and operational decision making</li> </ul>	<ul style="list-style-type: none"> <li>To uphold our mission and apply core values in delivering stakeholder expectations</li> <li>To create positive social and economic impact for all stakeholders across our business ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>To achieve our business objectives while embedding good governance practices and ensuring compliance to laws and regulation</li> <li>To ensure business Sustainability by actively identifying and managing risks and opportunities</li> </ul>
<b>Alignment to</b>				
<b>Enabler</b>	Governance and Operational structure			
	Communication and awareness			



## SUSTAINABILITY STATEMENT (Cont'd)

### MANAGEMENT APPROACH TO MATERIAL MATTERS

## 1. Value Creation and Performance

### Why it matters

The Group is expected to stay its course and remain focus on the key areas of competency such as Energy, Civil Engineering and Construction, Property and Manufacturing.

The Group is in a transition phase to focus on renewable energy (RE) division where it is diversifying into renewable energy development works (i.e. BESS, solar and hydro) via strategic collaboration with technical partners and strategic client engagements. This transition is expected to allow the Group to expand its service portfolios into wider customer base hence contribute positively to the Group's journey of transition into a low carbon operation.

The performance outlook of the Group will depend on the actual commencement date of contracts and the finalisation of joint venture agreements with various collaborative partners. Therefore, the short term economic and financial sustainability of the Group is vital to ensure the continued development of future RE assets, which over the longer term have positive impact to the environment and local communities.

Sustainable economic performance plays a pivotable role in shaping the overall well-being of an organisation and enhance investors and stakeholders' confidence.

### Our Approach and Achievement

In 2023, the Group continues with merger and acquisition, collaboration with local and international partners venturing into business frontiers with the aim to diversity revenue streams, enhancing profitability and creating values for our stakeholders. Among the achievements recorded are as follows:

- i. On 4 December 2023, Citaglobal, Masdar and TNB Renewables partner for a RM9.75 billion solar farm in Pahang.
- ii. On 20 April 2023, Citaglobal and Reneuco Berhad established a 60:40 SPV to supply power to the train stations, commercial and industrial parks along the ECRL 665km alignment.
- iii. On 11 April 2023, Citaglobal-Genetec JV unveiled Malaysia's first locally produced battery energy storage system (BESS) by showcasing its fully operational 1MW BESS prototype which now supports the energy needs of Genetec's EPIC Plant.

### Moving forward

The Group's transition to renewable energy represents an important global agenda as the world continues to mitigate the impacts of climate change and global warming. Citaglobal aspires to play a key role in supporting states and nations implement their energy transition roadmap.

In year 2023, the Group has successfully secured several MOUs for large-scale renewable energy projects, including waste-to-energy, development of battery energy storage system; marking a significant milestone in our strategic growth initiatives. Moving forward, our focus will be on translating these MOUs into tangible economic value. We are committed to leveraging our expertise, resources, and partnerships to diligently materialise these projects, driving economic growth, creating employment opportunities, and delivering sustainable value to our stakeholders.



# SUSTAINABILITY STATEMENT

(Cont'd)



## 2. Anti-Bribery and Corruption

### Why it matters

The Group is committed to upholding the highest standards of integrity and ethical conduct in all aspects of our operations. We recognise the destructive impact of corruption on societies, economies, and the environment. Our anti-bribery and corruption efforts are an integral part of our commitment to sustainability, transparency, and responsible business practices.

With the enforcement of Section 17A of Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020, the Group has affirmed its commitment to uphold this by having a documented Anti-Bribery and Corruption Policy and Procedure (ABC Policy and Procedure) approved by our Board of Directors for adoption. The said policy has been communicated to all Management and employees and has been uploaded to the Company's website.

The Group has adopted a "No Gift" policy, subject only to exceptions which are stated in the ABC Policy and Procedures. Directors and employees are not permitted to solicit, accept, give, or offer any gifts or personal favors from or to any contractors, sub-contractors, suppliers, consultants, bankers, dealers, customers, or other parties having direct or indirect business dealings with the Group.

The Group has also established a Whistleblowing Policy with the aim of providing a structured mechanism for any person, including employees, directors, business associates, third parties and the general public, to report any concerns regarding suspected or wrongful activities and wrongdoings. These refer to potential violations or concerns relating to any laws, rules, regulations, acts, ethics, integrity, and business conduct, including any violation or concerns relating to malpractice, embezzlement, illegal, immoral, or fraudulent activities that could affect the business and image of the Group. This policy has been communicated to all Management and employees and can be found on Citaglobal's website.

Our suppliers are also subject to ethical conduct and anti-bribery and corruption guidelines as specified in our ABC Policy and Procedure. All suppliers will need to sign a declaration indicating their agreement to abide by the guidelines and policies set forth in the ABC Policy and Procedure in their business dealings.

### Our Approach and Achievement

Training is tailored to the specific needs of different employee categories, ensuring that all staff members are well-informed about the Group's policies and their role in preventing corruption.

Our robust internal controls and reporting mechanisms have played a key role in preventing and detecting any potential misconduct. In the rare event that an issue arises, our commitment to transparency is demonstrated through swift and decisive action.

- For the year 2023, the percentage of employees who received training on anti-corruption are as follows:

Employee Category	Percentage
Senior Management	100%
Middle Management	100%
Executive and Non-Executive	100%

- ZERO confirmed incidents of corruption within our organisation during the reporting period.

### Moving forward

By actively promoting anti-corruption training and awareness, conducting bribery risk assessments, enhancing the related internal controls and maintaining a strong commitment to transparency, the Group remains dedicated to fostering a culture of integrity and ethical conduct throughout our operations. We will continue to evolve and improve our anti-corruption initiatives to contribute positively to the communities and environments in which we operate.





## SUSTAINABILITY STATEMENT (Cont'd)

### 3. Community Investment

#### Why it matters

The Group recognises the profound impact businesses can have on the communities. The Group's commitment to sustainability extends beyond economic considerations to encompass our responsibility to the broader society. Through strategic community investments, we strive to create positive change and contribute to the well-being of the areas we serve.

The Group believes in measuring success not just in financial terms but also in the positive changes experienced by those who matter most - the people in our communities.

#### Our Approach and Achievement

The goal is not only to be a responsible corporate citizen today but to actively contribute to building sustainable and resilient communities for the future. Investing in the well-being of the communities we serve; we contribute not only to our own success but to a sustainable and harmonious future for all as well as promote better social inclusion.

- The Group is pleased to exercise our corporate strategic responsibility to assist the target group in improving their chances of owning a home in the face of rising property prices. Our alignment with PR1MA's mission involves the development of affordable, high-quality residences to the community through the D'Marina project in Kuantan, Pahang.
- In the year 2023, the Group has invested RM478,000 in the communities where we operate. These investments were targeted at initiatives that promote social development, environmental stewardship, and economic empowerment. During the year, among others, The Group has donated and sponsored for the following causes:
  - i. Providing access to education especially for rural areas and nurture local talent
  - ii. Mental health and support
  - iii. Promote the participation of women in leadership roles within their communities
  - iv. The development and financing of green technology projects that promote sustainable development and driving innovation in green technology
- The Group's investments in community initiatives directly benefited 43,950 individuals. These beneficiaries represent diverse segments of the community, including students, families, and local businesses. Non-monetary contributions include food distribution to the local communities.

#### Moving forward

- Increase the depth and scope of our community investments, focusing on areas that align with our core operations and values as well as other areas where we can make a meaningful difference.
- Forge stronger partnerships with local organisations, NGOs and community leaders to co-create initiatives that address specific needs and leverage collective expertise.
- Continue to provide transparent and detailed reporting on our community investments, ensuring stakeholders have visibility into the positive changes resulting from our efforts.



## SUSTAINABILITY STATEMENT (Cont'd)



### 4. Diversity, Equity and Inclusion

#### Why it matters

The Group recognises the intrinsic value of diversity and inclusion in driving innovation, creativity, and overall organisation success. The Group is committed to maintaining a workplace that reflects the diversity of the global community. Our efforts to promote diversity extend across all levels of the organisation, from the executive boardroom to the entry-level positions described in our Diversity Policy as well as the Code of Conduct. Diversity is also one of the core values of Citaglobal.

The Group's success is also inseparable from the well-being of our employees. Upholding high labour practices and standards is not just an obligation; it is a reflection of our values and commitment to fostering a workplace where every individual thrives. The Group recruit and retain employees with disabilities, ensuring their distinctive needs are met by providing the support to enhance their accessibility and inclusion within the workplace.

The Group strongly advocate for equitable gender representation on our Board, and to that end, a woman director has joined the predominantly male directors in 2023. This is also cascaded to the Management level by increasing women participation in leadership roles.

#### Our Approach and Achievement

In the fiscal year 2023, the Group achieved notable milestones in various aspects of our labour practices. We strive to provide decent work for all employees regardless of their gender, race or any disabilities. The following table provides a snapshot of our commitment to diversity:

Employee Category	Gender	Age <30	Age 30 – 50	Age >50
Senior Management	Male	0%	2%	3%
	Female	0%	0%	1%
Middle Management	Male	1%	6%	5%
	Female	0%	4%	1%
Executive	Male	3%	9%	2%
	Female	4%	10%	1%
Non-Executive	Male	16%	22%	4%
	Female	3%	3%	0%
<b>Total</b>		<b>27%</b>	<b>56%</b>	<b>17%</b>

- These figures demonstrate the Group's commitment to building a diverse workforce that mirrors the demographics of the societies in which we operate. The Group continue to implement initiatives to foster an inclusive workplace, ensuring equal opportunities for career development and advancement for all employees.
- Our Board of Directors is dedicated to leading by example in championing diversity. The following table illustrates the composition of our Board in terms of gender and age group:

Director Category	Gender	Age 21 – 40	Age 41 – 60	Age 61 – 70	Age 71>
Directors	Male	12.5%	37.5%	12.5%	25%
	Female	0%	12.5%	0%	0%



## SUSTAINABILITY STATEMENT (Cont'd)

- In 2023 our employees collectively underwent 1,923 hours of training across various categories, ensuring they are equipped with the skills and knowledge necessary to excel in their roles.

Employee Category	Training Hours
Senior Management	81
Middle Management	843
Executive	763
Non-Executive	236

- This investment not only enhances individual performance but also contributes to the overall growth and innovation of our organisation.
- Despite the project-based nature of our operations, only 36.2% of our workforce is comprised of contract or temporary staff. This figure underscores our commitment to providing stable and long-term employment opportunities, fostering a sense of job security and continuity for our employees.
- While the Group strives to create an environment that retains top talent, we acknowledge that turnover is a natural aspect of any dynamic workplace. In 2023, the total number of employee turnover was 63, with turnover rates varying across employee categories. A detailed breakdown is provided below:

These figures guide our ongoing efforts to improve retention strategies and employee satisfaction.

Employee Category	No. of Turnover
Senior Management	5
Middle Management	10
Executive	19
Non-Executive	29

- In our effort to continue fostering mutual respect and inclusion among our employees, celebrations of cultural and religious festivities and birthdays were carried out throughout the year.
- the Group takes allegations of human rights violations seriously. In 2023, there was ZERO substantiated complaints concerning human rights violations reported.

### Moving forward

- the Group is committed to further enhancing diversity at the highest levels of leadership. Our Board recognises the importance of diverse perspectives in decision-making and remains dedicated to cultivating an inclusive corporate culture.
- the Group will continue to invest in programs that promote diversity and inclusion, foster a culture of belonging, and ensure that our workforce reflects the rich tapestry of the community.
- Continue to invest in advanced training programs to ensure our workforce stays ahead in an ever-evolving business landscape.
- Maintaining an appropriate percentage of temporary or contract staff and exploring opportunities to transition temporary positions into permanent roles.
- Implementing initiatives to enhance employee engagement and satisfaction, addressing potential turnover triggers.
- Strengthening our grievance mechanisms to encourage open communication and timely resolution of concerns.

the Group views our workforce as our greatest asset, and we remain steadfast in our commitment to fostering a workplace that values diversity, encourages growth, and upholds the highest standards of labor practices.



# SUSTAINABILITY STATEMENT

(Cont'd)



## 5. Climate Change

### Why it matters

The Group recognises the critical role energy management plays in our journey towards sustainability. The energy we consume and Greenhouse Gases (GHG) emissions contribute to climate change. As a corporate citizen, it is our responsibility to reduce our carbon footprint while also embracing opportunities that unfold while making the transition to a low-carbon economy.

Energy is the fundamental resource required for the seamless functioning of the Group's major operations, encompassing Energy, Civil Engineering & Construction, Property and Manufacturing. The current sources of energy include electricity, petrol, and diesel, derived from coal and fossil fuels, contributing to the emission of GHG. Addressing this issue aligns with the Group's commitment to the Malaysian government's pledge under the Paris Agreement, aiming to reduce carbon intensity by 45% in 2030 and achieve Net Zero by 2050.

The Group aspires to expand our footprint in the region and internationally. Our renewable energy solutions encompass solar, battery energy storage system (BESS), carbon capture and biogas engines. Leveraging on these strategies, the Group is confident to achieve our aspiration to emerge as a leading regional player in renewable energy industry.

### Our Approach and Achievement

In our D'Marina property development project in Kuantan, Pahang, the Group has adopted the Industrialised Building System ("IBS") for more efficient use of materials to minimise the environmental footprint of our activities. Additionally, by incorporating innovative energy efficient rooftop insulation to repel heat, the Group bolsters energy performance and reduce household energy consumption and emission for our customers.

In 2023, our total emissions for the year amounted to 471.5 tCO<sub>2</sub>-e for Scope 1 and 999.9 tCO<sub>2</sub>-e for Scope 2, affirming our steadfast dedication to monitor our carbon emissions towards sustainable practices in the future.

### Moving forward

As the Group moves forward, we are committed to:

- Implementing advanced technologies and best practices to further enhance our energy efficiency and reduce overall consumption.
- Increasing the proportion of energy sourced from renewable sources, with a focus on long-term sustainability.
- Maintaining transparency in our energy management practices, sharing progress, challenges, and achievements with our stakeholders.
- Enhance the utilisation of renewable energy by installing solar rooftop photovoltaic panels in our upcoming property developments, providing a more sustainable energy alternative and lowering energy expenses for our customers.



## SUSTAINABILITY STATEMENT (Cont'd)

### 6. Labour and Safety

#### Why it matters

Labour and safety are crucial aspects within the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and its follow-up. Similar emphasis is maintained by relevant Acts in Malaysia, such as the Employment Act 1955 and the Occupational Safety and Health Act 1994. The well-being of our employees and our contractors working within our premises is our top priority. The Group recognises that a safe and healthy workplace is fundamental to the success of our organisation and the overall satisfaction and productivity of our workforce. Our commitment to health and safety is embedded in our culture, guiding our actions and decisions each day.

By prioritising health and safety, we not only protect our most valuable asset – our people – but also foster a culture of trust, collaboration, and productivity. At Citaglobal, we remain steadfast in our commitment to providing a safe and secure workplace for everyone.

#### Our Approach and Achievement

- The Group is pleased to report that in the year 2023, there was ZERO work-related fatalities and work-related injuries.
- Our commitment to maximising workplace incidents is evident in our Lost Time Incident Rate, which stands at ZERO. This rate is calculated based on the number of hours worked and is a key indicator of our efforts to create a safe environment where employees can perform their duties without unnecessary risks.
- Investing in employee training and development is a cornerstone of our health and safety strategy. In 2023, 185 of our operational employees underwent training programs on health and safety standards. This training ensures that our workforce is equipped with the knowledge and skills to identify potential hazards, follow safety protocols, and contribute to a secure working environment.

#### Moving forward

While the Group is proud of our achievements, we recognise that the journey towards an incident-free workplace is a continuous effort. In the coming year, we are committed to:

- Expanding our training initiatives to further empower our employees with the latest health and safety information and skills.
- Implementing measures to proactively identify and address potential hazards, ensuring a preventive rather than reactive approach.
- Encouraging open communication between Management and staff as well as our contractors to promptly address concerns and suggestions related to health and safety.



## SUSTAINABILITY STATEMENT (Cont'd)



### 7. Customer Satisfaction

#### Why it matters

Customer satisfaction and loyalty are key factors in achieving long-term success, sustaining our business, remaining competitive and maintaining our reputation. The Group adopts the customer-first approach which ensures that customer needs and expectations are determined, converted into requirements and are met with the aim of enhancing customer satisfaction. This is accomplished by ensuring continuous engagement with customers through various channels including obtaining periodic feedback via progress meeting and business performance review meeting.

#### Our Approach and Achievement

The Group provides customer support platform for customers to lodge their feedback. Upon identifying areas for improvement, we discuss the potential solutions to address the underlying causes in a timely manner. These efforts enable us to gain insight into our customers' needs and expectations and enhance our products and services.

Our subsidiaries, Citaglobal Land and Citaglobal Energy, are certified to ISO 9001:2015, whereby this management system standard is a framework for improving and providing products and services that consistently meet the requirements and expectations of our customers and other relevant interested parties in the most efficient manner possible. In addition, this certification further evidences our commitment towards continual improvement that aims to reduce risks and increase effectiveness.

#### Moving forward

Customer feedback via customer satisfaction surveys demonstrates our commitment towards customer engagement. The certification above is a testament to our continuous improvement in sustainability efforts for quality management system as well as our assurance of conformity to customers and applicable statutory and regulatory requirements. The Group will continue to strive to enhance customer satisfaction by considering their feedback and ensuring that high quality standards are met across our products and service offerings.

### 8. Contract Management and Supply Chain

#### Why it matters

Citaglobal and its subsidiaries are involved with contractors and sub-contractors at various stages of their project value chain. Contract management is a crucial aspect, encompassing the oversight and administration of contracts among the parties engaged in the projects. This entails essential activities such as negotiating contract terms, monitoring compliance, resolving disputes, allocating resources, and monitoring budgets. Therefore, effective contract management is a pivotal factor in ensuring the successful outcome of the projects.

In our pursuit of sustainable business practices, the Group recognises the pivotal role our supply chain plays in shaping a resilient and inclusive local economy. The Group is dedicated to fostering meaningful connections with our surrounding communities, and one tangible way we demonstrate this commitment is through our supply chain and contract management.

The Group is dedicated to promoting responsible procurement practices and enhancing our procurement lifecycle. We firmly believe in supporting local businesses and driving economic growth in the communities where we operate. Therefore, the Group prioritises sourcing from local suppliers, to the best extend possible; and providing business opportunities to local contractors and improve their livelihoods. This sustainable procurement expectations are extended to our suppliers, service providers and consultant.



## SUSTAINABILITY STATEMENT (Cont'd)

### Our Approach and Achievement

#### a. Community-Centric Procurement

In the past fiscal year, the Group is proud to report that 83% of our total procurement expenditure were sourced from local suppliers. This deliberate strategy not only ensures the vitality of nearby businesses but also creates a positive ripple effect by generating employment opportunities, fostering innovation, and enhancing overall community well-being.

#### b. Impact on Sustainable Development Goals

Our commitment to prioritising local suppliers aligns seamlessly with the United Nations Sustainable Development Goals (UN SDGs), particularly Goal 8 (Decent Work and Economic Growth) and Goal 12 (Responsible Consumption and Production). By investing in local businesses, the Group contributes to job creation, poverty reduction, and responsible consumption patterns, thereby advancing the broader agenda of sustainable development.

#### c. Compliance and Risk Mitigation

The Group is dedicated to ensuring that our contracts strictly adhered to environmental regulations, uphold labour standards and abide to ethical guidelines. This commitment mitigates the risk of adverse impact on communities and ecosystems.

#### d. Sustainability Assessment

Our procurement processes embed sustainability elements in our qualification process as part of sustainability awareness across our supply chain. All suppliers are expected to address our set of sustainability requirements which focuses on suppliers' practices on ethical conducts, health and safety, environmental management and human rights principles. The Group categorises our suppliers based on their maturity conduct performance review, develop risk mitigation considerations and aim to implement targeted intervention programs to support our suppliers in embracing sustainable sourcing principles.

#### e. Innovation and Collaboration

Our contract management processes foster innovation and collaboration aimed at achieving sustainability objectives. In 2023, we actively cultivate partnership with Genetec Technology Berhad to produce the first locally produced battery energy storage system (BESS) in Malaysia aiming to offer sustainable green energy alternative to our customers.

### Moving forward

While the Group celebrates our achievements, we recognise that sustainability is an ongoing journey. We remain steadfast in our commitment to refining our supply chain and contract management practices continually. This includes identifying new opportunities for local partnerships, implementing sustainable sourcing practices, and engaging in transparent communication with our stakeholders.

The Group will ensure that our procurement practices are fair and transparent in order to award tenders to the most credible suppliers while also collaborating with socially and environmentally conscious suppliers.



# SUSTAINABILITY STATEMENT (Cont'd)



## 9. Data Privacy and Security

### Why it matters

The Group views data privacy and security as paramount elements of our commitment to excellence. Security and integrity of data assets are crucial for safeguarding sensitive information and ensuring the mitigation of risks to maintain trust and reliability. With the acceleration of various trends revolving around remote working, e-commerce and automation, the Group has the responsibility to manage the growing threats, protect our business and customers' sensitive information and prevent any leakage or loss of information.

### Our Approach and Achievement

The Group continues to strengthen our information technology and cybersecurity measures within our operations and processes, adhering strictly to our Data Privacy Policy. Regular review is conducted to ensure our data privacy and security controls and processes are operating effectively. We take reasonable measures to ensure we collect data by lawful means, and that we are transparent about how data is gathered, used and secured. User access and activities are regularly reviewed to prevent unauthorised access or misuse of authority.

The Group is pleased to report that, as of the current date, we have received ZERO substantiated complaints concerning breaches of customer privacy and losses of customer data was received. This achievement reflects our unwavering dedication to safeguarding the trust our stakeholders place in us.

### Moving forward

While celebrating our current success, the Group is committed to implementing robust data security measures and stringent privacy protocols to safeguard our valuable business data and uphold the trust of our stakeholders. This commitment will not only protect our assets but also serve as a foundation for our continued business expansion and success.





## SUSTAINABILITY STATEMENT (Cont'd)

### 10. Environmental Footprint

#### Why it matters

The Group recognises the vital role water, energy and waste management play in sustaining life and ecosystems. As stewards of the environment, we are committed to responsible water, energy and waste management practices.

The National Energy Roadmap 2022 and National Energy Transition Roadmap 2023 (NETR) outline objectives to shift towards renewable energy sources (RE), such as solar power. This transition aids in diminishing dependence on fossil fuels, mitigating carbon emissions from energy production, and if executed effectively, ensures competitive long-term energy prices. Embracing sustainable energy sources is a crucial global initiative in the ongoing efforts to combat climate change and global warming. Citaglobal is poised to play a pivotal role in supporting states and nations in implementing their energy transition roadmaps.

In addition, the Group prioritises proper waste management to reduce its environmental impact and benefit the surrounding communities, especially in relation to our construction segment. Recognising the severity of its potential impact, it is imperative that we implement proactive measures to ensure responsible waste management practices across all our operations.

#### Our Approach and Achievement

- Our strategy involves redirecting all waste away from environmentally harmful landfills towards waste-to-energy (WtE) facilities, aiming to comprehensively address Malaysia's waste disposal challenges. By integrating WtE systems alongside conventional fossil fuel-based power generation, the Group aims to foster renewable energy production, diminish the need for landfills, and bolster revenue for local governments. This pledge was materialised through the signing of a RM15 billion Memorandum of Understanding (MoU) with Shanghai SUS Environment Co. Ltd in September 2023 to establish WtE projects in Malaysia.
- Our approach to energy management prioritises efficiency, conservation, and the integration of renewable sources wherever possible. This breakdown reflects our commitment to reducing reliance on non-renewable resources, embracing sustainable alternatives, and minimising our environmental footprint.

In the fiscal year 2023, our total energy consumption was measured at 1,281,917 Kwh to meet our operational requirements.

- Our water consumption primarily stems from construction activities as well as from our site offices, worker facilities and main office. The Group is committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises. 68.34 megalitres of water was consumed in year 2023.

#### Moving forward

Implementing efficient water management technologies and practices has been a priority for the Group. These measures not only reduce our environmental impact but also contribute to long-term sustainability.

- Intensify our efforts and enhance the efficiency of resources utilised in our daily operations and implement innovative solutions, where possible, to drive sustainable energy, water and waste management practices.
- Raise employees' awareness on proper water, energy and waste management at all locations where we operate.



# SUSTAINABILITY STATEMENT (Cont'd)

## Performance Data Table

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Middle Management	Percentage	100.00
Executive and Non-Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	478,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	43,950
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Below 30	Percentage	0.00
Senior Management Between 30-50	Percentage	35.00
Senior Management Above 50	Percentage	65.00
Middle Management Below 30	Percentage	3.00
Middle Management Between 30-50	Percentage	60.00
Middle Management Above 50	Percentage	37.00
Executive Below 30	Percentage	23.00
Executive Between 30-50	Percentage	68.00
Executive Above 50	Percentage	9.00
Non-Executive Below 30	Percentage	38.00
Non-Executive Between 30-50	Percentage	54.00
Non-Executive Above 50	Percentage	8.00
Gender Group by Employee Category		
Senior Management Male	Percentage	81.00
Senior Management Female	Percentage	19.00
Middle Management Male	Percentage	73.00
Middle Management Female	Percentage	27.00
Executive Male	Percentage	49.00
Executive Female	Percentage	51.00
Non-Executive Male	Percentage	89.00
Non-Executive Female	Percentage	11.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	87.50
Female	Percentage	12.50
Between 21- 40	Percentage	12.50
Between 41 - 60	Percentage	50.00
Between 61 - 70	Percentage	12.50
Above 71	Percentage	25.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	185

Internal assurance    External assurance    No assurance

(\*)Restated



# SUSTAINABILITY STATEMENT (Cont'd)

## Performance Data Table (Continued)

Indicator	Measurement Unit	2023
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	81
Middle Management	Hours	843
Executive	Hours	763
Non-Executive	Hours	236
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	36.20
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	5
Middle Management	Number	10
Executive	Number	19
Non-Executive	Number	29
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	83.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,281.92
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	68.340000
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	471.50
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	999.90



## SUSTAINABILITY STATEMENT (Cont'd)

# CARE & RESPONSIBILITY

### CSR PROGRAM YEAR 2023

#### 'JALINAN KASIH CITAGLOBAL' - DISTRIBUTION OF 'BUBUR LAMBUK' DURING THE MONTH OF RAMADAN 2023



As part of Citaglobal's Corporate Social Responsibility (CSR) program and in the spirit of giving back, the Company had distributed 1,000 packs of 'Bubur Lambuk' as Iftar meals for Citaglobal employees and the public at Plaza Sentral, Kuala Lumpur, during our 'Jalinan Kasih Citaglobal' program on Tuesday, 18th April 2023.

The main objective for the program was to share the joy of Ramadan, provide wholesome and nutritious meal, boosting morale, and nurturing a sense of togetherness and compassion during the holy month of Ramadan. Our team of volunteers not only distributed the 'Bubur Lambuk' but also actively connected with fellow colleagues and the public, creating memorable moments throughout the distribution process.

The success of our 'Bubur Lambuk' distribution exemplifies the positive impact that collective efforts can have on our employees and the community. The 'Jalinan Kasih Citaglobal' program also embodied the spirit of compassion and generosity that is in line with Citaglobal's core values to deliver the best to our stakeholders and to become an organisation that our employees and stakeholders are proud to be associated with.





## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Citaglobal Berhad (“**the Board**”) acknowledges the importance of the principles and recommendations outlined in the Malaysian Code on Corporate Governance (“**MCCG**”). The Board is fully committed to upholding high standards of corporate governance practices across the Group, with the aim of safeguarding and enhancing long-term shareholder value as well as the interests of all stakeholders.

The Board is pleased to present the Corporate Governance Overview Statement (“**CG Statement**”), which describes how the Group applied and complied with the three (3) principles outlined in the MCCG throughout the financial year under review:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Statement is prepared in accordance with the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and aims to give an overview of the compliance level with the three (3) Principles outlined in the MCCG. This CG Statement should be read together with the Corporate Governance Report 2023 of the Company which is available on the Company’s corporate website at [www.citaglobal.my](http://www.citaglobal.my).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Board Responsibilities

The Board bears the overarching governance responsibility, directing and overseeing the Group’s activities. This includes defining the Group’s strategic course, overseeing operations for success, implementing robust internal controls and risk management systems, and ensuring regulatory compliance.

Clear delineation exists between Board and Management roles, aligning with the Group’s agility in response to evolving dynamics. Board responsibilities encompass pivotal decisions like approving financial results, strategic investments, and significant agreements, while seasoned Key Senior Management assumes responsibility for daily operations oversight.

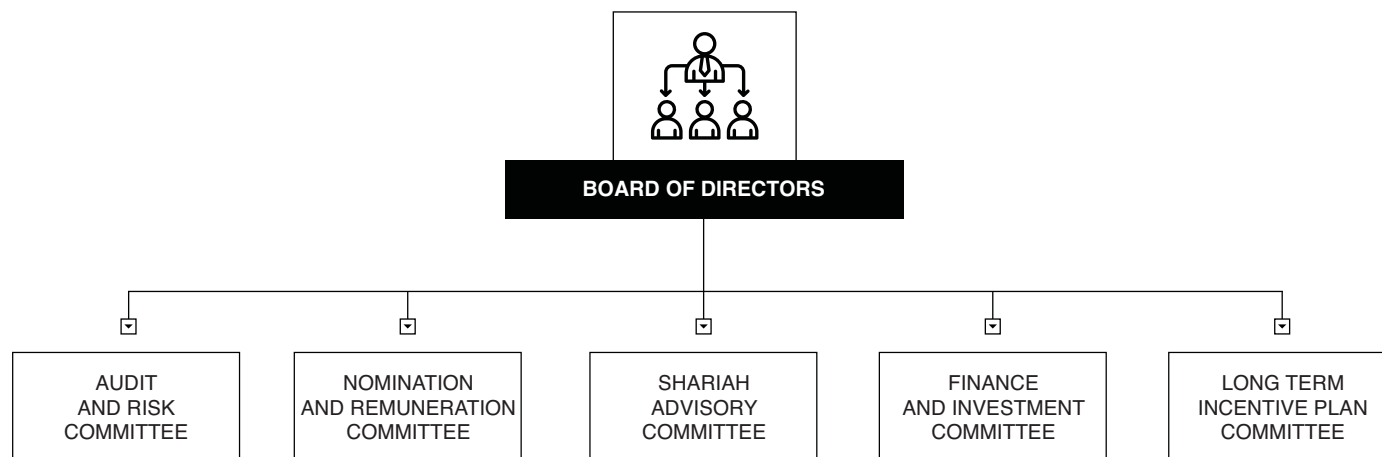
As part of adhering to sound corporate governance practices, the Board has established and enacted various processes to support Board members in fulfilling their roles and duties. These include:

- (a) Assessing and adopting strategic plans that enhance the Group’s long-term value.
- (b) Supervising the Group’s business operations to assess proper management.
- (c) Evaluating principal risks and ensuring effective internal control systems are in place to manage risks, alongside adopting relevant mitigation measures.
- (d) Reviewing the adequacy and reliability of the Group’s internal controls and management information systems, including compliance with relevant laws, regulations, rules, directives, and guidelines.
- (e) Reviewing and endorsing succession planning, encompassing the appointment, training, compensation, and, when necessary, replacement of key executives.
- (f) Ensuring the development and implementation of an investor relations program and shareholder communication policy by the Management for the Group.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

To ensure efficient discharge of responsibilities, the Board has adopted a governance model where certain powers are delegated to appropriate Board Committees, outlined as follows:



### The Executive Chairman & President

YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria was redesignated from the Executive Chairman to the Executive Chairman & President of the Company on 8 September 2021. The Board noted the combination of the positions of the Chairman and President is essential for the commercial environment that the Group is currently operating. Such a combination of roles renders credibility and confidence to third party(ies) on the authority of the Chairman and President for the successful conclusion of commercial deals/ transactions.

The Executive Chairman & President leads the Board by establishing the overarching direction and ensuring the Board's effectiveness in strategic planning, governance, and compliance.

To maintain a balance of power and authority on the Board, the following measures are undertaken:

- The Board's composition primarily comprises Independent Non-Executive Directors, who collectively hold significant influence in the Board's decision-making process. They are empowered to exercise independent judgement in the best interests of the Company and safeguard the interests of minority shareholders.
- Board decisions require approval by a majority of Directors present at the meeting, preventing any individual Director from exerting undue influence over the decision-making process.

### Chairman of the Board should not be a member of the Audit and Risk Committee, Nomination Committee and Remuneration Committee

The Board took note of the recommendation Practice 1.4 of the MCGG which states that the Chairman of the Board should not be a member of the Audit and Risk Committee, Nomination Committee or Remuneration Committee.

While YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria, the Executive Chairman & President, serves as a member of the Finance and Investment Committee ("FIC"), he maintains awareness of his distinct roles on the Board and within the FIC. The FIC thoroughly deliberates on all issues before making recommendations to the Board, with active participation from three (3) Non-Executive Directors. Consequently, all recommendations put forth by the FIC to the Board are reached unanimously, effectively mitigating the risk of self-review.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### Qualified and Competent Company Secretary

In compliance with Practice 1.5 of the MCCG, the Board members have full access to the two (2) Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.

The Board regularly receives advice, updates, and notifications from the Company Secretaries to ensure compliance with relevant laws, regulations, and corporate governance standards. The Company Secretaries attend and oversee the proper convening of all Board and Board Committee meetings, ensuring accurate and comprehensive minutes of discussions and decisions. Additionally, they are tasked with ensuring adherence to the Board's policies and procedures, as well as compliance with statutory and regulatory obligations.

### Access to Information and Advice

The Board members have unrestricted access to Management and Company Secretaries for comprehensive information regarding the Group's business and corporate affairs, ensuring effective discharge of their duties. Additionally, the Board has the option to seek external independent professional advice at the Group's expense when necessary.

Before Board or Board Committee meetings, Directors receive the agenda, minutes of previous meetings, and board papers in advance to allow ample time for review, consideration, and informed decision-making.

The Board has also identified the following key areas for further enhancement in the future:

- (i) Enhancing governance across Group entities to align expectations and improve information flow between the Board, Senior Management, and subsidiaries.
- (ii) Promoting higher levels of engagement and trust between the Board of the Company and its subsidiaries through open and effective communication.

### Board Charter

The Company has implemented a Board Charter that clearly outlines the roles, responsibilities, and authorities of both the Board of directors (individually and collectively) and Management in guiding the Group's direction, management, and control, as well as delineates matters reserved specifically for the Board's consideration. On April 13, 2022, the Board conducted a thorough review and subsequently approved the revised Board Charter.

### Code of Ethics and Conduct

The Code of Ethics and Conduct establishes the fundamental principles and ethical standards guiding the conduct of Directors and employees within the Group. It outlines expectations of professionalism and trustworthiness in carrying out responsibilities and representing the Group.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### Whistle-Blowing Policy and Procedures

The Whistle-Blowing Policy and Procedures offer a confidential avenue for Directors, officers, employees, and the public to report instances of unethical, illegal, or undesirable behaviour without fear of reprisal. This policy operates independently of other established operational procedures. Reports under this policy should be directed to the Chairman of the Audit and Risk Committee. The Board will be informed of significant or potentially impactful disclosures.

To submit confidential reports:

- Online via email to: [whistle@citaglobal.my](mailto:whistle@citaglobal.my)
- By mail in a securely sealed envelope labelled "Strictly Confidential – To Be Opened by Addressee Only" addressed to:

**The Audit and Risk Committee Chairman**

Citaglobal Berhad

Level 9, Block 4, Menara TH Plaza Sentral, Jalan Stesen Sentral 5, KL Sentral,  
50470 Kuala Lumpur, Wilayah Persekutuan

### Sustainability Policy

The Board has formalised the Group's strategies for advancing sustainability, with a strong commitment from both the Board and Management to continually enhance the integration of sustainability principles into the organisational culture and operational processes. This includes a focus on accountability and transparency regarding sustainability performance.

The key impact areas for operating sustainably encompass ensuring safe operations and services for employees and customers, integrating environmental quality considerations into daily business activities, fostering an inclusive and inspiring workplace that promotes diversity and prohibits harassment, and adhering to legal, regulatory, and ethical standards.

The Board ensures that the Group's sustainability strategies, priorities, and targets, along with performance against these targets, are effectively communicated to both internal and external stakeholders. Performance evaluations of the Board and Senior Management also include an assessment of their efforts in addressing the Group's material sustainability risks and opportunities.

### Anti-Bribery and Corruption Policy and Procedure

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) on 1 June 2020, the Group has implemented an Anti-Bribery and Corruption Policy and Procedure to address improper solicitation, bribery, and other corrupt activities that may arise in the course of business. This policy aims to prevent acts of bribery and corruption within the organisation.

The Group will conduct continuous reviews of its anti-bribery and anti-corruption management system to evaluate the comprehensiveness of its systems, policies, and procedures. This ongoing assessment aims to enhance and address any deficiencies, providing assurance that the Group's systems are "reasonable and proportionate" to its nature and size and meet the requirements outlined in the Guidelines on Adequate Procedures.

The Diversity Policy, Board Charter, Code of Ethics and Conduct, Whistle-Blowing Policy and Procedures, Sustainability Policy, and Anti-Bribery and Corruption Policy and Procedure are available for public access on the Company's corporate website at [www.citaglobal.my](http://www.citaglobal.my).

### Board Composition

For the financial year ended 31 December 2023, the Board consisted of eight (8) members including one (1) Executive Director, five (5) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. This composition aligns with Paragraph 15.02 of the MMLR of Bursa Securities which stipulates that at least 2 directors or 1/3 of the board of directors, whichever is higher, are independent directors and the recommendation of Practice 5.2 of the MCCG to have at least half of the Board comprises independent directors.





## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

During the financial year under review, there were changes to the composition of the Board as below:-

Date of change	Name of Directors	Details
1 July 2023	Datuk (Dr.) Yasmin Binti Mahmood	Appointed as an Independent Non-Executive Director of the Company.
3 July 2023	Encik Aimi Aizal Bin Nasharuddin	Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director of the Company.

On 22 April 2024, Encik Aimi Aizal Bin Nasharuddin was redesignated from a Non-Independent Non-Executive Director to an Executive Director of the Company.

The Board Members bring diverse backgrounds and expertise from various fields, contributing their strengths to oversight, strategy, performance, control, resource allocation and integrity matters. This collective diversity ensures a well-balanced approach to decision-making, with representation from both major and minority shareholders.

While the Chairman of the Board holds the position of Executive Chairman & President, the Board benefits from the presence of five (5) Independent Non-Executive Directors who possess distinguished records and credentials. Their independence ensures the presence of unbiased views and judgements within the Board. The Independent Non-Executive Directors actively voice their concerns when necessary, promoting proper checks and balances in Board decisions and policy implementation.

Detailed profiles of the Directors can be found in the Directors' Profile section of this Annual Report.

### Tenure of Independent Directors

The Board is mindful that the tenure of an independent director should not exceed a cumulative term limit of nine (9) years and upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain the Independent Director beyond nine (9) years, the Board will seek annual shareholders' approval through a two-tier voting process in accordance with Practice 5.3 of MCCG.

Based on the assessment carried out during the financial year, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

All Independent Directors maintain independence from management and are free from any relationships that may compromise their objectivity. The Board recognises that these Independent Directors can offer unbiased, objective judgements, thereby fostering balanced leadership within the Group. Their role also includes providing effective checks and balances to protect the interests of minority shareholders and other stakeholders.

The Company will seek the shareholders' approval to retain three (3) of the Independent Non-Executive Directors who have served more than nine (9) years on the Board as at the date of this CG Statement,

### Board Diversity

The Board acknowledges the significance of board diversity as a crucial factor in the sustainable growth of the Group and upholds a non-discriminatory approach based on ethnicity, age, gender, nationality, political or religious affiliation, marital status, educational background or physical abilities.

The Nomination and Remuneration Committee ("NRC") is entrusted with the task of assessing and identifying suitable candidates for new Board appointments. Before presenting candidates for Board approval, the NRC thoroughly evaluates the balance and composition of the Board, considering a blend of skills, independence, experience and diversity, including gender, ethnicity and age diversity.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The Board has on 1 July 2023 appointed Datuk (Dr.) Yasmin Binti Mahmood as the Independent Non-Executive Director of the Company. The Company is committed to fostering increased representation of women within both the Board and senior management roles over the long term.

The Board is dedicated to offering fair and equal opportunities throughout the Group and recognises the significance of diversity in the boardroom and workplace. The Group is committed to promoting workplace diversity, ensuring fairness, accessibility, inclusivity and freedom from discrimination.

As at the date of this Annual Report, the diversity in the race/ethnicity of the existing Directors is as follows:-

	Race/Ethnicity				Gender		
	Malay	Chinese	Indian	Total	Male	Female	Total
<b>Number of Directors</b>	7	0	1	8	7	1	8

The existing Directors' age distribution falling within the respective age group is as follows:

Age Group (Years)	31 - 40	51 - 60	61 - 70	71-80	Total
<b>Number of Directors</b>	1	3	2	2	8

### Workforce Diversity

The Group is committed to a diverse and inclusive culture which is essential to the Group's future growth. The Group's gender and race/ethnicity diversity are made up of the following:-

Gender	Race/Ethnicity					
	Malay	Chinese	Indian	Other	Total	%
<b>Male</b>	190	35	14	49	288	74
<b>Female</b>	71	23	3	2	99	26

The Group's workforce diversity in terms of age is made up of the following:-

Gender	Age Group (Years)						
	Below 21	21-30	31-40	41-50	Above 50	Total	%
<b>Male</b>	7	67	88	70	56	288	74
<b>Female</b>	0	28	33	28	10	99	26

### Board Meetings

The Board convenes at least once every quarter and as required for specific matters such as approving quarterly financial results, the annual report, business plans, budgets, and reviewing the Group's performance, its subsidiaries, and other business development activities. Management and external advisors are invited to attend these meetings to provide their insights and advice on pertinent matters.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The attendance record of each Director at Board meetings for the financial year ended December 31, 2023, is provided below:

Name	Attendance
YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	10/10
Encik Ikhlas Bin Kamarudin	9/10
Encik Aimi Aizal Bin Nasharuddin	9/10
Encik Rosli Bin Shafiei	10/10
YBhg Datuk Idris Bin Haji Hashim J.P.	10/10
YBhg Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	10/10
YBhg Dato' Sri Mohan A/L C Sinnathamby	9/10
Datuk (Dr.) Yasmin Binti Mahmood (Appointed on 1 July 2023)	4/4

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors. This, amongst others, is evidenced by the attendance record of the Directors at Board meetings.

The minimum 50% attendance requirement as stipulated in the MMLR has been complied with.

### Directors' Training

The Board acknowledges the importance of ongoing training to equip Directors with the necessary skills to fulfill their responsibilities effectively. Each Director may propose their training needs, which are then assessed annually by the Nomination and Remuneration Committee. This committee continuously evaluates and addresses training requirements to ensure Directors remain professional in their roles and makes recommendations to the Board accordingly.

The Board also encourages members to improve their skills and stay updated on new laws, regulations, commercial risks, economic developments, industry trends and technological advancements. During the financial year under review, the Directors attended the following seminars, conferences and programmes:-

Name	Training(s) Attended during the financial year under review
Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	<ul style="list-style-type: none"> <li>• Building Strategic Board: Excellence in Corporate Governance</li> <li>• Equality, Diversity and Inclusion</li> <li>• Behind Boardroom Doors</li> </ul>
Datuk Idris Bin Haji Hashim J.P.	<ul style="list-style-type: none"> <li>• Whistleblower Protection Act</li> </ul>
Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	<ul style="list-style-type: none"> <li>• Bursa Malaysia Immersive Session: The Board "Agender"</li> <li>• ICDM Corporate Members' Exclusive: A 60-minutes crisis management – a guide for Board members (2023)</li> <li>• ICDM Powertalk Series: Advancing Cyber Resilience: Board's Top 3 Must-Knows</li> <li>• Program ISM Executive Talk Siri 7/2023 "Utmost Practices for Innovative Leadership"</li> </ul>



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Name	Training(s) Attended during the financial year under review
Encik Rosli Bin Shafiei	<ul style="list-style-type: none"> <li>• Baker Tilly Malaysia Tax &amp; Budget Webinar</li> <li>• Securities Commission AOB Conversation with Audit Committees</li> <li>• ICDM Webinar on Climate Change and Carbon Footprint – Getting The Right Financial Risk and Reporting Perspectives</li> </ul>
Dato' Sri Mohan A/L C Sinnathamby	<ul style="list-style-type: none"> <li>• 600B - Anti Money Laundering - Risks &amp; Vulnerabilities in Capital Markets</li> <li>• 590 - Personal Data Protection &amp; Managing Customer Information in the age of Big Data</li> </ul>
Encik Ikhlas Bin Kamarudin	<ul style="list-style-type: none"> <li>• Bual Bicara Integriti Profesional</li> </ul>
Encik Aimi Aizal Bin Nasharuddin	<ul style="list-style-type: none"> <li>• Whistleblower Protection Act</li> </ul>
Datuk (Dr.) Yasmin Binti Mahmood	<ul style="list-style-type: none"> <li>• Cybersecurity Awareness Session – Fundamentals knowledge on Bank Negara RMIT &amp; other regulatory requirements</li> <li>• Mandatory Accreditation Programme Part 2: Leading for Impact (LIP)</li> <li>• National Climate Governance Summit 2023</li> </ul>

All Directors of the Company have completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities for directors of listed issuers.

### Board Committees

To enhance the effective discharge of its fiduciary duties and responsibilities, the Board delegates certain responsibilities to Board Committees established for this purpose. Each Board Committee operates within clearly defined terms of reference approved by the Board. These Committees possess unrestricted authority to investigate issues and present their findings to the Board. As the Board Committees have no authority to make decisions on matters reserved for the Board, the recommendations would be deliberated by the Board as a whole for decisions.

#### (a) Nomination and Remuneration Committee

The principal objective of the NRC is to nominate and assess potential candidates for Board membership, ensuring an appropriate structure for succession and development. This includes establishing an effective process for director selection and tenure. Additionally, the NRC is tasked with reviewing and recommending to the Board the remuneration, compensation, and benefits packages of Executive Directors and Key Senior Management.

The roles and responsibilities, as well as activities of the NRC, are broadly categorised into the following:-

##### Nomination matters

- Identifying and evaluating potential candidates for Board membership.
- Assessing the skills, experience, qualifications, and diversity of candidates.
- Ensuring a structured succession plan for Board positions.
- Establishing criteria and processes for director selection and tenure.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

In discharging its responsibilities, the NRC performed the following activities during the financial year:-

- Reviewed the effectiveness and composition of the Board;
- Evaluated the performance of the Board and Board Committees and each of its members;
- Assessed the independence status of the Independent Non-Executive Directors;
- Recommended the re-election of Directors who retired pursuant to Clause 118 of the Company's Constitution to the Board for approval;
- Reviewed and deliberation on the findings and outcomes of the assessments of the Board, Board Committees and Directors' self and peer evaluation;
- Reviewed the term of office, appointment and performance of the Audit and Risk Committee and each of its members;
- Reviewed and recommended the appointment of Encik Aimi Aizal Nasharuddin as the Executive Director for Citaglobal Reneuco Energy Solution Sdn. Bhd. to the Board for approval;
- Reviewed and recommended the redesignation of Encik Aimi Aizal Nasharuddin from an Independent Non-Executive Director to a Non-Independent Non-Executive Director of the Company to the Board for approval;
- Reviewed and recommended the proposed appointment of a woman Director of the Company to the Board for approval;
- Reviewed and recommended the proposed appointment of YBhg. Datuk (Dr.) Yasmin Binti Mahmood as the Non-Executive Chairman for Telecommunication Division to the Board for approval;
- Reviewed and recommended the proposed appointment of YBhg. Datuk (Dr.) Yasmin Binti Mahmood as additional member of Finance and Investment Committee to the Board for approval.

The NRC conducted an annual assessment of the Board's effectiveness. The results are then tabulated and presented to the NRC for its review and recommendation to the Board for notation. A summarised version of the results is circulated to each Director for their information. The criteria that are used in the assessments of the Board and Board Committees include the required mix of skills and experience and the effectiveness of the Board and Board Committees.

### Remuneration Functions

- Reviewing and recommending remuneration, compensation, and benefits packages for Executive Directors and Key Senior Management.
- Ensuring that remuneration policies align with corporate objectives and shareholder interests.
- Monitoring and evaluating executive compensation programs for effectiveness and alignment with industry standards and best practices.

During the financial year under review, the NRC met and discharged the following duties on remuneration matters:-

- Reviewed and recommended the remuneration package of Executive Directors for the financial year ended 31 December 2023 to the Board for approval;
- Reviewed and recommended the Directors' fees for Non-Executive Directors for the period from 1 July 2023 to 30 June 2024 to the Board for approval; and
- Reviewed and recommended the Directors' benefits payable to Directors for the period from 1 July 2023 to 30 June 2024 to the Board for approval;
- Reviewed and recommended the proposed Director's Fees and Meeting Allowance payable to YBhg. Datuk (Dr.) Yasmin Binti Mahmood to the Board for approval;
- Reviewed and recommended the proposed increase in Directors' Fees for Citaglobal Berhad's Board of Directors to the Board for approval; and
- Reviewed and recommended the proposal to introduce Director Fees for Citaglobal staff assigned as Director to the Board for approval.

### Other Functions

During the financial year under review, the NRC met and discharged the following duties on other matters:-

- Reviewed the meetings attendance of the Board and members of the Board Committees for the financial year ended 31 December 2022; and
- Reviewed the training programmes attended by the Board members for the financial year ended 31 December 2022 and the training needs of the Directors for the financial year ending 31 December 2023.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The composition of the NRC of the Company and the details of attendance of meetings during the financial year under review are as follows:-

Name	Designation	Attendance
YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	Chairman	4/4
YBhg Datuk Idris Bin Haji Hashim J. P.	Member	4/4
Encik Rosli Bin Shafiei	Member	4/4

The terms of reference of the NRC and Directors and Senior Management's Remuneration Policy are available for reference on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

### (b) Audit and Risk Committee

Effective from May 30, 2023, the Board has renamed the "Audit Committee" to the "Audit and Risk Committee" which broadened the committee's mandate to include oversight on risk management processes within the organisation and reinforcing the Board's commitment to robust governance practices.

The composition, functions, and a summary of activities of the Audit and Risk Committee are detailed in the Audit and Risk Committee Report included in this Annual Report.

Furthermore, the terms of reference governing the Audit and Risk Committee can be accessed for reference on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

### (c) Shariah Advisory Committee

The Shariah Advisory Committee plays a crucial oversight role in matters pertaining to Shariah compliance within the Group's business operations and activities. This committee is responsible and accountable for all Shariah decisions, opinions and views it provides. It ensures that all decisions align with Shariah principles at all times.

Main duties of the Shariah Advisory Committee shall include:-

- Provide advice to the Board and Management.
- Recommend Shariah Policies and Procedures for the Board's endorsement.
- Assist related parties on Shariah matters upon request for advice.
- Provide written Shariah opinion.

The composition of the Shariah Advisory Committee of the Company and the details of attendance of meetings during the financial year under review are as follows:-

Name	Designation	Attendance
YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	Chairman	2/2
Encik Ikhlas Bin Kamarudin	Member	2/2
Encik Ustaz Mahamahpoyi Hj Walsh	Member	2/2
Mr. Chan Fook Kwong	Management Representative	2/2



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

During the financial year under review, the Shariah Advisory Committee reviewed the financial/Shariah Compliance Ratio, Money Lending Activity and the same was also tabled to the Board for approval.

### (d) Long Term Incentive Plan (“LTIP”) Committee

The LTIP Committee was established to oversee the implementation and administration of the Executive Share Option Scheme and Executive Share Grant Scheme within the Company. The terms of reference for the LTIP Committee are accessible on the Company's corporate website at [www.citaglobal.my](http://www.citaglobal.my).

The composition of the LTIP Committee of the Company is as follows:-

Name	Designation
Encik Ikhlas Bin Kamaruddin	Chairman
Encik Rosli Bin Shafiei	Member
YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	Member

There was no meeting held for the financial year ended 31 December 2023.

There is no minimum requirement to hold a LTIP Committee Meeting in each financial year according to its terms of reference of the LTIP, as such the LTIP Committee agreed that there will be no scheduled meeting for LTIP Committee in the future until the need arises.

### (e) Finance and Investment Committee (“FIC”)

On June 1, 2023, the Risk, Finance, and Investment Committee (RFIC) was redesignated to the Finance and Investment Committee (FIC).

The principle objectives of the FIC are as follows:

- (i) To review, approve and/or recommend to the Board:
  - Discretionary capital expenditure in accordance with the prescribed limits set out in the Limit of Authority as proposed by companies within the Group;
  - all acquisitions, investments and divestments of companies in accordance with the prescribed limits as per the Limit of Authority and setting up of new material business (including joint ventures but excluding pre-bid joint venture and/or consortium agreements, non-binding Memorandums i.e. Memorandum of Business Exploration, Memorandum of Understanding etc.); and
  - the corporate strategy and planning and investment matters for the Group.
- (ii) Advise Management on suitable plans in respect of future investments.

The terms of reference of the FIC is available for reference on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

The changes in the composition of the FIC of the Company after the financial year ended 31 December 2023 and the details of attendance of the meeting during the financial year under review are as follows:-



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Name	Designation	Attendance
Datuk (Dr.) Yasmin Binti Mahmood <i>(Appointed on 1 September 2023)</i> <i>(Redesignated from Member to Chairperson on 28 February 2024)</i>	Chairperson	2/2
Encik Aimi Aizal Bin Nasharuddin <i>(Redesignated from Chairman to Member on 28 February 2024)</i>	Member	2/2
YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria <i>(Redesignated from Chairman to Member on 28 February 2023)</i>	Member	2/2
Encik Ikhlas Bin Kamarudin <i>(Appointed on 28 February 2023)</i>	Member	2/2

### Remuneration

The Board recognises the importance of offering appropriate and competitive remuneration to attract, retain and motivate Directors with the requisite calibre, expertise, and experience to lead the Group effectively. Remuneration for Executive Directors is tied to individual and corporate performance, ensuring alignment with the Group's goals. Non-Executive Directors' fees are determined based on their responsibilities without their input in the process in respect of their own fees.

The NRC formulates policies for evaluating compensation packages for Executive Directors and reviews and recommends remuneration packages and employment conditions to the Board for approval.

Executive Directors' remuneration comprises basic salaries, monetary incentives, and fringe benefits linked to achieving corporate performance targets. Their salaries include fixed (base salary) and variable (performance-based incentives) components. The Company may offer competitive benefits such as fully expensed cars, company drivers, fuel expenses, private medical insurance, and life insurance to attract and retain top talent. Business-related expenses like entertainment and travel are reimbursed, ensuring no additional compensation beyond the fixed remuneration.

Non-Executive Directors' remuneration consists of Directors' fees, meeting allowances, and other benefits based on their experience and level of responsibilities. They do not receive commission, profit percentages, or participate in performance-based bonuses or incentive plans. The NRC and Board review Non-Executive Directors' remuneration annually.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The details of the Directors' remuneration for the financial year ended 31 December 2023 are as follows:-

NAME OF DIRECTORS	Company					Group				
	Fees ("RM")	Salaries & Bonus+ ("RM")	Benefits in-kind ("RM")	Others# ("RM")	Total ("RM")	Fees ("RM")	Salaries & Bonus+ ("RM")	Benefits in-kind ("RM")	Others # ("RM")	Total ("RM")
<b>Executive Directors</b>										
Tan Sri Dato' Sri Norza	-	1,282,439	20,330	-	1,302,769	-	1,354,222	20,330	-	1,374,552
<b>Total</b>	<b>-</b>	<b>1,282,439</b>	<b>20,330</b>	<b>-</b>	<b>1,302,769</b>	<b>-</b>	<b>1,354,222</b>	<b>20,330</b>	<b>-</b>	<b>1,374,552</b>
<b>Non-Executive Directors</b>										
En. Ikhlas	68,000	-	-	7,000	75,000	68,000	-	-	7,000	75,000
En. Rosli	80,000	-	-	15,000	95,000	80,000	-	-	15,000	95,000
Datuk Idris	64,000	-	-	13,000	77,000	64,000	-	-	13,000	77,000
Dato' Syed	72,000	-	-	15,500	87,500	72,000	-	-	15,500	87,500
Dato' Sri Mohan	64,000	-	-	11,000	75,000	184,000	-	7,200	11,462	202,662
En. Aimi	68,000	-	-	6,500	74,500	108,000	309,204	5,937	6,500	429,641
Datuk Yasmin	34,000	-	-	3,000	37,000	74,000	-	-	3,000	77,000
<b>Total</b>	<b>450,000</b>	<b>-</b>	<b>-</b>	<b>71,000</b>	<b>521,000</b>	<b>650,000</b>	<b>309,204</b>	<b>13,137</b>	<b>71,462</b>	<b>1,043,803</b>

Notes:

+ The salaries and bonus are inclusive of statutory contributions and fixed allowance.

# Comprises meeting allowance.

The Board has determined that disclosing the remuneration of the Key Senior Management would not be in the best interest of the Group due to considerations of confidentiality and the competitive nature of the industries in which the Group operates.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit and Risk Committee

The Audit and Risk Committee of the Company comprises four (4) Independent Non-Executive Directors, with Encik Rosli Bin Shafiei serving as the Chairman of the Committee. This structure ensures that the Chairman of the Audit and Risk Committee is separate from the Chairman of the Board, in compliance with Paragraphs 15.09 and 15.10 of the MMLR and the recommendation of Practice 9.4 of MCCG by which all the four (4) Audit and Risk Committee members are Independent Non-Executive Directors and none of them have appointed alternate directors.

Additionally, none of the members of the Audit and Risk Committee were former key audit partners. The Board has no intention of appointing any former key audit partner as a member of the Audit and Risk Committee to maintain the highest level of independence. The Board believes that the collective expertise and experience of the Audit and Risk Committee members are sufficient to fulfill their responsibilities in overseeing the financial reporting process, internal controls and governance. These responsibilities are guided by the Committee's terms of reference.

On 30 May 2023, the Company adopted the revised terms of reference of the Audit and Risk Committee. Subsequently, the latest terms of reference of the Audit and Risk Committee was further revised on 22 November 2023, expanding the Committee's role to include reviewing the conflict of interest situations. The said terms of reference of the Audit and Risk Committee are available on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

The Audit and Risk Committee plays a crucial role in assisting the Board by reviewing and scrutinising information to ensure its appropriateness, accuracy and completeness of disclosure. The Committee also ensures compliance with applicable financial reporting standards for the Company's financial statements. Furthermore, the Committee reviews and monitors the accuracy and integrity of the Company's quarterly and annual financial statements, submitting them to the Board for approval and timely release as per the stipulated time frame.

#### Assessment of External Auditors

The Audit and Risk Committee adheres to Practice 9.3 of the MCCG by annually assessing the suitability, objectivity and independence of the External Auditors. This evaluation is conducted using the prescribed External Auditors Evaluation Form, focusing on various criteria such as competence, experience, resources, audit quality, independence, audit fees reasonableness and comparison with non-audit fees.

The External Auditors are invited to attend Audit and Risk Committee meetings as needed. During the financial year under review, meetings were held on February 27, 2023 and November 21, 2023, where the External Auditors discussed the audit scope, financial statements, audit findings and other pertinent matters without management presence.

The Audit and Risk Committee ensures the External Auditors implement policies for partner rotation every 7 years to maintain objectivity and independence, as per professional and regulatory requirements. The Committee reviews the External Auditors' appointment, performance and remuneration annually, including both audit and non-audit services, to maintain their independence and objectivity. The Company also has a Policy on the Provision of Non-Audit Services by External Auditors, ensuring appropriate selection of non-audit services based on the External Auditors' skills and experience, with considerations for fee levels relative to audit fees to ensure independence.

The Audit and Risk Committee expressed satisfaction with the External Auditors' performance, suitability and independence based on the quality of services and resources provided to the Group, including the firm's expertise and professional employees assigned to the audit.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### Risk Management and Internal Control Framework

The Board recognises the importance of risk management as a fundamental aspect of sound management practices, understanding that risk is inherent in all business activities. The Group's goal is not to eliminate risk entirely but rather to review, prioritise and manage risks across all activities while balancing the cost of risk management against the anticipated benefits.

As of 30 May 2023, the responsibility for overseeing risk management shifted to the Audit and Risk Committee, taking over from the Finance and Investment Committee. The Management is tasked with implementing Board-approved policies and procedures on risk management, including identifying, evaluating and monitoring risks within established risk appetite parameters aligned with business objectives.

The Board has also established an internal audit function. In year 2023, the internal audit function was carried out on a co-source basis i.e. an in-house internal audit team and an outsourced professional firm. The Internal Auditors report directly to the Audit and Risk Committee and are responsible for conducting reviews and appraisals of governance, internal controls and processes within the Group.

For further details on the Group's risk management and internal control systems, please refer to the Statement on Risk Management and Internal Control provided in this Annual Report.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Communication with Stakeholders

The Board places great importance on transparent, consistent and coherent communications with the investing community while maintaining commercial confidentiality and adhering to regulatory considerations. To facilitate this, the Board has formalised the Corporate Disclosure Policy and Procedures. This policy helps ensure that information provided is comprehensive, accurate, timely and complies with legal and regulatory requirements, aiming for accuracy, timeliness, factualness, informativeness, balance and broad dissemination in communications to the investing public.

Recognising the importance of transparency and accountability to shareholders, stakeholders and investors, the Board engages in regular communications regarding the Group's performance and major developments. This includes timely releases of quarterly financial results, circulars, annual reports, corporate announcements and press releases.

Furthermore, the Board strives to foster long-term relationships with stakeholders by utilising appropriate channels for information disclosure. The Company's website, [www.citaglobal.my](http://www.citaglobal.my), features dedicated sections on Corporate Governance and Investor Relations, enhancing communication with stakeholders.

In alignment with the Group's sustainability commitment, shareholders are encouraged to receive information and communications electronically. Shareholders are urged to opt for electronic notification of information releases and receive the Annual Report, Notice of AGM and proxy form via email, promoting efficient and environmentally friendly communication methods.

#### Conduct of General Meetings

The Company values the Annual General Meeting (AGM) as the primary forum for dialogue with shareholders, facilitating direct two-way interactions between shareholders, Directors and Senior Management. The Notice of AGM, sent at least 28 days prior to the AGM, provides shareholders with details of the meeting, resolutions for approval and their entitlement to attend, as well as the right to appoint proxies, encouraging shareholder participation.

All Directors, Senior Management and External Auditors attend the AGM. Shareholders attendance are encouraged and given ample opportunity to raise questions regarding the Annual Report, proposed resolutions and the Group's business. Directors, Committee Chairs, Senior Management and appropriate personnel provide responses, answers and clarifications during the meeting.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

In compliance with paragraph 8.29A of the MMLR of Bursa Securities, poll voting was used at the previous AGM to facilitate the voting process for resolutions. An independent scrutineer was appointed to oversee the polling process, ensuring transparency and fairness in decision-making.

The minutes of the 18th AGM held on 30 May 2023 was published at the Company's website at [www.citaglobal.my/shareholders-meeting/](http://www.citaglobal.my/shareholders-meeting/)

### KEY FOCUS AREAS AND FUTURE PRIORITIES

The key focus areas and future priorities for the Group moving forward to ensure growth, sustainability and competitiveness are as below:

- 1. Sustainability:**
  - Integrating sustainability practices into business operations, including reducing carbon footprint, adopting eco-friendly processes and supporting social causes.
  - Meeting regulatory requirements and addressing stakeholder expectations regarding environmental and social impact.
- 2. Risk Management and Resilience:**
  - Strengthening risk management framework to mitigate potential threats, including cybersecurity risks, supply chain disruptions and economic uncertainties.
  - Building resilience by diversifying revenue streams and having contingency plans in place.
- 3. Business Expansion:**
  - Exploring new markets and expanding global presence through strategic partnerships, acquisitions or entering untapped regions.
  - Adapting business strategies to navigate geopolitical challenges and trade regulations.
- 4. Talent Development and Employee Well-being:**
  - Investing in employee training and development to build a skilled and adaptable workforce.
  - Focusing on employee well-being, diversity, equity and inclusion (DEI) initiatives to foster a positive work culture.
- 5. Digital Transformation:**
  - Accelerating digital transformation initiatives to improve agility, efficiency and scalability.
  - Adopting cloud computing, automation and digital platforms for seamless operations and collaboration.

These focus areas and priorities are interconnected, and the Group often need to strike a balance between them based on their specific business objectives, industry landscape and market trends. Regular evaluation and adjustment of strategies are essential to ensure long-term success and relevance in a rapidly evolving business environment.



## ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements as set out in Appendix 9C thereto.

### 1. Utilisation of Proceeds Raised from Corporate Proposals

#### a) Rights Issue of Irredeemable Convertible Preference Shares (“ICPS”) together with free detachable Warrants B (“Rights Issue”)

On 10 May 2021, the Company completed the listing and quotation of 511,665,197 ICPS, 63,958,049 free detachable 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 the 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.

As at the latest practical date, the status of the utilisation of proceeds is as 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
<b>TOTAL</b>	<b>56,283</b>	<b>-</b>	<b>56,283</b>	<b>(50,865)</b>	<b>5,418</b>	

Remarks:

\* Estimated expenses are in relation to the above Rights Issue. The surplus has been adjusted against the portion earmarked for funding for future construction and/or project/business financing activities of our Group.

#### b) Private Placement of 37,956,885 new ordinary shares in the Company

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.



## ADDITIONAL COMPLIANCE INFORMATION

(Cont'd)

As at the latest practical date, the status of the utilisation of proceeds is as 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 month
<b>TOTAL</b>	<b>50,103</b>	<b>-</b>	<b>50,103</b>	<b>(47,303)</b>	<b>2,800</b>	

Remarks:

\* Estimated expenses are in relation to the above Private Placement. The surplus has been adjusted against the portion earmarked for working capital of the Group.

### 2. Audit and Non-Audit Fees

During the financial year, the amounts of audit and non-audit fees paid by the Company and the Group to the External Auditors are as follows:

Description	Group (RM'000)	Company (RM'000)
Audit Fees	365	60
Non-Audit Fees	114	56
<b>Total Fees</b>	<b>479</b>	<b>116</b>

### 3. Revaluation Policy on Landed Properties

The Group has adopted a policy to revalue its land and buildings every five (5) years. However, for land and buildings disposed of during the financial year, no revaluation surplus/deficit is recognised in the year of disposal.

### 4. Material Contracts

There were no material contracts entered into by the Group involving the interest of Directors, chief executive who is not a Director or major shareholder, either still subsisting as at the end of the financial year ended 31 December 2023 or, if not then subsisting, entered into since the end of the previous financial year.

### 5. Long Term Incentive Plan ("LTIP")

There was no option allocated or granted by the Company under the LTIP approved by the shareholders on 28 January 2016 to any parties during the financial year ended 31 December 2023.



## AUDIT AND RISK COMMITTEE REPORT

The Board of Directors of the Company is pleased to present the Audit and Risk Committee Report for the financial year ended 31 December 2023.

### ROLES OF AUDIT AND RISK COMMITTEE

With effect from 30 May 2023, the Board resolved to expand the Audit Committee mandate to include risk management and renamed the “Audit Committee” to “Audit and Risk Committee” which aimed to enhance the Board of Directors' risk oversight of the Company's Enterprise Risk Management (“ERM”) framework.

The Audit and Risk Committee plays a crucial role in ensuring the transparency, integrity, and effectiveness of an organisation's financial reporting, risk management processes, and internal controls. Here are the primary roles and responsibilities of the Audit and Risk Committee of the Company:

1. Financial Reporting Oversight:
  - Reviewing and providing oversight of the Company's financial statements to ensure accuracy, completeness, and compliance with regulatory requirements.
  - Evaluating the effectiveness of the internal controls over financial reporting of the Company and its subsidiaries (“Group”).
2. Risk Management Oversight:
  - Identifying and assessing the major risks facing the Group, including financial, operational, strategic, and compliance risks.
  - Reviewing and monitoring the Group's risk management processes and policies to ensure they are adequate and effective in mitigating risks.
3. Internal Audit Oversight:
  - Overseeing the internal audit function to ensure it is independent, objective, and adequately resourced.
  - Reviewing and approving the internal audit plan, including scope, priorities, and resource allocation.
4. External Audit Oversight:
  - Selecting and recommending the appointment of external auditors, reviewing their independence, qualifications, and performance.
  - Reviewing the external audit plan, audit findings, and management's response to audit recommendations.
5. Compliance Oversight:
  - Monitoring the Group's compliance with laws, regulations, and internal policies.
  - Reviewing the effectiveness of the Group's compliance programs and procedures.
6. Communication and Reporting:
  - Communicating regularly with Management, internal auditors, external auditors, and other relevant stakeholders.
  - Reporting findings, recommendations, and significant issues to the Board of Directors.
7. Ethical and Governance Oversight:
  - Promoting ethical behavior and a culture of integrity throughout the Group.
  - Monitoring governance practices and ensuring adherence to corporate governance standards.

Overall, the Audit and Risk Committee plays a critical role in promoting transparency, accountability, and sound governance practices within the Company, ultimately contributing to its long-term success and sustainability.



## AUDIT AND RISK COMMITTEE REPORT (Cont'd)

### COMPOSITION AND ATTENDANCE OF MEETINGS

The Audit and Risk Committee comprises four (4) members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit and Risk Committee, Encik Rosli Bin Shafiei, is a member of the Malaysian Institute of Accountants fulfilling the requisite qualifications under Paragraph 15.09(1)(c) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

The composition of the Audit and Risk Committee is in compliance with Paragraphs 15.09 and 15.10 of the MMLR of Bursa Malaysia Securities Berhad and the recommendations of the Malaysian Code on Corporate Governance (“MCCG”) whereby all four (4) Audit and Risk Committee members are Independent Non-Executive Directors. None of the Independent Non-Executive Directors has appointed alternate directors.

The Audit and Risk Committee meets at least four (4) times in each financial year and the majority of members who are Independent Directors must be present to constitute a quorum. The Company Secretary shall be the Secretary of the Audit and Risk Committee. Other Board members and designated members of Senior Management may also attend these meetings at the invitation of the Audit and Risk Committee.

All deliberations during the Audit and Risk Committee meetings were duly minuted. Minutes of the Audit and Risk Committee meetings were tabled for confirmation at every succeeding Audit and Risk Committee meeting.

During the financial year ended 31 December 2023, the Audit and Risk Committee conducted seven (7) meetings. The details of attendance of the members of the Audit and Risk Committee are as follows:

Name	Designation and Directorship	Meeting Attendance	
		Audit Committee meeting	Audit and Risk Committee meeting
Encik Rosli Bin Shafiei	Chairman, Independent Non-Executive Director	4/4	3/3
YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	Member, Independent Non-Executive Director	4/4	3/3
YBhg. Datuk Idris Bin Haji Hashim J. P.	Member, Independent Non-Executive Director	4/4	3/3
YBhg. Dato' Sri Mohan A/L C Sinnathamby	Member, Independent Non-Executive Director	4/4	3/3





## AUDIT AND RISK COMMITTEE REPORT (Cont'd)

### TERMS OF REFERENCE

The principal objective of the Audit and Risk Committee is to assist the Board of Directors (“**Board**”) in discharging its statutory and fiduciary duties and responsibilities relating to the financial reporting process, the system of internal controls and management of enterprise risk; audit processes and sustainability initiatives of the Group.

None of the members of the Audit and Risk Committee was former key audit partners and notwithstanding that in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of the Audit and Risk Committee.

The terms of reference of the Audit and Risk Committee set out the authorities, roles and responsibilities of the Audit and Risk Committee which are consistent with the requirements of the MMLR and the recommendations of MCCG.

The Board had on 30 May 2023 adopted the revised terms of reference of the Audit and Risk Committee and subsequently, the latest version of the terms of reference of the Audit and Risk Committee was revised on 22 November 2023 which had expanded the role of Audit and Risk Committee to review the conflict of interest situations. The said terms of reference of the Audit and Risk Committee are available on the Company’s website at [www.citaglobal.my](http://www.citaglobal.my).

### SUMMARY OF WORK OF THE AUDIT AND RISK COMMITTEE

The summary of the main activities carried out by the Audit and Risk Committee during the financial year under review is as follows:

#### **Financial Reporting and other matters**

- (a) Reviewed and discussed the quarterly and year-end financial statements, prior to recommendations to the Board. The key areas of focus are as follows:-
  - change in accounting policies and practices;
  - significant adjustments arising from the audit;
  - going concern assumption;
  - compliance with accounting standards and other legal requirements;
  - significant matters highlighted in the financial statements;
  - significant judgements made by the Management; and
  - significant and unusual events or transactions, if any.
- (b) Reviewed and recommended the Audit and Risk Committee Report and Statement on Risk Management and Internal Control to the Board for consideration and approval for inclusion in the Annual Report.
- (c) Reviewed and recommended to the Board for approval on any material related party transactions and recurrent related party transactions entered during the financial year.

#### **External Audit:**

- (a) Reviewed, discussed and approved the External Auditors’ Audit Planning Memorandum.
- (b) Reviewed, discussed and approved the External Auditors’ scope of works, key areas of audit emphasis, audit approach and timetable.
- (c) Reviewed, discussed and assessed the problems and reservations arising from the interim and final audits together with corresponding action plans and recommendations made by the External Auditors.



## AUDIT AND RISK COMMITTEE REPORT (Cont'd)

- (d) Reviewed, discussed and assessed the External Auditor's Audit Committee Memorandum and the adequacy and effectiveness of management's response.
- (e) Reviewed the performance, independence and effectiveness of the External Auditors and made recommendations to the Board on the re-appointment and remuneration of the External Auditors.
- (f) Reviewed the audit and non-audit fees payable to the External Auditors for the financial year ended 31 December 2023 to ensure the level of non-audit services rendered by the External Auditors would not impair their objectivity and independence as External Auditors of the Company.
- (g) Discussed with the Management and the External Auditors the developments in respect of the Malaysian Financial Reporting Standards (MFRS) applicable to the financial statements of the Group and of the Company and their judgement of the items that may affect the financial statements.
- (h) Carried out private meetings with the External Auditors without the presence of the Executive Directors and Management of the Group.

### **Internal Audit**

- (a) Reviewed the internal audit reports, audit recommendations made and management response to those recommendations and reviewed the follow-up audits to ensure that appropriate actions were timely taken and recommendations of the Internal Auditors were implemented.
- (b) Reviewed the Internal Audit Plan tabled by the Internal Auditors and agreed on the timing and frequency of the proposed audit areas.
- (c) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.
- (d) Carried out private meetings with the Internal Auditors without the presence of the Executive Directors and Management of the Group.

### **Risk Management**

- (a) Reviewed the corporate risk profiles to ensure that the risk exposure and type of risk to pursue or retain by the Company in achieving its strategic objectives are reflective to the internal and external changes
- (b) Reviewed the Risk Management Framework to ensure it remains effective, relevant and aligned with the Group's strategic objectives, and recommended to the Board for approval.
- (c) Review the quarterly updates on the status of principal risks to gain insights on any potential risk exposures to the Group.
- (d) Continuously promote strong risk-aware culture and the institutionalisation of risk management in every aspects of the business practices by encouraging open communication about risk, and fostering accountability for risk management at all levels.

### **Integrity and Anti-Corruption matters**

The Audit and Risk Committee is also entrusted to oversee the following matters:-

- (a) Ensures that the whistleblowing process is reliable and trustworthy.
- (b) Monitors and oversees the enforcement of Section 17A of the Malaysian Anti-Corruption Act 2009 and steps to be taken by the Company on the Corporate Liability Provisions of Section 17A to ensure adequate procedures and preventions are in place.

### **Related Party Transactions and Conflict of Interests**

The Audit and Risk Committee diligently reviewed and vigilantly monitored all related party transactions ("RPTs") and conflict of interest ("COI") situations within the Group, conducting a thorough assessment of any transactions, procedures, or practices that raised concerns regarding Management integrity. This comprehensive COI review was further extended to encompass Directors and Key Senior Management of the Group, ensuring a comprehensive evaluation of potential conflicts and maintaining a high standard of governance.



## AUDIT AND RISK COMMITTEE REPORT (Cont'd)

### INTERNAL AUDIT FUNCTION

The Audit and Risk Committee is supported by the Internal Audit and Risk Management (“IARM”) of Citaglobal Berhad in their oversight over governance, risk management and controls established and implemented by the Group. IARM provides an independent and objective risk-based assurance and advisory activity designed to add value and improve the Group’s operations in achieving its goals. This is accomplished by adopting a systematic and disciplined approach in evaluating and improving the effectiveness of governance, risk management and control processes within the Group. The IARM is led by Puan Zunaina Zaini, who is a member of the Institute of Internal Auditors Malaysia (“IIAM”).

During the financial year under review, the internal audit function was co-sourced with RSM Corporate Consulting (Malaysia) Sdn. Bhd. (“RSM”), an external professional internal audit firm. The Internal Auditors adopted a risk-based approach towards the planning and conduct of their audits and they report directly to the Audit and Risk Committee.

The Audit and Risk Committee reviews and approves the annual internal audit plan before the Internal Auditors carry out their internal audit functions. All audit findings are reported to the Audit and Risk Committee and areas of improvement and audit recommendations identified are communicated to Management for further action. The internal audit scope of work also covers the follow-up review of the status of actions implemented by the Management.

The internal audit approach was as follows:-

- (a) understand and evaluate business processes and related business controls from a risk perspective;
- (b) identify control inadequacies within the Group and recommend viable solutions;
- (c) ascertain the extent of compliance with established policies and procedures, as well as relevant laws and regulations; and
- (d) provide reasonable assurance with regard to process effectiveness and efficiency, its integrity and improvement opportunities.

For the financial year ended 31 December 2023, the key process controls audited were as follows:-

- (a) Civil Engineering and Construction
  - Vehicle Maintenance Management
- (b) Citaglobal Group
  - Fixed Asset Management
  - IT General Controls
- (c) Energy
  - Project & Sales Management
- (d) Manufacturing
  - Sales and Receivables
- (e) Telecommunications
  - Business review on the newly acquired company

The Audit and Risk Committee has reviewed, discussed and assessed all significant matters highlighted by the Internal Auditors on financial reporting and operating issues. The Audit and Risk Committee noted that there were no material misstatements, frauds and deficiencies in the systems of internal control not addressed by the Management. The Audit and Risk Committee has also reviewed all significant judgements made by the Management as follows:-

- (a) impairment of assets and long-term contracts involving significant estimates of revenue and expenses;
- (b) impairment loss on receivables;
- (c) write-down of inventories;
- (d) depreciation method/estimation of useful lives of property, plant and equipment;
- (e) goodwill; and
- (f) investment in subsidiaries and associate.

The Audit and Risk Committee is satisfied that the systems of internal controls are adequate and operating effectively. During the financial year under review, there was no material internal control failure that was reported that would have resulted in any significant loss to the Group. The total fees incurred for the internal audit function for the financial year ended 31 December 2023 was RM354,700.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTRODUCTION

The Board of Directors (“**the Board**”) is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2023 (“**Statement**”). This Statement is prepared pursuant to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”)’s Main Market Listing Requirements (“**MMLR**”).

The Board is also guided by the latest “Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers” issued by the Task Force on Internal Control with the support and endorsement of Bursa Securities and Principle B of the Malaysian Code on Corporate Governance (“**the Code**”) - Risk Management and Internal Control Framework.

### BOARD’S RESPONSIBILITIES

The Board affirms its overall responsibilities of good practice of corporate governance and is committed to maintain a sound and effective risk management and internal control system to safeguard its investments and assets. The system will provide reasonable assurance in ensuring the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

However, due to inherent limitations of any system of internal control and risk management, it should be noted that the system is designed to manage rather than to eliminate the risk of failure to achieve the objectives. Therefore, any system of internal control for that matter could only provide a reasonable and not complete assurance against any material misstatement, omission, loss or fraud.

During the financial year under review, the Board is assisted by the Audit and Risk Committee, the Internal Auditors and the Management to identify, approve and implement policies and procedures on risk management and internal control. The Audit and Risk Committee assumes the oversight of risk management and internal control matters.

Management identifies and evaluates the risks faced, and designs, implements and monitors an appropriate system of internal control in line with the policies approved by the Board. The Management also assigns accountabilities and responsibilities at appropriate levels within the Group as well as ensures that all the necessary resources are efficiently allocated to manage risks.

### RISK MANAGEMENT

In Citaglobal, risk management is integrated into our business planning, investment decisions, internal control and day-to-day operations to enhance ownership and agility in managing risks. It is the Board’s priority to ensure that uncertainties and investment risks in new business ventures are managed in order to safeguard the interest of the shareholders. Collectively, the Board oversees and reviews the conduct of the Group’s businesses while the Executive Director and Management execute measures and controls to ensure that the risks are effectively managed.

The established Enterprise Risk Management Framework outlines the risk policy, risk governance and structure, risk measurement and risk operations and system for the Group. The Boards have implemented the risk management processes to identify, assess, monitor, report and mitigate risks impacting the Group’s business and supporting activities in accordance with ISO 31000:2018 – Principles and Guidelines on Implementation.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

The key aspects of the risk management framework are:



The Group has an established and structured process for the identification, assessment, communication, monitoring, and continual review of risks as well as the effectiveness of risk mitigation strategies and controls at the divisional and enterprise levels.

On an annual basis, the Group's key enterprise risks are reviewed to identify the material risks to the Group and to identify the emerging risks or trending risks that may impact the Group. The exercise studies both internal data points (risk register, incidents and exceptions) as well as external data points (regional / global risk reports as well as industry practices) to assist with the identification and analysis of existing risks and possibly new risks for the year to come. Subsequently, the appropriate mitigation action plan will be developed, monitored, and reported to the ARC quarterly.

Other key elements of the risk management and internal control system and the Board's review mechanisms are as follows:-

- a) Clearly defined operating structure with well-defined delegation of responsibilities and accountabilities for the Group's operating units. Various Board and Management Committees have been established to assist the Board in discharging its duties with clearly defined Terms of Reference (TOR) that are periodically reviewed and updated:

### Board Committees

### Management Committees

01	Audit & Risk Committee	01	Group Management Committee
02	Nomination & Remuneration Committee	02	Management Assurance Committee
03	Long Term Incentive Plan Committee	03	Tender & Business Development Working Committee
04	Shariah Advisory Committee	04	Contracts and Agreement Working Committee
05	Finance & Investment Committee		



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

- b) Organisation structure with well-defined lines of responsibilities, delegation and accountabilities for the Group's operating units
- c) Formalised and documented internal policies and procedures to guide employees' day-to-day work and ensure compliance with internal controls and relevant laws and regulations. These policies and procedures are periodically reviewed and updated to ensure the documents remain current and relevant.
- d) Established Limits of Authority (LOA) that defines lines of responsibilities, limits for major capital expenditures, contract awards, significant transactions for approvals by Board and Management;

### Risk Profiling

Risk profiling exercise was conducted to ensure that the Group's risk exposures are properly mitigated and updated to reflect the current economic environment and new regulations imposed by the government which impacted the Group's risk exposures.

The likelihood and impact of the risks have been assessed and evaluated against the Group's risk appetite and tolerance level while appropriate key risk indicators and mitigation plans have been identified for the risks. The status of the principal risks and key risk indicator performances are then reported to the Management Assurance Committee, Audit and Risk Committee and the Board for their deliberation and guidance on a quarterly basis.

### INTERNAL AUDIT FUNCTION

Internal Audit provides an independent and objective assurance on the efficiency and effectiveness of governance, risk management and internal controls implemented by the Group. This is to support the Audit and Risk Committee in the discharge of their oversight over governance and internal controls responsibilities. The Audit and Risk Committee has full access to the services of the Internal Audit and receive reports on all audits that are performed via quarterly Audit and Risk Committee meetings.

In year 2023, the in-house internal audit function is led by Pn Zunaina Zaini, an associate member of the Institute of Internal Auditors (IIA) Malaysia. While the in-house internal audit capability was being strengthened, the function is also co-sourced with RSM Corporate Consulting (Malaysia) Sdn Bhd ("RSM"), an external professional firm; to perform audit engagements based on the Annual Audit Plan approved by the Audit and Risk Committee.

All audits were performed with integrity, objectivity, confidentiality and competency and in accordance to the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) and the established Internal Audit Charter.

Internal audit adopts a systematic and risk-based approach in reviewing the Group's governance, risk management and internal controls, guided by the COSO (i.e. The Committee of Sponsoring Organisations of the Treadway Commission) Internal Control – Integrated Framework. Internal audit also performs a risk based annual audit plan by assessing the risk profile, materiality, past audit history, business developments, feedbacks and requests, organisational changes, new regulations, result of reviews by other assurance providers and any other significant changes and developments within and outside the Group.

All audit reports on audit findings and observations, together with recommendations and Management's action plans to enhance the systems of internal control are presented to the Audit and Risk Committee quarterly. The Audit and Risk Committee reviews the reports and reports to the Board on significant control issues noted. Follow-up audits are carried out to ascertain if Management's actions are effectively and timely implemented.

During the financial year ended 31 December 2023, the cost incurred for the internal audit function (internal and outsourced) amounted to approximately RM354,700/-.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

### OTHER RISK MITIGATION PROCESSES

The Board has also adopted various other processes to complement the system of internal control which include:-

- a) the establishment of Board Charter and Code of Ethics and Conduct which assist the Directors and employees of the Group in defining the minimal ethical standards and conducts in discharging their responsibilities; and
- b) the implementation of a Whistle-Blowing Policy and Procedures to provide a channel for legitimate concerns to be raised by employees or other stakeholders to the Audit and Risk Committee's Chairman.

The Board Charter, Code of Ethics and Conduct and Whistle-Blowing Policy and Procedures of the Group are available for reference on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

### BOARD ASSURANCE AND LIMITATION

The Board has received assurances from the Executive Chairman & President, the Group Chief Operating Officer, the Group Chief Financial Officer and the Senior Manager, Internal Audit and Risk Management that, to the best of their knowledge, the Group's risk management and system of internal control, in all material aspects, are operating effectively.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. While the Board reiterates that the risk management and systems of internal control are continuously improved in line with evolving business developments, it should also be noted that all the risk management systems and systems of internal control can only manage rather than eliminate the risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against all material misstatements, frauds and losses.

While the Group has board representatives in the associated companies, the Group does not have management control in their operations. Accordingly, the associated companies have not been dealt with and considered for the purposes of this Statement.

### REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Bursa Securities' MMLR, the External Auditors have conducted a limited assurance engagement on this Statement for inclusion in the Annual Report for the financial year ended 31 December 2023. Their assurance engagement was performed pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management in accordance with ISAE 3000 (Revised 2015) and Internal Control issued by Malaysian Institute of Accountants.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respect, in accordance with disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers as set out, nor it is factually inaccurate. AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control system.

### BOARD'S CONCLUSION

For the financial year under review, the Board is of the view that the systems of internal control and risk management, procedures and processes in place are reasonable, adequate and effective in safeguarding the assets of the Group, interests of shareholders and other stakeholders.



## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable approved Malaysian Financial Reporting Standards (**MFRS**), International Financial Reporting Standards (**IFRS**) and the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and their financial performance and cash flows for the financial year ended.

In the preparation of the annual financial statements, the Directors have also:-

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:-

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and of the Company, as well as to prevent and detect fraud and any other irregularities.

The Directors confirmed that they have complied with the above requirements for the annual financial statements for the financial year ended 31 December 2023.





# FINANCIAL STATEMENTS

80	Directors' Report
89	Statements of Financial Position
91	Statements of Comprehensive Income
93	Statements of Changes in Equity
95	Statements of Cash Flows
98	Notes to the Financial Statements
173	Statement by Directors
174	Statutory Declaration
175	Independent Auditors' Report to the Members of Citaglobal Berhad



## DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of Citaglobal Berhad (“the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries include construction and civil engineering and related works to construction, property development, property investment, contractor, sub-contractor and to carry on fabrication, assembly and testing works, trading and rendering other technical services in oil and gas industries, cabling, building and electrical engineering contractor, manufacturing and processing of cold drawn bright steel products and related steel products, engage in the provision of power generation and power solutions to oil and gas industry and power sector, transportation agent, trading in sand and quarry products, trading in mineral resources, providing corporate advisory services, money lending, engage in the business to generate and deliver green electricity energy, undertake the East Coast Railway Link powerisation project, mechanical and electrical works, investment holding and property management and telecommunication tower, fiberisation and related telco business.

There have been no significant changes in the nature of these principal activities during the financial year.

### RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit/(Loss) for the financial year	8,952	(11,719)
Attributable to:		
Owners of the Company	9,308	(11,719)
Non-controlling interests	(356)	-
	<hr/> 8,952	<hr/> (11,719)

### DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2023.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.



## DIRECTORS' REPORT (Cont'd)

### **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

### **CURRENT ASSETS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

### **VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### **CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

### **CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.



## DIRECTORS' REPORT (Cont'd)

### ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinions of the directors,

- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the total number of issued shares of the Company reduced from 1,878,342,090 units to 417,795,875 units by way of:

- (i) issued 16,873,566 new ordinary shares at an issue price of RM0.0894 per ordinary share from the conversion of Irredeemable Convertible Preference Shares ("ICPS") for the funding of future projects and working capital purposes with the conversion ratio of 1 ICPS into 1 new ordinary share during the conversion period and no additional cash payment is required for the conversion of the ICPS by ICPS holders. The calculation of issue price per share is made up after taking into account the Warrants B reserves adjustments;
- (ii) issued 2,118,134 new ordinary shares from the exercise of Warrants B at the exercise price of RM0.16 per warrant and transfer from warrant reserve of RM327,464;
- (iii) On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of ordinary shares reduced from 1,897,333,790 units to 379,466,490 units;
- (iv) issued 370,000 new ordinary shares at an issue price of RM0.4470 per ordinary share from the conversion of Irredeemable Convertible Preference Shares ("ICPS") for the funding of future projects and working capital purposes with the conversion ratio of 1 ICPS into 1 new ordinary share during the conversion period and no additional cash payment is required for the conversion of the ICPS by ICPS holders. The calculation of issue price per share is made up after taking into account the Warrants B reserves adjustments;
- (v) issued 2,500 new ordinary shares from the exercise of Warrants B at the exercise price of RM0.80 per warrant and transfer from warrant reserve of RM1,932; and
- (vi) issued 37,956,885 new ordinary shares from the private placement at an issue price of RM1.32 per ordinary share for the additional investment and expansion in existing business and general working capital purposes.

The issued share capital of the Company increased from RM497,985,046 to RM549,348,366 after deducting transaction costs of RM1,072,402 which represents costs directly attributable to the equity transactions.

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

The Company did not issue any debentures during the financial year.



## DIRECTORS' REPORT (Cont'd)

### OPTIONS GRANTED OVER UNISSUED SHARES

Other than warrants, no options were granted to any person to take up the unissued shares of the Company during the financial year.

### WARRANTS A

The Warrants A issued on 29 October 2014 are constituted under a Deed Poll A dated 9 October 2014 executed by the Company. The Warrants A are listed on the Bursa Malaysia Securities Berhad.

The movement of Warrants A during the financial year ended 31 December 2023 are stated as below:

	← Number of Warrants ('000) →			At 31.12.2023
	At 1.1.2023	Share Consolidation	Exercised	
Warrants A	183,241	(146,593)	-	36,648

The salient features of the Warrants A are as follows:

- (i) Each Warrant A entitles the registered holder/(s) at any time prior to 28 October 2024 to subscribe for one (1) new ordinary share at RM0.28 each. The Warrants A entitlement is subject to adjustments under the terms and conditions as set out in the Deed Poll A dated 9 October 2014;
- (ii) The exercise period is ten (10) years from the date of issuance until the maturity date. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes; and
- (iii) The holders of the Warrants A are not entitled to vote in any general meetings or to participate in any dividends, rights, allotment and/or other forms of distribution other than on winding-up, compromise or arrangement of the Company unless and until the holders of the Warrants A becomes a shareholder of the Company by exercising his Warrants A into new shares or unless otherwise resolved by the Company in general meeting.

On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of Warrants A reduced from 183,241,446 to 36,648,073. The exercise price of the Warrants A had adjusted from the existing price of RM0.28 each to RM1.40 each.

As at the reporting date, 36,648,073 Warrants A remained unexercised.



## DIRECTORS' REPORT (Cont'd)

### WARRANTS B AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”)

63,958,049 free detachable warrants (“Warrants B”) were issued to the entitled shareholders of the Company pursuant to the Renounceable Rights Issue of 511,665,197 ICPS on the basis of 1 warrant B for every 8 Rights ICPS subscribed.

The Warrants B issued on 6 May 2021 are constituted under a Deed Poll B dated 24 March 2021 executed by the Company. The Warrants B are listed on the Bursa Malaysia Securities Berhad.

The movement of Warrants B during the financial year ended 31 December 2023 are stated as below:

	← Number of Warrants ('000) →				At 31.12.2023
	At 1.1.2023	Exercised (before share consolidation)	Share Consolidation	Exercised (after share consolidation)	
Warrants B	63,958	(2,118)	(49,472)	(3)	12,365

The salient features and other details of the ICPS are disclosed in Note 16 to the financial statements.

The salient features of the Warrants B are as follows:

- (i) Each Warrant B entitles the registered holder/(s) at any time prior to 5 May 2031 to subscribe for one (1) new ordinary share at RM0.16 each. The Warrants B entitlement is subject to adjustments under the terms and conditions as set out in the Deed Poll B dated 24 March 2021;
- (ii) The exercise period is ten (10) years from the date of issuance until the maturity date. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes; and
- (iii) The holders of the Warrants B are not entitled to vote in any general meetings or to participate in any dividends, rights, allotment and/or other forms of distribution other than on winding-up, compromise or arrangement of the Company unless and until the holders of the Warrants B becomes a shareholder of the Company by exercising his Warrants B into new shares or unless otherwise resolved by the Company in general meeting.

On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of Warrants B reduced from 61,839,915 to 12,367,913. The exercise price of the Warrants B had adjusted from the existing price of RM0.16 each to RM0.80 each.

As at the reporting date, 12,365,413 Warrants B remained unexercised.



## DIRECTORS' REPORT (Cont'd)

### AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM359,000 and RM54,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

### DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

YBhg Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria\*

Ikhlas Bin Kamarudin

Rosli Bin Shafiei

YBhg Datuk Idris Bin Haji Hashim J. P.

YBhg Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin

YBhg Dato' Sri Mohan A/L C Sinnathamby\*

Aimi Aizal Bin Nasharuddin\*

YBhg Datuk (Dr.) Yasmin Binti Mahmood\*

(Appointed on 1 July 2023)

\* Directors of the Company and certain subsidiaries

Directors of Subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Azlan Shah Bin Mohd Yusoh

Chua Han Wen

Dominic James How Eng Li

Md Hazarudin Bin Hassim

Sarizal Yusman Bin Yusoff

Tan Chong Boon

YM Tengku Dato' Sri Uzir Bin Tengku Dato' Ubaidillah

Wan Shariman Bin Wan Mohamed

Amirul Afif Bin Abd Aziz

(Appointed on 7 July 2023)

Sarah Azreen Binti Abdul Samat

(Appointed on 7 July 2023)

Azly Bin Abdul Kadir

(Appointed on 30 January 2024)

Tan Mei Yee

(Appointed on 30 January 2024)

Chan Fook Kwong

(Appointed on 21 February 2024)

Ratneswari A/P Mahadevan

(Appointed on 21 February 2024)

Mohd Nor Adli Bin Zakaria

(Resigned on 13 March 2024)



## DIRECTORS' REPORT (Cont'd)

### DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of those directors in office at the end of the financial year in shares and warrants in the Company and its related corporations during the financial year ended 31 December 2023 were as follows:

	← Number of Ordinary Shares Bought and/or Sold →					
	At 1.1.2023	Transferred +	Share consolidation ^	Bought and/or Converted	Sold	At 31.12.2023
<i>Indirect Interest</i>						
YBhg Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria*	845,833,281	(2,210,526)	(674,898,205)	-	(31,600,000)	137,124,550
Ikhlas Bin Kamarudin*	175,289,600	-	(140,231,680)	-	(23,000,000)	12,057,920
YBhg Dato' Sri Mohan A/L C Sinnathamby**	10,000,000	-	(8,000,000)	100,000	(500,000)	1,600,000
	← Number of Warrants B Bought and/or Sold →					
	At 1.1.2023	Transferred +	Share consolidation ^	Bought and/or Converted	Sold	At 31.12.2023
<i>Indirect Interest</i>						
YBhg Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria*	12,387,600	-	(9,910,080)	-	-	2,477,520
Ikhlas Bin Kamarudin*	12,387,225	-	(9,909,780)	-	-	2,477,445

\* Deemed interests pursuant to Section 8 of the Companies Act 2016.

\*\* Deemed interests pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse direct interests in the Company.

^ On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company.

+ Shares transferred to financial advisor for partial payment of advisory fees.

By virtue of his interests in the ordinary shares of the Company, YBhg Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria is deemed to have an interest in the ordinary shares of all subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interests in shares of the Company and its related corporations during the financial year.





## DIRECTORS' REPORT (Cont'd)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

	Group RM'000	Company RM'000
<b>Directors of the Company</b>		
Executive:		
Salaries and other emoluments	1,485	1,145
Defined contribution plans	178	137
	1,663	1,282
Non-Executive:		
Fees	650	450
Other emoluments	71	71
	721	521
	2,384	1,803

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

### INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and certain officers of the Company were RM10,000,000 and RM37,950 respectively.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The details of significant event during the financial year are disclosed in Note 36 to the financial statements.



## **DIRECTORS' REPORT**

(Cont'd)

### **AUDITORS**

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

**YBHG TAN SRI DATO' SRI (DR.) MOHAMAD  
NORZA BIN ZAKARIA**  
Director

**IKHLAS BIN KAMARUDIN**  
Director

Date: 17 April 2024



## STATEMENTS OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2023

	Note	Group		1.1.2022 RM'000	Company	
		31.12.2023 RM'000	31.12.2022 RM'000 (Restated)		31.12.2023 RM'000	31.12.2022 RM'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	5	90,370	77,159	61,724	5,157	1,136
Intangible assets	6	147,222	147,512	9,800	-	-
Investment in associates	7	5,181	1,978	3,761	-	-
Investment in joint venture	8	-	-	-	-	-
Investment in subsidiaries	9	-	-	-	253,972	251,407
Club memberships	10	155	205	205	-	-
Trade and other receivables	11	642	300	-	40,170	32,369
<b>Total non-current assets</b>		<b>243,570</b>	<b>227,154</b>	<b>75,490</b>	<b>299,299</b>	<b>284,912</b>
<b>Current assets</b>						
Inventories	12	37,858	33,888	30,934	-	-
Trade and other receivables	11	105,920	92,022	104,577	38,638	6,751
Prepayments		2,448	1,870	3,047	80	127
Contract assets	13	88,164	38,454	32,506	-	-
Tax recoverable		-	-	1,349	914	799
Short term deposits, cash and bank balances	14	61,143	80,748	85,426	38,776	45,754
<b>Total current assets</b>		<b>295,533</b>	<b>246,982</b>	<b>257,839</b>	<b>78,408</b>	<b>53,431</b>
<b>TOTAL ASSETS</b>		<b>539,103</b>	<b>474,136</b>	<b>333,329</b>	<b>377,707</b>	<b>338,343</b>



## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

(Cont'd)

	Note	31.12.2023 RM'000	Group 31.12.2022 RM'000 (Restated)	1.1.2022 RM'000	Company 31.12.2023 RM'000	31.12.2022 RM'000
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to owners of the Company</b>						
Share capital	15	549,348	497,985	300,453	549,348	497,985
Irredeemable convertible preference shares ("ICPS")	16	1,211	2,885	13,677	1,211	2,885
Reserves	17	(176,071)	(183,326)	(144,518)	(183,296)	(171,248)
		374,488	317,544	169,612	367,263	329,622
Non-controlling interests		(76)	(276)	303	-	-
<b>TOTAL EQUITY</b>		<b>374,412</b>	<b>317,268</b>	<b>169,915</b>	<b>367,263</b>	<b>329,622</b>
<b>Non-current liabilities</b>						
Other payables	18	-	-	-	3,173	4,728
Deferred tax liabilities	19	5,570	5,866	5,697	-	-
Loans and borrowings	20	24,126	15,674	13,537	2,336	-
<b>Total non-current liabilities</b>		<b>29,696</b>	<b>21,540</b>	<b>19,234</b>	<b>5,509</b>	<b>4,728</b>
<b>Current liabilities</b>						
Contract liabilities	13	660	11,023	25,897	-	-
Trade and other payables	18	95,747	75,339	65,134	3,594	3,310
Loans and borrowings	20	38,340	47,120	52,645	1,341	683
Provision	21	63	357	504	-	-
Tax payables		185	1,489	-	-	-
<b>Total current liabilities</b>		<b>134,995</b>	<b>135,328</b>	<b>144,180</b>	<b>4,935</b>	<b>3,993</b>
<b>TOTAL LIABILITIES</b>		<b>164,691</b>	<b>156,868</b>	<b>163,414</b>	<b>10,444</b>	<b>8,721</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>539,103</b>	<b>474,136</b>	<b>333,329</b>	<b>377,707</b>	<b>338,343</b>

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



## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	22	205,501	213,884	5,744	2,333
Cost of sales	23	(153,891)	(171,246)	-	-
<b>Gross profit</b>		51,610	42,638	5,744	2,333
Other income		7,195	9,255	5,175	4,545
Distribution costs		(432)	(542)	-	-
Administrative expenses		(33,077)	(29,584)	(10,309)	(6,873)
Reversal of impairment losses on financial instruments and contract assets		1,786	6,059	135	1,282
Other expenses		(15,314)	(64,001)	(11,801)	(86,629)
<b>Results from operating activities</b>		11,768	(36,175)	(11,056)	(85,342)
Finance costs	24	(3,010)	(3,982)	(663)	(720)
Share of results of associates, net of tax		5,314	378	-	-
Share of results of joint venture, net of tax		(250)	-	-	-
<b>Profit/(Loss) before taxation</b>	25	13,822	(39,779)	(11,719)	(86,062)
Income tax expense	27	(4,870)	(2,338)	-	-
<b>Profit/(Loss) for the financial year</b>		8,952	(42,117)	(11,719)	(86,062)
<b>Other comprehensive income, net of tax</b> <i>Items that will not be reclassified subsequently to profit or loss</i>					
Net surplus on revaluation of properties		-	2,730	-	-
<b>Total comprehensive income/(loss) for the financial year</b>		8,952	(39,387)	(11,719)	(86,062)



## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(Cont'd)

	Note	Group		Company	
		31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		9,308	(41,538)	(11,719)	(86,062)
Non-controlling interests		(356)	(579)	-	-
<b>Profit/(Loss) for the financial year</b>		<b>8,952</b>	<b>(42,117)</b>	<b>(11,719)</b>	<b>(86,062)</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		9,308	(38,808)	(11,719)	(86,062)
Non-controlling interests		(356)	(579)	-	-
<b>Total comprehensive income/(loss) for the financial year</b>		<b>8,952</b>	<b>(39,387)</b>	<b>(11,719)</b>	<b>(86,062)</b>
<b>Earnings/(Loss) per share attributable to owners of the Company</b>					
Basic earnings/(loss) per share (sen)	28	2.30	(17.57)		
Diluted earnings/(loss) per share (sen)	28	2.24	(17.57)		

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

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	← Attributable to owners of the Company →						Non-Controlling Interests RM'000	Total RM'000
	Share Capital RM'000	ICPS RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Sub-Total RM'000		
<b>At 1 January 2023</b>	497,985	2,885	9,888	19,055	(211,647)	318,166	317,890	
As previously reported	-	-	-	-	(622)	(622)	(622)	
Retrospective restatement (Note 37)								
Restated balance at 1 January 2023	497,985	2,885	9,888	19,055	(212,269)	317,544	317,268	
Total comprehensive income/(loss) for the financial year	-	-	-	-	9,308	9,308	8,952	
Changes in ownership interests in a subsidiary	-	-	-	-	(1,724)	(1,724)	356	
Changes in revaluation reserve	-	-	-	(213)	213	-	-	
Conversion of ICPS to ordinary shares	1,674	(1,674)	-	-	-	-	-	
Conversion of Warrants B	658	-	(329)	-	-	329	329	
Non-controlling interests arising from incorporation of a new subsidiary	-	-	-	-	-	-	200	
Issuance of shares pursuant to the private placement	50,103	-	-	-	-	50,103	50,103	
Transaction costs of share issue	(1,072)	-	-	-	-	(1,072)	(1,072)	
<b>Total transactions with owners of the Company</b>	51,363	(1,674)	(329)	(213)	(1,511)	47,636	48,192	
<b>At 31 December 2023</b>	549,348	1,211	9,559	18,842	(204,472)	374,488	374,412	
<b>At 1 January 2022</b>	300,453	13,677	9,888	16,525	(170,931)	169,612	169,915	
Loss for the financial year, restated	-	-	-	-	(41,538)	(41,538)	(579)	
<b>Other comprehensive income</b>	-	-	-	2,730	-	2,730	-	
Net surplus on revaluation of properties	-	-	-	2,730	-	2,730	2,730	
Total comprehensive income/(loss) for the financial year	-	-	-	2,730	(41,538)	(38,808)	(39,387)	
Changes in revaluation reserve	-	-	-	(200)	200	-	-	
Conversion of ICPS to ordinary shares	10,792	(10,792)	-	-	-	-	-	
Shares issued for acquisition of subsidiary	187,895	-	-	-	-	187,895	187,895	
Transaction costs of share issue	(1,155)	-	-	-	-	(1,155)	(1,155)	
<b>Total transactions with owners of the Company</b>	197,532	(10,792)	-	(200)	200	186,740	186,740	
<b>At 31 December 2022, restated</b>	497,985	2,885	9,888	19,055	(212,269)	317,544	317,268	



## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(Cont'd)

Company	← Attributable to owners of the Company →				
	Share Capital RM'000	ICPS RM'000	Warrant Reserve RM'000	Accumulated Losses RM'000	Total RM'000
<b>At 1 January 2023</b>	497,985	2,885	9,888	(181,136)	329,622
Total comprehensive loss for the financial year	-	-	-	(11,719)	(11,719)
Conversion of ICPS to ordinary shares	1,674	(1,674)	-	-	-
Conversion of Warrants B	658	-	(329)	-	329
Issuance of shares pursuant to the private placement	50,103	-	-	-	50,103
Transaction costs of share issue	(1,072)	-	-	-	(1,072)
<b>Total transactions with owners of the Company</b>	51,363	(1,674)	(329)	-	49,360
<b>At 31 December 2023</b>	549,348	1,211	9,559	(192,855)	367,263
<b>At 1 January 2022</b>	300,453	13,677	9,888	(95,074)	228,944
Total comprehensive loss for the financial year	-	-	-	(86,062)	(86,062)
Conversion of ICPS to ordinary shares	10,792	(10,792)	-	-	-
Shares issued for acquisition of subsidiary	187,895	-	-	-	187,895
Transaction costs of share issue	(1,155)	-	-	-	(1,155)
<b>Total transactions with owners of the Company</b>	197,532	(10,792)	-	-	186,740
<b>At 31 December 2022</b>	497,985	2,885	9,888	(181,136)	329,622

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





## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Note	RM'000	RM'000 (Restated)	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before taxation	13,822	(39,779)	(11,719)	(86,062)
Adjustments for:				
Amortisation of intangible assets	290	608	-	-
Bad debts written off	23	-	-	-
Corporate expenses for private placement/acquisition of a subsidiary company	(1,072)	(1,155)	(1,072)	(1,155)
Deposit written off	14	42	-	-
Depreciation of property, plant and equipment	7,276	7,091	1,295	803
Impairment loss on:				
goodwill	-	47,895	-	-
investment in joint venture	-	-	250	-
investment in subsidiaries	-	-	6,903	83,670
receivables	86	4,122	-	170
Interest expenses	3,010	3,982	663	720
Plant and equipment written off	1	180	-	-
Gain on disposal of:				
associate	-	(1,656)	-	(1,319)
plant and equipment	(1,289)	(480)	-	(110)
Gain on disposal of club membership	(6)	-	-	-
Gain on lease modification	(7)	(28)	-	-
Dividend income	-	-	(600)	-
Interest income	(2,085)	(1,240)	(5,146)	(3,111)
Reversal of impairment loss on:				
contract assets	(1,159)	(8,721)	-	-
receivables	(713)	(1,459)	(135)	(1,452)
Share of results of associates and joint venture	(5,064)	(378)	-	-
Reversal of provision for liabilities	(294)	(84)	-	-
Unrealised (gain)/loss on foreign exchange	(6)	17	-	-
<b>Operating cash flows before changes in working capital</b>	<b>12,827</b>	<b>8,957</b>	<b>(9,561)</b>	<b>(7,846)</b>
Changes in working capital:				
Contract customers	(58,915)	(8,598)	-	-
Inventories	(3,970)	(2,954)	-	-
Payables	20,294	623	576	(73)
Provision	-	(62)	-	-
Receivables	(14,224)	20,237	(6,273)	766
<b>Net cash flows (used in)/generated from operations</b>	<b>(43,988)</b>	<b>18,203</b>	<b>(15,258)</b>	<b>(7,153)</b>
Dividends received	2,111	-	600	-
Interest paid	(3,010)	(3,982)	(663)	(720)
Interest received	2,085	1,237	5,146	3,111
Net taxes paid	(6,469)	(1,963)	(116)	(203)
<b>Net cash (used in)/generated from operating activities</b>	<b>(49,271)</b>	<b>13,495</b>	<b>(10,291)</b>	<b>(4,965)</b>



## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(Cont'd)

	Note	Group		Company	
		31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of subsidiaries, net of cash received		-	361	-	-
Purchased of shares from non-controlling interests		(1,368)	-	-	-
Advance to subsidiaries		-	-	(35,079)	(5)
Investment in joint venture		(250)	-	(250)	-
Changes in pledged deposits		(1,266)	8,057	-	10,038
Proceeds from disposal of:					
associated companies		-	4,073	-	4,073
plant and equipment		2,088	1,402	-	110
club membership		56	-	-	-
Proceeds from shares issued to non-controlling interest		200	-	-	-
Purchase of plant and equipment	(a)	(11,626)	(18,809)	(1,189)	(141)
Repayment from associate company		-	-	-	3
Subscription of shares in subsidiaries		-	-	(9,468)	(12,015)
<b>Net cash (used in)/generated from investing activities</b>		<b>(12,166)</b>	<b>(4,916)</b>	<b>(45,986)</b>	<b>2,063</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Drawdown of:					
term loans	(b)	5,065	6,080	-	-
trade financing	(b)	-	4,516	-	-
Payment of:					
hire purchase liabilities	(b)	(604)	(491)	-	-
lease liabilities	(b)	(2,012)	(1,715)	(1,133)	(749)
Proceeds from conversion of warrants		329	-	329	-
Proceeds from private placement		50,103	-	50,103	-
Repayment of bank borrowings	(b)	(8,594)	(2,738)	-	-
<b>Net cash generated from/(used in) financing activities</b>		<b>44,287</b>	<b>5,652</b>	<b>49,299</b>	<b>(749)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(17,150)</b>	<b>14,231</b>	<b>(6,978)</b>	<b>(3,651)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>70,118</b>	<b>55,895</b>	<b>45,754</b>	<b>49,405</b>
Effect of the exchange rate fluctuations		7	(8)	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	14	<b>52,975</b>	<b>70,118</b>	<b>38,776</b>	<b>45,754</b>

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(Cont'd)

- (a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Purchase of property, plant and equipment	21,425	20,357	5,316	141
Financed by way of lease arrangement	(9,799)	(1,548)	(4,127)	-
Cash payments on purchase of property, plant and equipment	11,626	18,809	1,189	141

- (b) Reconciliation of liabilities arising from financing activities:

	At 1 January RM'000	Cash flows RM'000	Additions/ (Transfer) RM'000	Non-cash RM'000	At 31 December RM'000
<b>Group</b>					
<b>31.12.2023</b>					
Term loans	10,966	(2,150)	5,065	-	13,881
Floating rate bank loan	6,161	(1,416)	-	-	4,745
Hire purchase liabilities	1,255	(604)	439	(108)	982
Lease liabilities	2,816	(2,012)	9,360	(145)	10,019
Trade financing	34,421	(5,028)	-	-	29,393
	55,619	(11,210)	14,864	(253)	59,020
<b>31.12.2022 (Restated)</b>					
Term loans	6,108	(1,477)	6,080	255	10,966
Floating rate bank loan	7,422	(1,261)	-	-	6,161
Hire purchase liabilities	1,462	(491)	-	284	1,255
Lease liabilities	3,266	(1,715)	1,548	(283)	2,816
Trade financing	29,905	4,516	-	-	34,421
	48,163	(428)	7,628	256	55,619
<b>Company</b>					
<b>31.12.2023</b>					
Lease liabilities	683	(1,133)	4,127	-	3,677
<b>31.12.2022</b>					
Lease liabilities	1,432	(749)	-	-	683

- (c) Total cash outflow for leases

The Group and the Company had total cash outflows for leases of RM4,585,301 (2022: RM3,696,374) and RM1,181,658 (2022: RM748,721) respectively.

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



## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Company's registered office is at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan. The Company's principal place of business is at Level 9, Block 4, Menara TH Plaza Sentral, Jalan Stesen Sentral 5, KL Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 9 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 April 2024.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### 2.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

#### 2.3 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

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 4 to the financial statements.

#### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 2. BASIS OF PREPARATION (CONTINUED)

#### 2.5 Adoption of new MFRS and amendments to MFRSs

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

##### New MFRS

MFRS 17	Insurance Contracts
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##### Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below:

##### ***Amendments to MFRS 101 Presentation of Financial Statements***

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

#### 2.6 Amendments to MFRSs that have been issued, but yet to be effective

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

		<b>Effective for financial periods beginning on or after</b>
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 2. BASIS OF PREPARATION (CONTINUED)

#### 2.6 Amendments to MFRSs that have been issued, but yet to be effective (Continued)

- (ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

##### **Amendments to MFRS 16 Leases**

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

##### **Amendments to MFRS 101 Presentation of Financial Statements**

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

##### **Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures**

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 2. BASIS OF PREPARATION (CONTINUED)

#### 2.6 Amendments to MFRSs that have been issued, but yet to be effective (Continued)

- (ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and the Company are summarised below. (Continued)

##### ***Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates***

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

- (iii) The Group and the Company are currently assessing the impact of initial application of the above applicable amendments to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current year and prior year financial statements of the Group and of the Company.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

#### 3.1 Basis of consolidation

##### **(a) Subsidiaries and business combination**

The Group applies the acquisition method to account for business combinations from the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

##### **(b) Associates**

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.2 Financial instruments

##### Financial assets – subsequent measurement and gains and losses

###### Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### 3.3 Property, plant and equipment

Property, plant and equipment (other than freehold land and building, leasehold land and building and low cost apartments) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and building, leasehold land (right-of-use asset) and building and low cost apartments are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment and right-of-use assets are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	<b>Useful lives</b>
Freehold building	26 years
Leasehold land (Right-of-use asset)	42 years
Leasehold building	42 years
Low cost apartments	30 - 45 years
Network facilities	4%
Fabrication yard	11% - 35%
Plant, machinery and equipment	10% - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	10% - 30%
Renovations	10%
Container/Cabin	10% - 20%





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

##### (a) Raw materials

Purchase costs on weighted average cost basis.

##### (b) Finished goods and work-in-progress

Costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

##### Property under development and completed properties

The cost of property under development recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any nonspecific costs based on the relative sale value of the property sold.

The cost of unsold completed properties is determined on a specific identification basis.

#### 3.5 Revenue and other income

##### Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

##### (a) Construction contracts

Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the asset is transferred over time as the Group create or enhance an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to-date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 30 to 60 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to-date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to-date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

The Group's obligation to repair and make goods of any defect, imperfection, shrinkage or any other fault which have become apparent within a period range from 12 months to 24 months after the date of practical completion of the construction works.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5 Revenue and other income (Continued)

##### (b) Property development

Contracts with customers may include multiple distinct promises to customers and therefore are accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin approach.

For practical expediency, the Group apply revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on each individual contracts (or performance obligations) within that portfolio.

Revenue from residential properties is recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

For residential properties, as part of the statutory requirements, the Group's obligations are to rectify any defects that become apparent within the defect liability period of 24 months after the customer takes vacant possession of the building. No provision for rectification costs has been made as at the end of the financial year as there has been no known material defect reported.

##### (c) Sale of goods

Revenue from manufactures and sales of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 30 to 60 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Where consideration is collected from customer in advance for sale of good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of goods to the customer.

##### (d) Rendering of services

Revenue from a contract to provide services is recognised at a point in time when services are rendered with credit terms range from 30 to 60 days.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

#### 4.1 Business combination

In the previous financial year ended 31 December 2022, the Group made a significant acquisition of Citaglobal Engineering Services Sdn Bhd ("CESSB"). The fair values of CESSB's identifiable assets acquired and liabilities assumed have been determined on a provisional basis within the measurement period pending the completion of a purchase price allocation ("PPA"). During the financial year ended 31 December 2023, the Group had completed the PPA exercise to determine the fair value of the net assets of CESSB within the stipulated time period, which is within 12 months.

The fair values of the acquired assets and liabilities assumed are disclosed in Note 9.3 to the financial statements.

#### 4.2 Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated. In determining the value-in-use of a cash-generating unit, the management estimates the discounted cash flows using reasonable and supportable inputs about sales, gross profit margin and other operating expenses based on past experience, current events and reasonably possible future developments. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 6 to the financial statements.

#### 4.3 Revenue recognition for construction and property development

The Group recognised construction and property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction or property development costs incurred for work performed to date bear to the estimated total construction or property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction or property development costs incurred, the estimated total construction and property development revenue and expenses, as well as the recoverability of the projects. In making the judgement, the Group evaluate based on past experience and by relying on the work of specialists.

The carrying amounts of property development costs, contract assets and contract liabilities are disclosed in Note 12 and 13 to the financial statements.

#### 4.4 Impairment of investment in subsidiaries

The Company assesses whether there is any indication that the cost of investment in subsidiaries is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. In determining the value-in-use of the subsidiaries, management estimates the discounted cash flows using reasonable and supportable inputs about sales, gross profit margins and other operating expenses based on past experience, current events and reasonably possible future developments. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of investment in subsidiaries are disclosed in Note 9 to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following: (Continued)

#### 4.5 Impairment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group use a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision rates depend on the number of days that a trade receivable is past due. The Group groups the receivables according to the customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecasted economic conditions over the expected lives of the trade receivables and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's trade receivables is disclosed in Note 30.2(i) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. PROPERTY, PLANT AND EQUIPMENT

Group 31.12.2023	Cost										Total RM'000
	Properties # RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Renovations RM'000	Container/ Cabin facilities RM'000	Network construction RM'000	Asset under construction RM'000	Right-of-use assets ^ RM'000	Total RM'000	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Cost/Valuation</b>											
At 1 January 2023	38,270	55,965	9,556	2,928	985	582	-	10,271	13,652	132,209	
As previously reported											
Retrospective restatement (Note 37)	-	-	-	11	-	-	1,500	-	1,115	2,626	
At 1 January 2023, restated	38,270	55,965	9,556	2,939	985	582	1,500	10,271	14,767	134,835	
Additions	-	315	499	771	820	-	3,556	6,104	9,360	21,425	
Disposal/written off	-	(2,427)	(2,592)	(975)	-	-	-	-	(2,756)	(8,750)	
At 31 December 2023	38,270	53,853	7,463	2,735	1,805	582	5,056	16,375	21,371	147,510	
<b>Accumulated depreciation and impairment</b>											
At 1 January 2023	193	44,130	8,185	1,394	719	35	-	-	2,682	57,338	
As previously reported											
Retrospective restatement (Note 37)	-	-	-	-	-	-	22	-	316	338	
At 1 January 2023, restated	193	44,130	8,185	1,394	719	35	22	-	2,998	57,676	
Depreciation charge for the financial year	296	3,526	518	339	119	57	72	-	2,349	7,276	
Disposal/written off	-	(2,076)	(2,295)	(823)	-	-	-	-	(2,618)	(7,812)	
At 31 December 2023	489	45,580	6,408	910	838	92	94	-	2,729	57,140	
<b>Carrying amount</b>											
At 31 December 2023	37,781	8,273	1,055	1,825	967	490	4,962	16,375	18,642	90,370	



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

Group	Cost										Total RM'000	
	Properties # RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Renovations RM'000	Container/ Cabin facilities RM'000	Network construction RM'000	Asset under construction RM'000	Right-of-use assets ^ RM'000			
<b>31.12.2022 (Restated)</b>												
<b>Cost/Valuation</b>												
At 1 January 2022	30,961	57,344	9,817	2,986	939	374	-	5,096	14,045	121,562		
Additions	10,516	646	-	471	7	494	1,500	5,175	1,548	20,357		
Acquisition of subsidiary	-	242	330	87	39	-	-	-	-	698		
Disposal/written off	(5,788)	(2,267)	(591)	(605)	-	(286)	-	-	(826)	(10,363)		
Elimination of accumulated depreciation on revaluation	(390)	-	-	-	-	-	-	-	-	(390)		
Revaluation surplus	2,971	-	-	-	-	-	-	-	-	2,971		
At 31 December 2022, restated	38,270	55,965	9,556	2,939	985	582	1,500	10,271	14,767	134,835		
<b>Accumulated depreciation and impairment</b>												
At 1 January 2022	6,092	41,762	8,163	1,498	529	171	-	-	1,623	59,838		
Depreciation charge for the financial year	279	3,688	613	326	190	27	22	-	1,946	7,091		
Disposal/written off	(5,788)	(1,320)	(591)	(430)	-	(163)	-	-	(571)	(8,863)		
Elimination of accumulated depreciation on revaluation	(390)	-	-	-	-	-	-	-	-	(390)		
At 31 December 2022, restated	193	44,130	8,185	1,394	719	35	22	-	2,998	57,676		
<b>Carrying amount</b>												
At 31 December 2022, restated	38,077	11,835	1,371	1,545	266	547	1,478	10,271	11,769	77,159		



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

# Properties consist of:

Group	← Valuation →				← Cost →	Total RM'000
	Freehold land RM'000	Freehold building RM'000	Leasehold building RM'000	Low cost apartments RM'000	Fabrication yard RM'000	
<b>31.12.2023</b>						
<b>Cost/Valuation</b>						
At 1 January 2023/31 December 2023	28,400	5,150	4,300	420	-	38,270
<b>Accumulated depreciation and impairment</b>						
At 1 January 2023	-	-	193	-	-	193
Depreciation charge for the financial year	-	189	96	11	-	296
At 31 December 2023	-	189	289	11	-	489
<b>Carrying amount</b>						
<b>At 31 December 2023</b>	28,400	4,961	4,011	409	-	37,781
<b>31.12.2022</b>						
<b>Cost/Valuation</b>						
At 1 January 2022	15,400	5,100	4,300	373	5,788	30,961
Additions	10,516	-	-	-	-	10,516
Written off	-	-	-	-	(5,788)	(5,788)
Elimination of accumulated depreciation on revaluation	-	(349)	-	(41)	-	(390)
Revaluation surplus	2,484	399	-	88	-	2,971
At 31 December 2022	28,400	5,150	4,300	420	-	38,270
<b>Accumulated depreciation and impairment</b>						
At 1 January 2022	-	174	96	34	5,788	6,092
Depreciation charge for the financial year	-	175	97	7	-	279
Written off	-	-	-	-	(5,788)	(5,788)
Elimination of accumulated depreciation on revaluation	-	(349)	-	(41)	-	(390)
At 31 December 2022	-	-	193	-	-	193
<b>Carrying amount</b>						
<b>At 31 December 2022</b>	28,400	5,150	4,107	420	-	38,077



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

^ Right-of-use assets consist of:

The information about leases of the Group as lessee is presented below:

Group	Valuation Leasehold land RM'000	← Cost (Rental) →			Total RM'000
		Land RM'000	Buildings RM'000	Apartments RM'000	
<b>31.12.2023</b>					
<b>Cost/Valuation</b>					
At 1 January 2023					
As previously reported	9,500	922	3,230	-	13,652
Retrospective restatement (Note 37)	-	623	492	-	1,115
At 1 January 2023, restated	9,500	1,545	3,722	-	14,767
Additions	-	4,467	4,893	-	9,360
Lease modification	-	(412)	(2,344)	-	(2,756)
At 31 December 2023	9,500	5,600	6,271	-	21,371
<b>Accumulated depreciation</b>					
At 1 January 2023					
As previously reported	425	286	1,971	-	2,682
Retrospective restatement (Note 37)	-	15	301	-	316
At 1 January 2023, restated	425	301	2,272	-	2,998
Depreciation charge for the financial year	213	224	1,912	-	2,349
Lease modification	-	(377)	(2,241)	-	(2,618)
At 31 December 2023	638	148	1,943	-	2,729
<b>Carrying amount</b>					
<b>At 31 December 2023</b>	8,862	5,452	4,328	-	18,642
<b>31.12.2022 (Restated)</b>					
<b>Cost/Valuation</b>					
At 1 January 2022	9,500	1,432	3,096	17	14,045
Additions	-	623	925	-	1,548
Lease modification	-	(510)	(299)	(17)	(826)
At 31 December 2022, restated	9,500	1,545	3,722	-	14,767
<b>Accumulated depreciation</b>					
At 1 January 2022	213	287	1,109	14	1,623
Depreciation charge for the financial year	212	269	1,462	3	1,946
Lease modification	-	(255)	(299)	(17)	(571)
At 31 December 2022, restated	425	301	2,272	-	2,998
<b>Carrying amount</b>					
<b>At 31 December 2022, restated</b>	9,075	1,244	1,450	-	11,769





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Renovations RM'000	Right-of use assets Buildings RM'000	Total RM'000
<b>31.12.2023</b>					
<b>Cost</b>					
At 1 January 2023	65	708	95	1,967	2,835
Additions	-	392	797	4,127	5,316
Lease modification	-	-	-	(1,967)	(1,967)
At 31 December 2023	65	1,100	892	4,127	6,184
<b>Accumulated depreciation</b>					
At 1 January 2023	65	275	18	1,341	1,699
Depreciation charge for the financial year	-	83	33	1,179	1,295
Lease modification	-	-	-	(1,967)	(1,967)
At 31 December 2023	65	358	51	553	1,027
<b>Carrying amount</b>					
<b>At 31 December 2023</b>	-	742	841	3,574	5,157
<b>31.12.2022</b>					
<b>Cost</b>					
At 1 January 2022	656	567	95	1,967	3,285
Additions	-	141	-	-	141
Disposal	(591)	-	-	-	(591)
At 31 December 2022	65	708	95	1,967	2,835
<b>Accumulated depreciation</b>					
At 1 January 2022	656	210	9	612	1,487
Depreciation charge for the financial year	-	65	9	729	803
Disposal	(591)	-	-	-	(591)
At 31 December 2022	65	275	18	1,341	1,699
<b>Carrying amount</b>					
<b>At 31 December 2022</b>	-	433	77	626	1,136

The Group leases land, office buildings and apartments for their office space and operation site. The leases for land, office space and operation sites generally have lease terms between 1 to 21 years.

The Company leases office buildings for its office space. The lease for office space generally has lease terms between 1 year to 3 years.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying amount of property, plant and equipment and right-of-use asset pledged to financial institutions for banking facilities granted to the Group as mentioned in Note 20 to the financial statements are as follows:

	Group	
	31.12.2023	31.12.2022
	RM'000	RM'000
Freehold land	17,400	17,400
Freehold building	4,961	5,150
Leasehold land (right-of-use asset)	8,862	9,075
Leasehold building	4,011	4,107
	35,234	35,732

The carrying amount of assets under hire purchase arrangements are as follows:

	Group	
	31.12.2023	31.12.2022
	RM'000	RM'000
Motor vehicles	1,055	1,222

The hire purchase assets are pledged as security for the related hire purchase liabilities as disclosed in Note 20(c) to the financial statements.

The freehold land and building and low cost apartments are stated at valuation based on an independent professional valuation performed by Messrs Raine & Horne International Zaki + Partners Sdn Bhd and Azmi & Co (Pahang) Sdn Bhd using the market value basis in year 2022.

The leasehold land and building are stated at valuation based on an independent professional valuation performed by Messrs Raine & Horne International Zaki + Partners Sdn Bhd using the market value basis in year 2020.

Level 3 fair values of freehold land and building, leasehold land and building and low cost apartments were revalued using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable land and buildings.

Had the revalued freehold land and building, leasehold land and building and low cost apartments been carried at historical cost less accumulated depreciation, the carrying amount of each class of properties would have been as follows:

	Group	
	31.12.2023	31.12.2022
	RM'000	RM'000
Freehold land	13,322	13,322
Freehold building	1,679	1,743
Leasehold land (right-of-use asset)	2,048	2,097
Leasehold building	2,030	2,079
Low cost apartments	264	271
	19,343	19,512



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 6. INTANGIBLE ASSETS

	Note	Goodwill RM'000	Acquired license RM'000	Contracts RM'000	Total RM'000
<b>Group</b>					
<b>31.12.2023</b>					
<b>Cost</b>					
At 1 January 2023					
As previously reported		225,702	1,537	-	227,239
Retrospective restatement	37	(2,576)	-	2,576	-
At 1 January 2023, restated		223,126	1,537	2,576	227,239
Additions		-	-	-	-
At 31 December 2023		223,126	1,537	2,576	227,239
<b>Accumulated amortisation and impairment loss</b>					
At 1 January 2023					
As previously reported		79,119	-	-	79,119
Retrospective restatement	37	-	-	608	608
At 1 January 2023, restated		79,119	-	608	79,727
Amortisation charge for the financial year		-	-	290	290
At 31 December 2023		79,119	-	898	80,017
<b>Carrying amount</b>					
At 31 December 2023		144,007	1,537	1,678	147,222



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 6. INTANGIBLE ASSETS (CONTINUED)

	Note	Goodwill RM'000	Acquired license RM'000	Contracts RM'000	Total RM'000
<b>Group</b>					
<b>31.12.2022</b>					
<b>Cost</b>					
At 1 January 2022		41,024	-	-	41,024
Acquisition of subsidiaries	9.3 & 9.4	182,102	1,537	2,576	186,215
<hr/>					
At 31 December 2022, restated		223,126	1,537	2,576	227,239
<hr/>					
<b>Accumulated amortisation and impairment loss</b>					
At 1 January 2022		31,224	-	-	31,224
Amortisation charge for the financial year		-	-	608	608
Impairment loss		47,895	-	-	47,895
<hr/>					
At 31 December 2022, restated		79,119	-	608	79,727
<hr/>					
<b>Carrying amount</b>					
At 31 December 2022, restated		144,007	1,537	1,968	147,512

The carrying amount of the goodwill are allocated to Citaglobal Land Sdn Bhd and Citaglobal Engineering Services Sdn Bhd (collectively known as cash generating units ("CGU")), which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements.

#### 6.1 Goodwill

The carrying amounts of goodwill allocated to the CGU are as follows:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
Citaglobal Land Sdn Bhd ("CGU 1")	9,800	9,800
Citaglobal Engineering Services Sdn Bhd ("CGU 2")	134,207	134,207
<hr/>		
	144,007	144,007

The recoverable amount of the goodwill has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by management covering a four-year period. The same method has also been used in the previous financial year.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 6. INTANGIBLE ASSETS (CONTINUED)

#### 6.1 Goodwill (Continued)

##### CGU 1

Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amount. The estimated recoverable amount of CGU 1 exceeds the carrying amount of CGU 1. As a result of the analysis, management did not identify an impairment for this CGU.

##### CGU 2

In the previous financial year, the values of the goodwill related to CGU 2 have been provisionally determined in accordance with MFRS 3 Business Combinations pending the finalisation of the purchase price allocation exercise.

In the previous financial year, the Group recognised an impairment loss of RM47,894,737 on the goodwill. The significant goodwill arising from the acquisition of Citaglobal Engineering Services Sdn Bhd is attributable to the positive market response to the acquisition, which resulted in a significant increase in Citaglobal Berhad's share price from the offer price of RM0.19 per share to the share price at the date of completion of acquisition of RM0.255 per share.

During the financial year, the Group completed the PPA exercise within the stipulated time period resulting in retrospective adjustments to the intangible asset.

Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amount. The estimated recoverable amount of CGU 2 exceeds the carrying amount of CGU 2. As a result of the analysis, management did not identify an impairment for this CGU.

The pre-tax discount rate applied to the cash flow projections is as follows:

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>CGUs</b>		
Discount rate	13%	11%

##### Key assumptions used in the value-in-use calculations

The calculation of value-in-use for the CGUs is most sensitive to the following assumptions:

- (i) The basis used to determine the future potential earnings are historical revenues, remaining book orders and possible future developments.
- (ii) Gross margin is the forecasted margin as a percentage of revenue over the four-year projection period. These are based on the average gross margins of the existing projects.
- (iii) Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGUs at the date of assessment.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 6. INTANGIBLE ASSETS (CONTINUED)

#### 6.2 Acquired license

License is acquired by the Group in a business combination. The license has been acquired with the option to renew at little to the Group. Accordingly, this license is assessed as having an indefinite useful life.

### 7. INVESTMENT IN ASSOCIATES

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Unquoted shares, at cost	1,913	1,913	293	293
Less: Accumulated impairment loss	-	-	(293)	(293)
Share of post-acquisition profit	3,268	65	-	-
	5,181	1,978	-	-

Details of the associates are as follows:

Name of Entities	Principal place of business/ country of incorporation	Group's Ownership Interest		Principal Activities
		2023 %	2022 %	
<b>Held by the Company</b>				
SE Satu Pelangi Sdn Bhd # ("SSPSB")	Malaysia	30.0	30.0	Mining operations and activities
<b>Held by Citaglobal Engineering Services Sdn Bhd</b>				
THP Konsortium Sdn Bhd # ("THPK")	Malaysia	48.8	48.8	Property investment

# Audited by firms other than Baker Tilly Monteiro Heng PLT.

#### Disposal of associates

In the previous financial year, the Company disposed its 49% equity investments in SE Satu Sdn Bhd ("SSSB") and 32% equity investments in WZS Technologies Sdn Bhd ("WZST"), for a consideration of RM4,796,205 and RM640,800 respectively.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 7. INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information of the Group's material associates, adjusted for any differences in accounting policies is as follows:

31.12.2023	SSPSB RM'000	THPK RM'000	Total RM'000
Non-current assets	-	10,422	10,422
Current assets	4,879	1,865	6,744
<b>Total assets</b>	<b>4,879</b>	<b>12,287</b>	<b>17,166</b>
Non-current liabilities	-	-	-
Current liabilities	2,879	1,670	4,549
<b>Total liabilities</b>	<b>2,879</b>	<b>1,670</b>	<b>4,549</b>
<b>Year ended 31 December 2023</b>			
<b><i>Included in total comprehensive income is:</i></b>			
Revenue	16,425	52,062	68,487
Expenses including finance costs and tax expense	(14,425)	(42,402)	(56,827)
<b>Profit for the financial year</b>	<b>2,000</b>	<b>9,660</b>	<b>11,660</b>
<b><i>Profit attributable to:</i></b>			
Owners of the Company	2,000	9,660	11,660
Non-controlling interests	-	-	-
<b>Profit for the financial year</b>	<b>2,000</b>	<b>9,660</b>	<b>11,660</b>
<b>Reconciliation of net assets to carrying amount</b>			
Goodwill on acquisition	-	1,620	1,620
Share of net assets at the acquisition date	293	-	293
Cost of investment	293	1,620	1,913
Share of post-acquisition (loss)/profit	(293)	3,561	3,268
<b>Carrying amount in statements of financial position</b>	<b>-</b>	<b>5,181</b>	<b>5,181</b>
<b>Group's share of results</b>			
Group's share of profit	600	4,714	5,314
Group's share of other comprehensive income	-	-	-
<b>Group's share of total comprehensive income</b>	<b>600</b>	<b>4,714</b>	<b>5,314</b>
<b>Other information</b>			
Dividend received by the Group	600	1,511	2,111



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 7. INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information of the Group's material associates, adjusted for any differences in accounting policies is as follows: (Continued)

31.12.2022	SSSB RM'000	SSPSB RM'000	WZST RM'000	THPK RM'000	Total RM'000
Non-current assets	-	-	-	2,467	2,467
Current assets	-	324	-	1,635	1,959
<b>Total assets</b>	<b>-</b>	<b>324</b>	<b>-</b>	<b>4,102</b>	<b>4,426</b>
Non-current liabilities	-	-	-	-	-
Current liabilities	-	6,717	-	48	6,765
<b>Total liabilities</b>	<b>-</b>	<b>6,717</b>	<b>-</b>	<b>48</b>	<b>6,765</b>
<b>Year ended 31 December 2022</b>					
<b>Included in total comprehensive income is:</b>					
Revenue	4,776	4,372	2,362	11,342	22,852
Expenses including finance costs and tax expense	(3,696)	(5,381)	(3,887)	(10,608)	(23,572)
<b>Profit/(Loss) for the financial year</b>	<b>1,080</b>	<b>(1,009)</b>	<b>(1,525)</b>	<b>734</b>	<b>(720)</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company	1,036	(1,009)	(1,525)	734	(764)
Non-controlling interests	44	-	-	-	44
<b>Profit/(Loss) for the financial year</b>	<b>1,080</b>	<b>(1,009)</b>	<b>(1,525)</b>	<b>734</b>	<b>(720)</b>
<b>Reconciliation of net assets to carrying amount</b>					
Goodwill on acquisition	-	-	-	1,620	1,620
Share of net assets at the acquisition date	-	293	-	-	293
Cost of investment	-	293	-	1,620	1,913
Share of post-acquisition (loss)/profit	-	(293)	-	358	65
<b>Carrying amount in statements of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,978</b>	<b>1,978</b>
<b>Group's share of results</b>					
Group's share of profit/(loss)	508	-	(488)	358	378
Group's share of other comprehensive income	-	-	-	-	-
<b>Group's share of total comprehensive income/(loss)</b>	<b>508</b>	<b>-</b>	<b>(488)</b>	<b>358</b>	<b>378</b>





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 8. INVESTMENT IN JOINT VENTURE

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Unquoted shares, at cost	250	-	250	-
Less: Accumulated impairment loss	-	-	(250)	-
Share of post-acquisition loss	(250)	-	-	-
	-	-	-	-

Details of the joint venture is as follows:

Name of Entities	Principal place of business/ country of incorporation	Group's Ownership Interest		Principal Activities
		2023 %	2022 %	
<b>Held by the Company</b>				
Citaglobal Genetec BESS Sdn Bhd ("CG BESS") ^	Malaysia	50	-	Large scale capacity energy storage and portability solutions

^ The financial year end of this joint venture is not coterminous with the Group. As such, for the purpose of applying equity method of accounting, the management financial statements of this joint venture for the financial year ended 31 December 2023 has been used.



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 8. INVESTMENT IN JOINT VENTURE (CONTINUED)

The summarised financial information of the Group's material joint venture, adjusted for any differences in accounting policies is as follows:

<b>31.12.2023</b>	<b>CG BESS RM'000</b>
Non-current assets	6
Current assets	1,158
<b>Total assets</b>	<b>1,164</b>
Non-current liabilities	-
Current liabilities	(2,918)
<b>Total liabilities</b>	<b>(2,918)</b>
<b>Year ended 31 December 2023</b>	
<b>Included in total comprehensive income is:</b>	
Revenue	-
Expenses including finance costs and tax expense	(2,254)
<b>Loss for the financial period</b>	<b>(2,254)</b>
<b>Loss attributable to:</b>	
Owners of the Company	(2,254)
Non-controlling interests	-
<b>Loss for the financial period</b>	<b>(2,254)</b>
<b>Reconciliation of net assets to carrying amount</b>	
Goodwill on acquisition	-
Share of net assets at the acquisition date	250
Cost of investment	250
Share of post-acquisition loss	(250)
<b>Carrying amount in statements of financial position</b>	<b>-</b>
<b>Group's share of results</b>	
Group's share of loss	(250)
Group's share of other comprehensive income	-
<b>Group's share of total comprehensive loss</b>	<b>(250)</b>



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2023 RM'000	31.12.2022 RM'000
<b>Unquoted shares, at cost</b>		
At 1 January	464,710	264,799
Additions	4,468	199,911
	469,178	464,710
Less: Accumulated impairment loss	(220,206)	(213,303)
	248,972	251,407
Loans that are part of the net investments	5,000	-
At 31 December	253,972	251,407

Loans that are part of the net investments represent amount owing by subsidiary which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiary. As this amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

The movement in accumulated impairment loss is as follows:

	Company	
	31.12.2023 RM'000	31.12.2022 RM'000
At 1 January	213,303	129,633
Impairment loss during the year (Note 25)	6,903	83,670
At 31 December	220,206	213,303

The additional impairment losses on investment in certain subsidiaries during the financial year are based on recoverable amount of the subsidiaries.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### 9.1 Details of the subsidiaries are as follows:

Name of Entities	Principal place of business/ country of incorporation	Effective Ownership Interest/Voting Rights		Principal Activities
		2023 %	2022 %	
<b>Direct subsidiaries</b>				
Citaglobal Land Sdn Bhd	Malaysia	100	100	Construction and civil engineering
Citaglobal Energy Sdn Bhd	Malaysia	100	100	Contractor, sub-contractor and to carry on fabrication, assembly and testing works, trading and rendering other technical services in oil and gas industries
Citaglobal Industries Sdn Bhd	Malaysia	100	100	Manufacturing and processing of cold drawn bright steel products and related steel products
Citaglobal Powergen Sdn Bhd	Malaysia	100	61	Engage in the provision of power generation and power solutions to oil and gas industry and power sector
WZS Logistics Sdn Bhd	Malaysia	100	100	Transportation agent, trading in sand and quarry products
WZS Geoassets Sdn Bhd	Malaysia	75	75	Trading in mineral resources
WZS Prisma Sdn Bhd	Malaysia	100	100	Civil engineering and other related works to construction
Citaglobal Renewable Energy Sdn Bhd <i>(formerly known as WZS Water Sdn Bhd)</i>	Malaysia	100	100	Mechanical and electrical works
WZ Satu Sysbuild Sdn Bhd	Malaysia	80	80	Dormant
WZS Land Sdn Bhd	Malaysia	100	100	Dormant
Citaglobal New Energy Sdn Bhd <i>(formerly known as WZS Minerals Sdn Bhd)</i>	Malaysia	100	100	Dormant



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### 9.1 Details of the subsidiaries are as follows: (Continued)

Name of Entities	Principal place of business/ country of incorporation	Effective Ownership Interest/Voting Rights		Principal Activities
		2023 %	2022 %	
<b>Direct subsidiaries (Continued)</b>				
Citaglobal Advisory Sdn Bhd (formerly known as WZS Capital Sdn Bhd)	Malaysia	100	100	Providing corporate advisory services
Citaglobal Capital Sdn Bhd	Malaysia	100	100	Money Lending
Citaglobal Engineering Services Sdn Bhd	Malaysia	100	100	Civil engineering and related works to construction
Citaglobal Reneuco Energy Solution Sdn Bhd	Malaysia	60	-	Undertake the East Coast Railway Link powerisation project
<b>Indirect subsidiaries</b>				
WZS Niaga Sdn Bhd *	Malaysia	100	100	Dormant
Cekap Semenanjung Sdn Bhd *	Malaysia	100	100	Investment holding company
Sinergi Dayang Sdn Bhd **	Malaysia	100	100	Construction, property development and property investment
WZS Biogas Jerantut Sdn Bhd #	Malaysia	100	61	Engage in the business to generate and deliver green electricity energy
Getra Sdn Bhd ^	Malaysia	100	100	Civil, cabling, building and electrical engineering contractor
Synoberry Realty Sdn Bhd ^	Malaysia	100	100	Investment holding and property management
Citaglobal Telecommunication Sdn Bhd ^	Malaysia	100	100	Telecommunication tower, fiberisation and related telco business

\* Held indirectly through Citaglobal Land Sdn Bhd

\*\* Held indirectly through Cekap Semenanjung Sdn Bhd

# Held indirectly through Citaglobal Powergen Sdn Bhd

^ Held indirectly through Citaglobal Engineering Services Sdn Bhd



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### 9.2 Acquisition of additional interest in Citaglobal Powergen Sdn Bhd

On 11 January 2023, the Company purchased an additional 39% equity interest (representing 1,166,667 ordinary shares) in Citaglobal Powergen Sdn Bhd for a total purchase consideration of RM1,368,605. The Company's effective ownership in Citaglobal Powergen Sdn Bhd increased from 61% to 100% as a result of the additional shares purchased.

Effect of the increase in the Company's ownership interest is as follows:

	<b>31.12.2023</b> <b>RM'000</b>
Fair value of consideration transferred	1,368
Decrease in share of net assets	356
<hr/>	
Excess charged directly to equity	1,724

#### 9.3 Acquisition of Citaglobal Engineering Services Sdn Bhd ("CESSB")

On 10 November 2022, the Company acquired 100% controlling interest in the equity shares of CESSB. CESSB operates in the civil engineering and construction related business.

At the end of the previous financial year, the fair value of CESSB's identifiable assets and liabilities can only be determined provisionally pending the completion of the purchase price allocation ("PPA"). The business combination of CESSB has been accounted for using provisional values.

During the financial year, the Group has completed the PPA exercise to determine the fair values of net assets of CESSB within the stipulated time period, which is within 12 months in accordance with MFRS 3 *Business Combinations*.

(i) Fair value of consideration transferred:

	<b>31.12.2022</b> <b>RM'000</b>
736,842,105 ordinary shares of the Company	187.895

The fair value of the 736,842,105 ordinary shares issued as part of the consideration paid for Citaglobal Engineering Services Sdn Bhd was determined on the basis of the closing market price of the Company's ordinary shares of RM0.255 per ordinary share at the date of completion of acquisition.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### 9.3 Acquisition of Citaglobal Engineering Services Sdn Bhd (Continued)

(ii) Fair value of the identifiable assets acquired and liabilities recognised:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>31.12.2022</b>			
<b>Assets</b>			
Intangible asset (Note 6)	-	2,576	2,576
Property, plant and equipment (Note 5)	698	-	698
Contract assets	5,277	-	5,277
Investment in associate	1,620	-	1,620
Trade and other receivables	7,820	-	7,820
Prepayments	156	-	156
Cash and cash equivalents	1,850	-	1,850
<b>Total assets</b>	<b>17,421</b>		<b>19,997</b>
<b>Liabilities</b>			
Contract liabilities	(1,774)	-	(1,774)
Deferred tax liability	(23)	-	(23)
Hire purchase liability	(189)	-	(189)
Tax payables	(2,349)	-	(2,349)
Term loan	(255)	-	(255)
Trade and other payables	(9,614)	-	(9,614)
<b>Total liabilities</b>	<b>(14,204)</b>		<b>(14,204)</b>
<b>Total identifiable net assets acquired</b>	<b>3,217</b>	<b>2,576</b>	<b>5,793</b>
Goodwill arising on acquisition (Note 6)	184,678	(2,576)	182,102
<b>Fair value of consideration transferred</b>	<b>187,895</b>		<b>187,895</b>

In the previous financial year, acquisition related cost of RM1,154,329 relating to share issue was charged directly to equity.

(iii) Effects of acquisition on cash flows:

	31.12.2022 RM'000
Fair value of consideration transferred	187,895
Less: Non cash consideration	(187,895)
Consideration paid in cash	-
Less: Cash and cash equivalents of a subsidiary acquired	(1,850)
<b>Net cash inflows on acquisition</b>	<b>(1,850)</b>



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### 9.3 Acquisition of Citaglobal Engineering Services Sdn Bhd (Continued)

- (iv) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	<b>31.12.2022</b> <b>RM'000</b>
Revenue	17,618
Profit for the financial year	3,944

If the acquisition had occurred on 1 January 2022, the consolidated results for the financial year ended 31 December 2022 would have been as follows:

	<b>31.12.2022</b> <b>RM'000</b>
Revenue	38,187
Profit for the financial year	6,426

#### 9.4 Acquisition of Citaglobal Capital Sdn Bhd

On 31 May 2022, the Company acquired 100% controlling interest in the equity shares of Citaglobal Capital Sdn Bhd. Citaglobal Capital Sdn Bhd operates in the business of money lending activities.

- (i) Fair value of consideration transferred:

	<b>31.12.2022</b> <b>RM'000</b>
Cash consideration	1,500

- (ii) Fair value of the identifiable assets acquired and liabilities recognised:

	<b>31.12.2022</b> <b>RM'000</b>
<b>Assets</b>	
Trade and other receivables	2
Cash and cash equivalents	11
Total assets	13
<b>Liabilities</b>	
Tax payables	(19)
Trade and other payables	(31)
Total liabilities	(50)
<b>Total identifiable net assets acquired</b>	<b>(37)</b>
Intangible asset arising on acquisition (Note 6)	1,537
Fair value of consideration transferred	1,500





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### 9.4 Acquisition of Citaglobal Capital Sdn Bhd (Continued)

(iii) Effects of acquisition on cash flows:

	<b>31.12.2022</b> <b>RM'000</b>
Consideration paid in cash	1,500
Less: Cash and cash equivalents of a subsidiary acquired	(11)
Net cash outflows on acquisition	1,489

(iv) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	<b>31.12.2022</b> <b>RM'000</b>
Revenue	29
Loss for the financial year	(295)

If the acquisition had occurred on 1 January 2022, the consolidated results for the financial year ended 31 December 2022 would have been as follows:

	<b>31.12.2022</b> <b>RM'000</b>
Revenue	29
Loss for the financial year	(337)

#### 9.5 Incorporation of Citaglobal Reneuco Energy Solution Sdn Bhd

On 26 December 2023, the Company acquired 300,000 fully paid ordinary shares amounting to RM300,000, representing 60% equity interest in Citaglobal Reneuco Energy Solution Sdn Bhd.

#### 9.6 Additional investment in subsidiaries

##### **31.12.2023**

During the financial year, Citaglobal Capital Sdn Bhd increased its issued share capital from 3,600,000 ordinary shares to 6,100,000 ordinary shares. The Company had subscribed for an additional 2,500,000 fully paid ordinary shares amounting to RM2,500,000 in Citaglobal Capital Sdn Bhd.

##### **31.12.2022**

In the previous financial year, Sinergi Dayang Sdn Bhd increased its issued share capital from 49,264,000 ordinary shares to 59,779,829 ordinary shares. The Company had subscribed for an additional 10,515,829 fully paid ordinary shares amounting to RM10,515,829 in Sinergi Dayang Sdn Bhd via the injection of Sg. Karang Land.

### 10. CLUB MEMBERSHIPS

	<b>Group</b>	
	<b>31.12.2023</b> <b>RM'000</b>	<b>31.12.2022</b> <b>RM'000</b>
Club membership, at cost	155	205



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
<b>Non-current</b>				
<b>Trade receivables</b>				
Loan receivables	-	300	-	-
<b>Other receivables</b>				
Other receivable	642	-	642	-
Amount due from subsidiaries	-	-	40,078	32,919
	642	-	40,720	32,919
Less: Impairment losses for other receivables (non-current)	-	-	(550)	(550)
Other receivables, net	642	-	40,170	32,369
Trade and other receivables (non-current)	642	300	40,170	32,369
<b>Current</b>				
<b>Trade receivables</b>				
Loan receivables	19,222	-	-	-
Trade receivables	35,024	44,772	-	-
Retention sum	29,990	27,661	-	-
	84,236	72,433	-	-
Less: Impairment losses for trade receivables (current)	(1,580)	(2,090)	-	-
Trade receivables, net	82,656	70,343	-	-
<b>Other receivables</b>				
Other receivables	18,580	27,503	11,457	12,536
Amount due from subsidiaries	-	-	26,073	-
Finance lease receivables	-	300	-	-
Deposits	10,691	2,368	7,067	309
	29,271	30,171	44,597	12,845
Less: Impairment losses for other receivables (current)	(6,007)	(8,492)	(5,959)	(6,094)
Other receivables, net	23,264	21,679	38,638	6,751
Trade and other receivables (current)	105,920	92,022	38,638	6,751
<b>Total trade and other receivables (non-current and current)</b>	<b>106,562</b>	<b>92,322</b>	<b>78,808</b>	<b>39,120</b>



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables are non-interest bearing and are generally on 7 to 120 (2022: 7 to 120) days terms. They are recognised at their original amounts which represent their fair values on initial recognition.

Loan receivables are loans granted to borrowers bearing fixed interest rates and are generally on 3 to 15 months terms.

Included in other receivables of the Group at the end of reporting period:

- (i) is an amount of RM1,556,228 (2022: RM3,690,901) being the profit sharing due and payable by consortium partner 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.
- (ii) is the marked-to-market value of the securities shares forfeited arising from the shortfall of the profit guarantee as specified in the Share Sales Agreement on the acquisition of Citaglobal Energy Sdn Bhd of RM5,704,087 (2022: RM4,912,940).
- (iii) Included in the Group's finance lease receivables in the previous financial year are leases on certain items of machinery amounted to RM299,600 under finance lease expiring in one year. At the end of the lease term, the machinery is considered sold to the lessee.

The amount due from subsidiaries are unsecured, bear interest at rate of 7.10% to 7.60% (2022: 6.60% to 7.10%) per annum, repayable on demand except for amounts of RM40,078,299 (2022: RM32,919,423) are not expected to be settled within the twelve months after the reporting date.

#### Receivables that are impaired

The Group's and the Company's receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of receivables are as follows:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000
<b>Trade receivables</b>		
At 1 January	2,090	158
Charge for the financial year		
Individually	68	1,988
Reversal of impairment loss	(578)	(46)
Written off	-	(10)
At 31 December	1,580	2,090



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### Receivables that are impaired (Continued)

The Group's and the Company's receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of receivables are as follows: (Continued)

	Company	
	31.12.2023 RM'000	31.12.2022 RM'000
<b>Amount due from subsidiaries</b>		
At 1 January	550	418
Charge for the financial year		
Individually	-	170
Reversal of impairment loss	-	(38)
At 31 December	550	550

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
<b>Other receivables</b>				
At 1 January	8,492	7,771	6,094	7,508
Charge for the financial year				
Individually	18	2,134	-	-
Reversal of impairment loss	(135)	(1,413)	(135)	(1,414)
Written off	(2,368)	-	-	-
At 31 December	6,007	8,492	5,959	6,094

The trade receivables of the Group in the foreign currencies are as follows:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000
United States Dollar	32	1,071

The information about credit exposures is disclosed in Note 30.2(i) to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 12. INVENTORIES

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>At cost</b>		
Property under development:		
development costs	10,580	-
Raw materials	10,513	14,008
Work-in-progress	1,289	999
Finished goods	15,139	18,502
	37,521	33,509
<b>At net realisable value</b>		
Finished goods	337	379
	37,858	33,888

The cost of inventories of the Group recognised as expense in cost of sales during the financial year was RM45,547,199 (2022: RM59,269,705).

The cost of inventories of the Group recognised as income in cost of sales in respect of reversal of written down of inventories to net realisable value was RM203,199 (2022: RM34,905).

### 13. CONTRACT ASSETS/(LIABILITIES)

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
Contract assets	88,164	38,454
	(660)	(11,023)
Contract liabilities	(660)	(11,023)

The contract assets primarily relate to the Company's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

The contract liabilities primarily relate to the advance consideration received from a customer or advance billings for construction contract, which revenue is recognised over time during the construction. The contract liabilities are expected to be recognised as revenue over a period of 90 days.



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 13. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

	Increase/(Decrease) in contract assets		(Increase)/Decrease in contract liabilities	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
<b>Group</b>				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	-	10,510	23,280
Increases due to consideration received from customers but revenue not recognised	-	-	(147)	(8,406)
Transfer from contract assets recognised at the beginning of the period to receivables	(18,673)	(17,076)	-	-
Increases due to unbilled revenue recognised	67,430	24,987	-	-
Decreases as a result of changes in the measure of progress	(206)	(10,684)	-	-
Reversal of impairment loss on contract assets	1,159	8,721	-	-

### 14. SHORT TERM DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Cash on hand and at banks	20,580	37,502	2,935	5,963
Deposits with licensed banks	40,563	43,246	35,841	39,791
Cash and bank balances	61,143	80,748	38,776	45,754
Less: Bank overdrafts (Note 20)	(3,446)	(7,175)	-	-
	57,697	73,573	38,776	45,754
Less: Deposits pledged to licensed bank	(4,722)	(3,455)	-	-
<b>Cash and cash equivalents</b>	<b>52,975</b>	<b>70,118</b>	<b>38,776</b>	<b>45,754</b>

The foreign currency exposure profile of cash and bank balances is as follows:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000
United States Dollar	25	65



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 15. SHARE CAPITAL

	Group and Company			
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Number of shares		Amount	
	Units('000)	Units('000)	RM'000	RM'000
Issued and fully paid:				
At 1 January	1,878,342	1,020,780	497,985	300,453
Acquisition of subsidiary	-	736,842	-	187,895
Conversion of ICPS to ordinary shares	16,873	120,720	1,509	10,792
Exercise of warrants	2,118	-	655	-
	1,897,333	1,878,342	500,149	499,140
Share consolidation 5:1	(1,517,867)	-	-	-
Issuance of shares pursuant to the private placement	37,957	-	50,103	-
Conversion of ICPS to ordinary shares	370	-	165	-
Exercise of warrants	3	-	3	-
Transaction costs of share issue	-	-	(1,072)	(1,155)
At 31 December - ordinary shares with no par value	417,796	1,878,342	549,348	497,985

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the total number of issued shares of the Company reduced from 1,878,342,090 units to 417,795,875 units by way of:

- (i) issued 16,873,566 new ordinary shares at an issue price of RM0.0894 per ordinary share from the conversion of Irredeemable Convertible Preference Shares ("ICPS") for the funding of future projects and working capital purposes with the conversion ratio of 1 ICPS into 1 new ordinary share during the conversion period and no additional cash payment is required for the conversion of the ICPS by ICPS holders. The calculation of issue price per share is made up after taking into account the Warrants B reserves adjustments;
- (ii) issued 2,118,134 new ordinary shares from the exercise of Warrants B at the exercise price of RM0.16 per warrant and transfer from warrant reserve of RM327,464;
- (iii) On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of ordinary shares reduced from 1,897,333,790 units to 379,466,490 units;
- (iv) issued 370,000 new ordinary shares at an issue price of RM0.4470 per ordinary share from the conversion of Irredeemable Convertible Preference Shares ("ICPS") for the funding of future projects and working capital purposes with the conversion ratio of 1 ICPS into 1 new ordinary share during the conversion period and no additional cash payment is required for the conversion of the ICPS by ICPS holders. The calculation of issue price per share is made up after taking into account the Warrants B reserves adjustments;
- (v) issued 2,500 new ordinary shares from the exercise of Warrants B at the exercise price of RM0.80 per warrant and transfer from warrant reserve of RM1,932; and
- (vi) issued 37,956,885 new ordinary shares from the private placement at an issue price of RM1.32 per ordinary share for the additional investment and expansion in existing business and general working capital purposes.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 15. SHARE CAPITAL (CONTINUED)

During the financial year, the issued share capital of the Company increased from RM497,985,046 to RM549,348,366 after deducting transaction costs of RM1,072,402 which represents costs directly attributable to the equity transactions.

In the previous financial year, the total number of issued shares of the Company increased from 1,020,780,500 units to 1,878,342,090 units by way of:

- (i) Issued 120,719,485 new ordinary shares at an issue price of RM0.0894 per ordinary share from the conversion of Irredeemable Convertible Preference Shares (“ICPS”) for the funding of future projects and working capital purposes with the conversion ratio of 1 ICPS into 1 new ordinary share during the conversion period and no additional cash payment is required for the conversion of the ICPS by ICPS holders. The calculation of issue price per share is made up after taking into account the Warrants B reserves adjustments; and
- (ii) Issued 736,842,105 new ordinary shares at a price of RM0.19 per ordinary share as purchase consideration for the acquisition of a subsidiary pursuant to a share purchase agreement dated 15 June 2022. For the purpose of accounting for the shares consideration, the fair value of RM0.255 per ordinary shares as at the date of completion was recorded instead of the issue price of RM0.19 per ordinary share.

In the previous financial year, the issued share capital of the Company increased from RM300,452,620 to RM497,985,046 after deducting transaction costs of RM1,154,329 which represents costs directly attributable to the equity transactions.

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

#### Warrants A

The Warrants A issued on 29 October 2014 are constituted under a Deed Poll A dated 9 October 2014 executed by the Company. The Warrants A are listed on the Bursa Malaysia Securities Berhad.

The movement of Warrants A during the financial year ended 31 December 2023 are stated as below:

	← Number of Warrants ('000) →			
	At 1.1.2023	Share Consolidation	Exercised	At 31.12.2023
Warrants A	183,241	(146,593)	-	36,648

The salient features of the Warrants A are as follows:

- (i) Each Warrant A entitles the registered holder/(s) at any time prior to 28 October 2024 to subscribe for one (1) new ordinary share at RM0.28 each. The Warrants A entitlement is subject to adjustments under the terms and conditions as set out in the Deed Poll A dated 9 October 2014;
- (ii) The exercise period is ten (10) years from the date of issuance until the maturity date. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes; and
- (iii) The holders of the Warrants A are not entitled to vote in any general meetings or to participate in any dividends, rights, allotment and/or other forms of distribution other than on winding-up, compromise or arrangement of the Company unless and until the holders of the Warrants A becomes a shareholder of the Company by exercising his Warrants A into new shares or unless otherwise resolved by the Company in general meeting.





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 15. SHARE CAPITAL (CONTINUED)

#### Warrants A (Continued)

On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of Warrants A reduced from 183,241,446 to 36,648,073. The exercise price of the Warrants A had adjusted from the existing price of RM0.28 each to RM1.40 each.

As at the reporting date, 36,648,073 Warrants A remained unexercised.

#### Warrants B

63,958,049 free detachable warrants ("Warrants B") were issued to the entitled shareholders of the Company pursuant to the Renounceable Rights Issue of 511,665,197 ICPS on the basis of 1 warrant B for every 8 Rights ICPS subscribed.

The Warrants B issued on 6 May 2021 are constituted under a Deed Poll B dated 24 March 2021 executed by the Company. The Warrants B are listed on the Bursa Malaysia Securities Berhad.

The movement of Warrants B during the financial year ended 31 December 2023 are stated as below:

	← Number of Warrants ('000) →				
At 1.1.2023	Exercised (before share consolidation)	Share Consolidation	Exercised (after share consolidation)	At 31.12.2023	
Warrants B	63,958	(2,118)	(49,472)	(3)	12,365

The salient features of the Warrants B are as follows:

- (i) Each Warrant B entitles the registered holder/(s) at any time prior to 5 May 2031 to subscribe for one (1) new ordinary share at RM0.16 each. The Warrants B entitlement is subject to adjustments under the terms and conditions as set out in the Deed Poll B dated 24 March 2021;
- (ii) The exercise period is ten (10) years from the date of issuance until the maturity date. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes; and
- (iii) The holders of the Warrants B are not entitled to vote in any general meetings or to participate in any dividends, rights, allotment and/or other forms of distribution other than on winding-up, compromise or arrangement of the Company unless and until the holders of the Warrants B becomes a shareholder of the Company by exercising his Warrants B into new shares or unless otherwise resolved by the Company in general meeting.

On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of Warrants B reduced from 61,839,915 to 12,367,913. The exercise price of the Warrants B had adjusted from the existing price of RM0.16 each to RM0.80 each.

As at the reporting date, 12,365,413 Warrants B remained unexercised.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 16. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”)

	Group and Company			
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Number of shares		Amount	
	Units('000)	Units('000)	RM'000	RM'000
<b>ICPS</b>				
Issued and fully paid up:				
At 1 January	32,277	152,997	2,885	13,677
Conversion to ordinary shares	(16,873)	(120,720)	(1,509)	(10,792)
	15,404	32,277	1,376	2,885
Share consolidation 5:1	(12,323)	-	-	-
Conversion to ordinary shares	(370)	-	(165)	-
At 31 December	2,711	32,277	1,211	2,885

The salient features of ICPS are as follows:

- (i) Dividend rate: The Company shall at its discretion and subject to the availability of distributable profits, pay cumulative preferential dividend rate of 3.0% per annum calculated based on the issue price. The dividends, if declared, shall be payable annually in arrears, subject to availability of distributable profits. No dividend shall be paid on the Shares or any securities junior to the ICPS until after the Company has fully paid the dividends on the ICPS.
- (ii) Tenure: Ten (10) years commencing from and inclusive of the issue date of the ICPS on 6 May 2021.
- (iii) Maturity date: The last market day immediately preceding the date which is the tenth (10th) anniversary from the issue date of the ICPS.
- (iv) Conversion rights:
  - (a) Each ICPS carries the entitlement to convert into new ordinary shares at the Conversion ratio through the surrender of the ICPS at any time during the Conversion period.
  - (b) If the conversion results in a fractional entitlement to ordinary shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.
- (v) Conversion period: The ICPS may be converted into new ordinary shares on any market day commencing on and including the issue date of the ICPS up to and including the maturity date. Any remaining ICPS that are not converted by the maturity date shall be mandatorily converted into new ordinary shares at the Conversion Ratio on the maturity date.
- (vi) Conversion Ratio and conversion price: The conversion price of RM0.11 per ICPS. Each ICPS is convertible into one (1) new ordinary share. No additional cash payment is required for such conversion of the ICPS by the ICPS Holders.

On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of ICPS reduced from 15,403,675 to 3,080,717. The conversion price of the ICPS had adjusted from the existing price of RM0.11 each to RM0.55 each.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 17. RESERVES

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Warrant reserve	9,559	9,888	9,559	9,888
Revaluation reserve	18,842	19,055	-	-
Accumulated losses	(204,472)	(212,269)	(192,855)	(181,136)
	(176,071)	(183,326)	(183,296)	(171,248)

#### Warrant reserve

The warrant reserve relates to the portion of proceeds from the rights issue of ICPS with warrants ("Warrants B"). The warrant reserve was arrived at based on the theoretical fair value of RM0.1546 per warrant determined based on the binomial option pricing model. As and when the Warrants B are exercised, the related balance in the warrant reserve will be transferred to the share capital account. Each Warrants B carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of RM0.16.

Pursuant to the share consolidation on 6 March 2023, the exercise price of the Warrants B had adjusted from the existing price of RM0.16 each to RM0.80 each. The theoretical fair value of the Warrant B had adjusted from the existing value of RM0.1546 each to RM0.773 each.

The Warrants B will be expired on 5 May 2031. At the expiry of the Warrants B, the balance in the warrant reserve will be transferred to retained earnings.

#### Revaluation reserve

The revaluation reserve represents increases in the fair value of freehold land and building, leasehold land and building and low cost apartments, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 18. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
<b>Non-current</b>				
<b>Other payables</b>				
Amount due to subsidiaries	-	-	3,173	4,728
Total other payables (non-current)	-	-	3,173	4,728
<b>Current</b>				
<b>Trade payables</b>				
Trade payables	17,465	19,467	-	-
Retention sums	20,719	20,859	-	-
Accrued costs	42,829	29,721	-	-
Total trade payables	81,013	70,047	-	-
<b>Other payables</b>				
Accruals	13,498	2,936	395	38
Other payables	1,236	2,356	343	124
Amount due to subsidiaries	-	-	2,856	3,148
Total other payables	14,734	5,292	3,594	3,310
Total trade and other payables (Current)	95,747	75,339	3,594	3,310
<b>Total trade and other payables (non-current and current)</b>	<b>95,747</b>	<b>75,339</b>	<b>6,767</b>	<b>8,038</b>

The trade and other payables are non-interest bearing and are normally settled on 7 to 120 (2022: 14 to 120) days terms.

The amounts due to subsidiaries are unsecured, bear interest at rate of 7.10% to 7.60% (2022: 6.60% to 7.10%) per annum, repayable over a period of 1 to 3 (2022: 1 to 4) years and are expected to be settled in cash.

The foreign currency exposure profile of trade payables are as follows:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000
United States Dollar	7	727
Euro	716	-

For explanations on the Group's and the Company's liquidity risk management process, refer to Note 30.2(ii) to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 19. DEFERRED TAX LIABILITIES

Deferred tax liabilities relate to the following:

Group	As previously reported RM'000	Retrospective restatement (Note 37) RM'000	Restated balance At 1 January RM'000	Recognised in profit or loss RM'000	At 31 December RM'000
<b>31.12.2023</b>					
Deferred tax liabilities:					
Temporary differences between net carrying amounts and the corresponding tax written down values of property, plant and equipment	1,441	26	1,467	(194)	1,273
Revaluation on properties	4,399	-	4,399	(82)	4,317
Other temporary differences	-	-	-	(20)	(20)
	5,840	26	5,866	(296)	5,570

31.12.2022 (Restated)	At 1 January RM'000	Acquisition of subsidiary RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31 December RM'000
Deferred tax liabilities:					
Temporary differences between net carrying amounts and the corresponding tax written down values of property, plant and equipment	1,412	23	32	-	1,467
Revaluation on properties	4,235	-	(77)	241	4,399
Other temporary differences	50	-	(50)	-	-
	5,697	23	(95)	241	5,866

The estimated amounts of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group 31.12.2023 RM'000	31.12.2022 RM'000
Deductible temporary differences	6,668	13,529
Unutilised tax losses	175,279	168,352
	181,947	181,881
Potential deferred tax assets not recognised at 24%	43,667	43,651



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 19. DEFERRED TAX LIABILITIES (CONTINUED)

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

Years of assessment	Group	
	31.12.2023 RM'000	31.12.2022 RM'000
2028	57,510	58,640
2029	65,652	65,652
2030	41,880	41,880
2031	98	98
2032	2,082	2,082
2033	8,057	-
	<hr/>	<hr/>
	175,279	168,352

### 20. LOANS AND BORROWINGS

	Note	Group		Company	
		31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
<b>Non-current</b>					
<b>Secured</b>					
Term loans	(a)	12,054	8,618	-	-
Floating rate bank loan	(b)	3,180	4,709	-	-
Hire purchase liabilities	(c)	598	849	-	-
<b>Unsecured</b>					
Lease liabilities	(d)	8,166	1,293	2,336	-
Term loan	(a)	128	205	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		24,126	15,674	2,336	-



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 20. LOANS AND BORROWINGS (CONTINUED)

	Note	Group		Company	
		31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
<b>Current</b>					
<b>Secured</b>					
Term loans	(a)	1,631	2,088	-	-
Floating rate bank loan	(b)	1,565	1,452	-	-
Hire purchase liabilities	(c)	384	406	-	-
Trade financing		4,307	7,924	-	-
<b>Unsecured</b>					
Bank overdrafts		3,446	7,175	-	-
Lease liabilities	(d)	1,853	1,523	1,341	683
Term loan	(a)	68	55	-	-
Trade financing		25,086	26,497	-	-
		38,340	47,120	1,341	683
		62,466	62,794	3,677	683
<b>Total loans and borrowings:</b>					
Bank overdrafts		3,446	7,175	-	-
Term loans	(a)	13,881	10,966	-	-
Floating rate bank loan	(b)	4,745	6,161	-	-
Hire purchase liabilities	(c)	982	1,255	-	-
Lease liabilities	(d)	10,019	2,816	3,677	683
Trade financing		29,393	34,421	-	-
		62,466	62,794	3,677	683

#### (a) Term loans

Term loan 1 of a subsidiary of RM580,324 (2022: RM2,666,461) bear interest at 6.45% to 7.70% (2022: 6.45% to 7.45%) per annum and is repayable by monthly instalments of RM184,711 and shall be calculated monthly and repaid in arrears over 2 years commencing from first day of the month following the month of full drawdown of the loan or the expiry of the availability period, whichever is earlier.

Term loan 2 of a subsidiary of RM13,104,722 (2022: RM8,039,807) bear interest at 8.50% (2022: 8.50%) per annum and is repayable by monthly instalments of RM211,000 and shall be calculated monthly and repaid in arrears over 8 years commencing from 24 months from the date of first disbursement.

Term loan 3 of a subsidiary of RM195,810 (2022: RM259,322) bear interest at 5.60% (2022: 5.60%) per annum and is repayable by monthly instalments of RM6,671 and shall be calculated monthly and repaid in arrears over 5 years commencing from 60 months from the date of first disbursement.



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 20. LOANS AND BORROWINGS (CONTINUED)

(b) Floating rate bank loan

Floating rate bank loan of a subsidiary of RM4,745,452 (2022: RM6,160,859) bear interest at 7.60% to 7.85% (2022: 6.10% to 6.85%) per annum and is repayable by monthly instalments of RM151,773 to RM153,150 (2022: RM149,365 to RM151,773) and shall be calculated monthly and repaid in arrears over 7 years commencing from first day of the month following the month of full drawdown of the loan or the expiry of the availability period, whichever is earlier.

(c) Hire purchase liabilities

Hire purchase payables of the Group of RM981,604 (2022: RM1,255,084) bears interest at rates ranging from 2.31% to 7.60% (2022: 2.31% to 7.60%) per annum and are secured by Group's motor vehicle under hire purchase arrangements as disclosed in Note 5 to the financial statements.

Future minimum hire purchase payments together with the present value of net minimum hire purchase payments are as follows:

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
Minimum lease payments:		
Not later than one year	427	469
Later than one year and not later than five years	638	906
	1,065	1,375
Less: Future finance charges	(83)	(120)
Present value of minimum lease payments	982	1,255
Present value of minimum lease payments:		
Not later than one year	384	406
Later than one year and not later than five years	598	849
	982	1,255
Less: Amount due within twelve months	(384)	(406)
Amount due after twelve months	598	849





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 20. LOANS AND BORROWINGS (CONTINUED)

#### (d) Lease liabilities

The lease liabilities of the Group and the Company bear interest at rates ranging from 3.97% to 8.84% (2022: 3.97% to 8.84%) and 6.35% (2022: 6.35%) per annum respectively.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Minimum lease payments:				
Not later than one year	2,541	1,649	1,557	701
Later than one year and not later than five years	5,215	607	2,472	-
Later than five years	7,226	1,520	-	-
	14,982	3,776	4,029	701
Less: Future finance charges	(4,963)	(960)	(352)	(18)
Present value of minimum lease payments	10,019	2,816	3,677	683
Present value of minimum lease payments:				
Not later than one year	1,853	1,523	1,341	683
Later than one year and not later than five years	3,358	315	2,336	-
Later than five years	4,808	978	-	-
	10,019	2,816	3,677	683
Less: Amount due within twelve months	(1,853)	(1,523)	(1,341)	(683)
Amount due after twelve months	8,166	1,293	2,336	-

The borrowings of the Group are secured by:

- (i) Legal charges over the freehold land and building, leasehold land and building of a subsidiary as mentioned in Note 5 to the financial statements; and
- (ii) Corporate guarantee by the Company.

Effective interest rates per annum:

	Group	
	31.12.2023 %	31.12.2022 %
Bank overdrafts	6.45 to 8.57	6.45 to 7.81
Trade financing	3.69 to 7.57	2.85 to 7.45



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 21. PROVISION

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000
<b>Defect liability</b>		
At 1 January	357	373
Recognised in profit or loss	-	68
Reversal during the financial year	(294)	(84)
At 31 December	63	357

The provision of defect liability represents the probable outflow of future economic obligations related to rectification work on completed projects. The provision is recognised based on directors' best estimation and past experience.

### 22. REVENUE

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
<b>Revenue from contract customers:</b>				
Construction contracts	110,229	133,386	-	-
Property development	20,132	-	-	-
Sale of goods	54,808	75,593	-	-
Services rendered	18,368	3,808	-	-
Management fees	57	-	5,144	2,333
	203,594	212,787	5,144	2,333
<b>Revenue from other sources:</b>				
Dividend income from associate	-	-	600	-
Others	1,907	1,097	-	-
<b>Total revenue</b>	205,501	213,884	5,744	2,333

At the end of financial year, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM641,282,020 (2022: RM733,036,071) and the Group will recognise this revenue as when the works are performed, which is expected to occur over the next 5 years (2022: 5 years).

#### Disaggregation of revenue

The Group and the Company report the following major segments: civil engineering and construction, energy, manufacturing, property development and others in accordance with MFRS 8 Operating Segments.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 22. REVENUE (CONTINUED)

Disaggregation of revenue (Continued)

31.12.2023 Group	Construction contracts RM'000	Sale of goods RM'000	Services rendered RM'000	Property development RM'000	Management fees RM'000	Others RM'000	Total RM'000
<b>Goods and services</b>							
Civil engineering and construction	103,199	-	2,146	-	-	82	105,427
Energy	3,073	18,120	2,069	-	-	796	24,058
Manufacturing	-	36,688	-	-	-	-	36,688
Management fees	-	-	-	-	57	-	57
Property development	-	-	-	20,132	-	-	20,132
Others	3,957	-	14,153	-	-	1,029	19,139
	110,229	54,808	18,368	20,132	57	1,907	205,501
<b>Timing of revenue recognition:</b>							
At point in time	-	54,808	18,368	-	-	998	74,174
Over time	110,229	-	-	20,132	57	909	131,327
	110,229	54,808	18,368	20,132	57	1,907	205,501
<b>Company Services</b>							
Management fees	-	-	-	-	5,144	-	5,144
Dividend income	-	-	-	-	-	600	600
	-	-	-	-	5,144	600	5,744
<b>Timing of revenue recognition:</b>							
At point in time	-	-	-	-	-	600	600
Over time	-	-	-	-	5,144	-	5,144
	-	-	-	-	5,144	600	5,744



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 22. REVENUE (CONTINUED)

Disaggregation of revenue (Continued)

	Construction contracts RM'000	Sale of goods RM'000	Services rendered RM'000	Management fees RM'000	Others RM'000	Total RM'000
<b>31.12.2022 (Restated)</b>						
<b>Group</b>						
<b>Goods and services</b>						
Civil engineering and construction	106,178	-	1,419	-	267	107,864
Energy	16,453	25,524	2,369	-	738	45,084
Manufacturing	-	50,069	-	-	-	50,069
Others	10,755	-	20	-	92	10,867
	133,386	75,593	3,808	-	1,097	213,884
<b>Timing of revenue recognition:</b>						
At point in time	-	75,593	3,808	-	1,006	80,407
Over time	133,386	-	-	-	91	133,477
	133,386	75,593	3,808	-	1,097	213,884
<b>Company</b>						
<b>Services</b>						
Management fees	-	-	-	2,333	-	2,333
<b>Timing of revenue recognition:</b>						
Over time	-	-	-	2,333	-	2,333

### 23. COST OF SALES

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
Construction costs	74,225	104,435
Cost of goods sold	48,581	64,076
Property development costs	18,620	-
Services rendered	12,465	2,735
	153,891	171,246



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 24. FINANCE COSTS

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Interest expense on:				
Bank overdrafts	391	904	-	-
Bank loans	572	725	-	-
Hire purchase liabilities	85	80	-	-
Lease liabilities	298	209	128	65
Loan from a subsidiary	-	-	535	655
Overdue interest	-	14	-	-
Trade financing	1,664	2,050	-	-
	3,010	3,982	663	720

### 25. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation has been arrived at:

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
This is stated after charging:				
Auditors' remuneration - statutory audit:				
Baker Tilly Monteiro Heng PLT	359	254	54	55
Other auditors	-	44	-	-
Other services				
Baker Tilly Monteiro Heng PLT	6	5	6	5
Member firms of Baker Tilly International	64	60	6	6
Amortisation of intangible assets	290	608	-	-
Bad debts written off	23	-	-	-
Deposit written off	14	42	-	-
Depreciation of property, plant and equipment	7,276	7,091	1,295	803
Directors' emoluments	1,734	1,383	1,353	1,103
Directors' fees	650	621	450	415
Expense relating to short term lease	1,969	1,490	49	-
Impairment loss on:				
goodwill	-	47,895	-	-
investment in joint venture	-	-	250	-
investment in subsidiaries	-	-	6,903	83,670
receivables	86	4,122	-	170
Plant and equipment written off	1	180	-	-
Staff costs (excluding directors)	33,429	28,015	8,969	4,883
Unrealised loss on foreign exchange	-	17	-	-
	-	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 25. PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)

Profit/(Loss) before taxation has been arrived at: (Continued)

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
And crediting:				
Gain on disposal of:				
associates	-	1,656	-	1,319
plant and equipment	1,289	480	-	110
Gain on foreign exchange:				
realised	101	171	-	-
unrealised	6	-	-	-
Gain on lease modification	7	28	-	-
Interest income:				
subsidiary companies	-	-	3,274	2,050
others	2,085	1,240	1,872	1,061
Rental income	230	237	-	-
Reversal of impairment losses on:				
contract assets	1,159	8,721	-	-
receivables	713	1,459	135	1,452
Reversal of provision for liabilities	294	84	-	-
<b>Staff costs (excluding directors)</b>				
Salaries and wages	29,157	23,818	7,752	4,124
Contributions to defined contribution plans	3,074	2,470	877	467
Social security contribution	255	199	46	26
Other benefits	943	1,528	294	266
	<b>33,429</b>	<b>28,015</b>	<b>8,969</b>	<b>4,883</b>



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 26. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Executive:				
Salaries and other emoluments	1,485	1,205	1,145	936
Defined contribution plans	178	114	137	103
<b>Total Executive Directors' remuneration</b>	<b>1,663</b>	<b>1,319</b>	<b>1,282</b>	<b>1,039</b>
Non-Executive:				
Fees	650	621	450	415
Other emoluments	71	64	71	64
<b>Total Non-Executive Directors' remuneration</b>	<b>721</b>	<b>685</b>	<b>521</b>	<b>479</b>
<b>Total Directors' remuneration</b>	<b>2,384</b>	<b>2,004</b>	<b>1,803</b>	<b>1,518</b>

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM33,467 (2022: RM21,376) and RM20,330 (2022: RM21,376) respectively.

### 27. INCOME TAX EXPENSE

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Malaysian income tax expense:				
current year	5,076	2,377	-	-
under provision in prior year	90	56	-	-
	<b>5,166</b>	<b>2,433</b>	<b>-</b>	<b>-</b>
Deferred taxation (Note 19):				
current year	(234)	6	-	-
over provision in prior year	(62)	(101)	-	-
	<b>(296)</b>	<b>(95)</b>	<b>-</b>	<b>-</b>
<b>Income tax expense recognised in profit or loss</b>	<b>4,870</b>	<b>2,338</b>	<b>-</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 27. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Profit/(Loss) before taxation	13,822	(39,779)	(11,719)	(86,062)
Tax at applicable tax rate of 24%	3,317	(9,547)	(2,813)	(20,655)
Tax effects arising from:				
Crystallisation of deferred tax liabilities arising from revaluation	(82)	(77)	-	-
Deferred tax assets not recognised	16	360	-	-
Non-deductible expenses	2,870	14,163	2,845	21,346
Non-taxable income	(64)	(2,425)	(32)	(691)
Share of results of associates	(1,275)	(91)	-	-
Share of results of joint venture	60	-	-	-
Under/(Over) provision in prior year:				
income tax expense	90	56	-	-
deferred taxation	(62)	(101)	-	-
Income tax expense for the financial year	4,870	2,338	-	-

### 28. EARNINGS/(LOSS) PER SHARE

#### Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
<b>Basic</b>		
Profit/(Loss) attributable to owners of the Company	9,308	(41,538)
Weighted average number of ordinary shares for basic earnings/(loss) per share (units)	405,316	236,385
Basic earnings/(loss) per ordinary share (sen)	2.30	(17.57)





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 28. EARNINGS/(LOSS) PER SHARE (CONTINUED)

#### Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by dividing the net profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of the ordinary shares that would be issued on conversion of the potential dilutive ordinary shares into ordinary shares, calculated as follows:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
<b>Diluted</b> Profit/(Loss) attributable to owners of the Company	9,308	(41,538)
Weighted average number of ordinary shares for basic earnings per share (units)	405,316	236,385
Effect of dilution from:		
Potential conversion of ICPS	2,994	-
Potential conversion of Warrants	6,445	-
Weighted average number of ordinary shares for dilutive earnings/(loss) per share (units)	414,755	236,385
Diluted earnings/(loss) per ordinary share (sen)	2.24	(17.57)

### 29. RELATED PARTIES

#### 29.1 Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) subsidiaries;
- (ii) associates;
- (iii) joint venture;
- (iv) related companies in which directors have substantial financial interest; and
- (v) key management personnel of the Group's, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 29. RELATED PARTIES (CONTINUED)

#### 29.2 Significant related party transactions

The significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
<b>Associates</b>				
Sales	-	3	-	-
Purchases	-	(26)	-	-
Rental expenses	-	(110)	-	-
Dividend income	-	-	600	-
<b>Subsidiaries</b>				
Management fees	-	-	5,087	2,333
Interest income	-	-	3,274	2,050
Interest expenses	-	-	(535)	(655)

The management fees were charged based on recovery of costs incurred on behalf of the subsidiaries and associates.

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 11 and 18 to the financial statements.

#### 29.3 Compensation of key management personnel

	Group		Company	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)	31.12.2023 RM'000	31.12.2022 RM'000
Short-term employee benefits	6,086	5,067	3,446	2,425
Post-employment employee benefits	564	472	332	220
	6,650	5,539	3,778	2,645



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS

#### 30.1 Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM'000	Amortised cost RM'000
<b>31.12.2023</b>		
<b>Group</b>		
<b>Financial assets</b>		
Trade and other receivables	106,562	106,562
Short term deposits, cash and bank balances	61,143	61,143
	167,705	167,705
<b>Financial liabilities</b>		
Trade and other payables	95,747	95,747
Loans and borrowings <sup>#</sup>	52,447	52,447
	148,194	148,194
<b>Company</b>		
<b>Financial assets</b>		
Other receivables	78,808	78,808
Short term deposits, cash and bank balances	38,776	38,776
	117,584	117,584
<b>Financial liability</b>		
Other payables	6,767	6,767



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.1 Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (Continued)

	Carrying amount RM'000 (Restated)	Amortised cost RM'000 (Restated)
<b>31.12.2022</b>		
<b>Group</b>		
<b>Financial assets</b>		
Trade and other receivables	92,322	92,322
Short term deposits, cash and bank balances	80,748	80,748
	173,070	173,070
<b>Financial liabilities</b>		
Trade and other payables	75,339	75,339
Loans and borrowings#	59,978	59,978
	135,317	135,317
<b>Company</b>		
<b>Financial assets</b>		
Other receivables	39,120	39,120
Short term deposits, cash and bank balances	45,754	45,754
	84,874	84,874
<b>Financial liability</b>		
Other payables	8,038	8,038

# Excluded Lease liabilities

#### 30.2 Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group use derivative financial instruments, such as, foreign exchange contracts to hedge certain exposures. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

##### Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

##### Credit risk concentration profile

The Group determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

	31.12.2023		Group 31.12.2022	
	RM'000	%	RM'000 (Restated)	%
<b>Trade receivables</b>				
Civil engineering and construction	41,734	50%	37,908	54%
Energy	5,673	7%	17,160	24%
Manufacturing	9,648	12%	11,679	16%
Property development	3,779	5%	-	0%
Others	21,822	26%	3,896	6%
	<b>82,656</b>	<b>100%</b>	<b>70,643</b>	<b>100%</b>
<b>Contract assets</b>				
Civil engineering and construction	80,477	91%	29,941	78%
Energy	1,881	2%	3,898	10%
Others	5,806	7%	4,615	12%
	<b>88,164</b>	<b>100%</b>	<b>38,454</b>	<b>100%</b>



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (i) Credit risk (Continued)

##### Trade receivables and contract assets (Continued)

##### Credit risk concentration profile (Continued)

The Group apply the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

For construction contracts, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>Trade receivables</b>		
Neither past due nor impaired	64,937	43,953
1 - 30 days past due not impaired	10,100	8,999
31 - 60 days past due not impaired	2,571	8,923
61 - 90 days past due not impaired	318	6,713
More than 90 days past due not impaired	4,730	2,055
	17,719	26,690
Impaired		
Individually	1,580	2,090
<b>As at 31 December</b>	<b>84,236</b>	<b>72,733</b>
<b>Contract assets</b>		
Neither past due nor impaired	88,164	38,454
Impaired		
Individually	-	1,159
<b>As at 31 December</b>	<b>88,164</b>	<b>39,613</b>



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (i) Credit risk (Continued)

###### Other receivables and other financial assets

For other receivables and other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As at the reporting date, the Group and the Company had recognised loss allowance for impairment for other receivables as disclosed in Note 11 to the financial statements.

###### Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM93,981,491 (2022: RM87,962,618) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 33. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

##### Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligation as follows:

	Carrying amount RM'000	Contractual cash flows RM'000	On demand or less than 1 year RM'000	More than 1 year and not later than 5 years RM'000	More than 5 years RM'000
<b>Group</b>					
<b>At 31 December 2023</b>					
Trade and other payables	95,747	95,747	95,747	-	-
Hire purchase liabilities	982	1,065	427	638	-
Lease liabilities	10,019	14,984	2,541	5,215	7,226
Floating rate bank loan	4,745	5,207	1,838	3,369	-
Short term borrowings	32,839	33,475	33,475	-	-
Term loans	13,881	21,022	3,200	5,224	12,598
	158,213	171,498	137,228	14,446	19,824
<b>Group</b>					
<b>At 31 December 2022 (Restated)</b>					
Trade and other payables	75,339	75,339	75,339	-	-
Hire purchase liabilities	1,255	1,375	469	906	-
Lease liabilities	2,816	3,776	1,649	607	1,520
Floating rate bank loan	6,161	6,981	1,821	5,160	-
Short term borrowings	41,596	42,167	42,167	-	-
Term loans	10,966	13,214	2,297	8,170	2,747
	138,133	142,852	123,742	14,843	4,267





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (ii) Liquidity risk (Continued)

Company	Carrying amount RM'000	Contractual cash flows RM'000	On demand or less than 1 year RM'000	More than 1 year and not later than 5 years RM'000	More than 5 years RM'000
<b>At 31 December 2023</b>					
Other payables	6,767	7,229	3,860	3,369	-
Lease liabilities	3,677	4,029	1,557	2,472	-
Financial guarantee	-	93,981	93,981	-	-
	10,444	105,239	99,398	5,841	-
<b>At 31 December 2022</b>					
Other payables	8,038	8,859	3,708	5,151	-
Lease liabilities	683	701	701	-	-
Financial guarantee	-	87,963	87,963	-	-
	8,721	97,523	92,372	5,151	-

##### (iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk rates relates primarily to the Group's operating activities (when sales and purchases that are denominated in foreign currency).



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (iii) Foreign currency risk (Continued)

Based on carrying amounts as at the end of the financial year, the material foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below:

	United States Dollar RM'000	Euro RM'000
<b>At 31 December 2023</b>		
Trade receivables	32	-
Cash and bank balances	25	-
Trade payables	(7)	(716)
<b>Net exposure</b>	<b>50</b>	<b>(716)</b>
<b>At 31 December 2022</b>		
Trade receivables	1,071	-
Cash and bank balances	65	-
Trade payables	(727)	-
<b>Net exposure</b>	<b>409</b>	<b>-</b>

##### Sensitivity analysis for foreign currency risk

The following demonstrates the sensitivity of the Group's profit/(loss) after tax to a reasonably possible change in the United States Dollar and Euro against the Ringgit Malaysia, with all other variables held constant.

		31.12.2023 RM'000	31.12.2022 RM'000
United States Dollar/RM	- strengthened 5%	3	20
	- weakened 5%	(3)	(20)
Euro/RM	- strengthened 5%	(36)	-
	- weakened 5%	36	-



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (iv) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statements of financial position. It will affect the Group's income or the value of its holdings of financial instruments.

The Group's exposures to interest rate risk for changes in interest rates mainly arise from its short term borrowings and term loans with floating interest rate. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

##### Sensitivity analysis for interest rate risk

At the end of the financial year, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit/(loss) after tax would have been RM93,960 (2022: RM119,393) higher/lower (2022: lower/higher), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

##### (v) Fair value measurement

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The carrying amounts of cash and cash equivalents, receivables, payables and short term borrowings are reasonable approximation of fair values due to the relatively short term nature of these financial instruments.

There has been no transfer between Level 1, Level 2 and Level 3 during the financial year (2022: no transfer in either direction).

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of lease liabilities of the Group is categorised as Level 2.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (v) Fair value measurement (Continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>At 31 December 2023</b>					
<b>Group</b>					
<b>Financial asset</b>					
Other receivable	642	-	-	642	642
<b>Financial liability</b>					
Borrowings	15,960	-	-	15,960	15,960
<b>Company</b>					
<b>Financial asset</b>					
Other receivables	40,170	-	-	40,170	40,170
<b>Financial liability</b>					
Other payables	3,173	-	-	3,173	3,173
<b>At 31 December 2022</b>					
<b>Group</b>					
<b>Financial asset</b>					
Loan receivables	300	-	-	300	300
<b>Financial liability</b>					
Borrowings	14,381	-	-	14,381	14,381
<b>Company</b>					
<b>Financial asset</b>					
Other receivables	32,369	-	-	32,369	32,369
<b>Financial liability</b>					
Other payables	4,728	-	-	4,728	4,728



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Financial risk management (Continued)

##### (v) Fair value measurement (Continued)

##### Level 3 fair value

##### Fair value of financial instruments not carried at fair value

The fair value of loan receivables, other receivables, other payables and borrowings are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

### 31. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial year ended 31 December 2023 and 31 December 2022.

The debt-to-equity ratios at 31 December 2023 and 31 December 2022 are as follows:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
Total loans and borrowings	62,466	62,794
Less : Cash and bank balances	(61,143)	(80,748)
Net debt/(cash)	1,323	(17,954)
Total equity	374,412	317,268
Debt-to-equity ratio	-	-

Certain subsidiaries of the Company are required to maintain level of capital requirements on gearing ratio and net worth in respect of their bank borrowings requirements.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 32. SEGMENTAL REPORTING

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Executive Chairman and President for the purpose of making decisions about resource allocation and performance assessment.

The four reportable operating segments are as follows:

<u>Segments</u>	<u>Products and services</u>
Civil engineering and construction	Undertaking of construction contracts
Energy	Contractor, sub-contractor, fabrication, assembly, renewable energy, deliver green electricity and testing works, trading and after-sales service of products and power generation, power solution for oil and gas industries
Manufacturing	Manufacturing of steel products
Property development	Property development and property investment

Other non-reportable segments comprise investment holding, telecommunications and money lending business which are below the quantitative thresholds for determining operating segments.

The inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

#### Segment profit

Segment performance is used to measure performance as the Executive Chairman and President believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

#### Segment assets and liabilities

The total of segment assets and liabilities is measured based on all assets and liabilities (excluding investment in associates) of a segment, as included in the internal reports that are reviewed by the Executive Chairman and President.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 32. SEGMENTAL REPORTING (CONTINUED)

#### 32.1 Operating Segment

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other segment information by business segments:

		Civil engineering and construction	Energy	Manufacturing	Property development	Others	Adjustments and elimination	Consolidation
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>								
External revenue		105,427	24,058	36,688	20,132	19,196	-	205,501
Inter-segment revenue	<b>A</b>	43,800	7,781	-	-	6,186	(57,767)	-
<b>Total</b>		<b>149,227</b>	<b>31,839</b>	<b>36,688</b>	<b>20,132</b>	<b>25,382</b>	<b>(57,767)</b>	<b>205,501</b>
<b>Results</b>								
Bad debts written off		-	-	-	-	-	(23)	(23)
Deposit written off		-	(13)	-	-	(1)	-	(14)
Depreciation and amortisation		(1,585)	(1,984)	(1,550)	(88)	(2,069)	(290)	(7,566)
Net reversal of impairment losses on financial assets and contract assets		1,726	(25)	(2)	-	87	-	1,786
Impairment loss on investment in subsidiaries		(86)	-	-	-	(6,903)	6,989	-
Interest expenses		(3,140)	(1,359)	(1,166)	-	(1,216)	3,871	(3,010)
Plant and equipment written off		-	(1)	-	-	-	-	(1)
Share of results of associates and joint venture		-	-	-	-	-	5,064	5,064
Gain on disposal of plant and equipment		862	21	-	-	406	-	1,289
Gain on lease modification		-	7	-	-	-	-	7
Interest income		297	288	490	11	5,216	(4,217)	2,085
Rental income		60	7	268	-	-	(105)	230
Reversal of provision for liabilities		-	294	-	-	-	-	294
Unrealised (loss)/gain on foreign exchange		-	(1)	7	-	-	-	6
<b>Results of segment profit/(loss)</b>	<b>B</b>	<b>26,027</b>	<b>(7,125)</b>	<b>(1,799)</b>	<b>(769)</b>	<b>(10,357)</b>	<b>7,845</b>	<b>13,822</b>
Taxation		(4,187)	(103)	275	-	(855)	-	(4,870)
<b>Profit/(Loss) for the financial year</b>	<b>B</b>	<b>21,840</b>	<b>(7,228)</b>	<b>(1,524)</b>	<b>(769)</b>	<b>(11,212)</b>	<b>7,845</b>	<b>8,952</b>
<b>Other information</b>								
Segment assets	<b>C</b>	256,028	50,375	83,596	29,511	431,934	(317,522)	533,922
Investment in associates and joint venture		-	-	-	-	-	5,181	5,181
Segment liabilities	<b>D</b>	200,132	41,999	21,888	11,368	54,829	(165,525)	164,691
Capital expenditure		612	4,885	153	36	15,739	-	21,425



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 32. SEGMENTAL REPORTING (CONTINUED)

#### 32.1 Operating Segment (Continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other segment information by business segments:  
(Continued)

31.12.2022 (Restated)	Note	Civil engineering and construction RM'000	Energy RM'000	Manufacturing RM'000	Others RM'000	Adjustments and elimination RM'000	Consolidation RM'000
<b>Revenue</b>							
External revenue	A	107,864	45,084	50,069	10,867	-	213,884
Inter-segment revenue		30,223	5,732	-	2,629	(38,584)	-
<b>Total</b>		138,087	50,816	50,069	13,496	(38,584)	213,884
<b>Results</b>							
Deposit written off		-	(42)	-	-	-	(42)
Depreciation and amortisation		(1,768)	(2,394)	(1,477)	(1,452)	(608)	(7,699)
Impairment loss on: goodwill		-	-	-	-	(47,895)	(47,895)
investment in subsidiaries		-	-	-	(83,670)	83,670	-
Interest expenses		(2,735)	(2,459)	(1,280)	(852)	3,344	(3,982)
Plant and equipment written off		-	(180)	-	-	-	(180)
Share of results of associates		-	-	-	-	378	378
Gain on disposal of: associate		-	-	-	1,319	337	1,656
plant and equipment		144	226	-	189	(79)	480
Net reversal of impairment losses on financial assets and contract assets		1,290	(2,419)	46	1,414	5,728	6,059
Gain on lease modification		-	28	-	-	-	28
Interest income		696	129	570	3,167	(3,322)	1,240
Rental income		40	13	311	-	(127)	237
Reversal of provision for liabilities		-	84	-	-	-	84
Unrealised gain/(loss) on foreign exchange		-	13	(30)	-	-	(17)
<b>Results of segment profit/(loss)</b>	B	7,011	(4,139)	2,681	(84,344)	39,012	(39,779)
Taxation		(595)	(580)	(599)	(564)	-	(2,338)
<b>Profit/(Loss) for the financial year</b>	B	6,416	(4,719)	2,082	(84,908)	39,012	(42,117)
<b>Other information</b>							
Segment assets	C	203,145	71,035	92,287	361,206	(255,515)	472,158
Investment in associates		-	-	-	-	1,978	1,978
Segment liabilities	D	155,514	55,930	29,056	25,013	(108,645)	156,868
Capital expenditure		11,713	5,421	635	2,588	-	20,357





## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 32. SEGMENTAL REPORTING (CONTINUED)

#### 32.1 Operating Segment (Continued)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities are as follows:

##### A. Inter-segment revenue

Inter-segment revenue is eliminated on consolidation.

##### B. Reconciliation of profit or loss

	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
Share of results of associates and joint venture	5,064	378
Elimination of inter-segment transactions	2,781	38,634
	7,845	39,012
Less: Taxation	-	-
	7,845	39,012

##### C. Reconciliation of assets

	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
Investment in subsidiaries	(312,462)	(309,382)
Intangible assets	147,222	147,512
Inter-segment assets	(152,282)	(93,645)
	(317,522)	(255,515)

##### D. Reconciliation of liabilities

	31.12.2023 RM'000	31.12.2022 RM'000 (Restated)
Inter-segment liabilities	(165,525)	(108,645)
	(165,525)	(108,645)

#### 32.2 Information about major customer

For civil engineering and construction segment, revenue from 1 (2022: 1) customer represented approximately RM42,460,498 (2022: RM49,748,651) of the Group's total revenue.

#### 32.3 Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 33. FINANCIAL GUARANTEES

	Company	
	31.12.2023 RM'000	31.12.2022 RM'000
Guarantee given to financial institutions in respect of credit facilities granted to subsidiaries	284,532	273,861
Amount of banking facilities utilised by subsidiaries as at the end of financial year	93,981	87,963

### 34. CAPITAL COMMITMENTS

The Group has made commitments for the following capital expenditure:

	Group	
	31.12.2023 RM'000	31.12.2022 RM'000
Contracted and not provided for	3,720	5,057

### 35. MATERIAL LITIGATION

There are no 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.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 35. MATERIAL LITIGATION (CONTINUED)

There are no material litigations against or taken by the Group other than the following: (Continued)

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

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: (Continued)

- (v) The above amounts had been recognised in the books of Citaglobal Energy.

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.

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 ended 31 December 2023.

- (b) Citaglobal Berhad (Citaglobal or the Company) Writ of Summons and Statement of Claim Served to UMD Energy Sdn Bhd (“UMD”) 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 (“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.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 35. MATERIAL LITIGATION (CONTINUED)

There are no material litigations against or taken by the Group other than the following: (Continued)

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

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 judgement sum.

The aforesaid Writ is not expected to have any material financial and operational impacts on the Group for the financial year ended 31 December 2023.

- (c) Writ and Statement of Claim Served by UMD 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 ("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 ended 31 December 2023.

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



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 36. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 6 March 2023, the Company completed its share consolidation exercise which involved the consolidation of every five (5) existing shares in the Company held by the shareholders on the entitlement date of 3 March 2023 into one (1) consolidated share of the Company.

Prior to the share consolidation exercise, the company's issue share capital comprising of 1,897,333,790 units, ICPS comprising of 15,403,675 units, Warrant A comprising of 183,241,446 warrants and Warrant B comprising of 61,839,915 warrants.

Upon the completion of the share consolidation exercise, the total number of ordinary shares reduced from 1,897,333,790 units to 379,466,490 units, the total number of ICPS reduced from 15,403,675 units to 3,080,717 units, the total number of Warrants A reduced from 183,241,446 warrants to 36,648,073 warrants and the total number of Warrants B reduced from 61,839,915 warrants to 12,367,913 warrants.

### 37. COMPARATIVE FIGURES

- (a) Following completion of the PPA for the acquisition of CESSB during the financial year, the Group adjusted the fair values of contracts in intangible asset.
- (b) The Group made retrospective adjustments to reflect the adjustments in MFRS 15 *Revenue from Contracts with Customers*.
- (c) The Group made retrospective adjustments to reflect the adjustments in MFRS 16 *Leases*.

The restatement of comparative as at 31 December 2022 are as follows:

	Note	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>Group</b>				
<b>31 December 2022</b>				
<b>Statements of financial position</b>				
<b>Non-current assets</b>				
Property, plant and equipment	(c)	74,871	2,288	77,159
Intangible assets	(a)	148,120	(608)	147,512
<b>Current assets</b>				
Inventories	(b)	32,529	1,359	33,888
Trade and other receivables	(b)	91,560	462	92,022
Prepayments	(b)	2,770	(900)	1,870
Contract assets	(b)	45,488	(7,034)	38,454
Short term deposit, cash and bank balances	(b)	81,240	(492)	80,748
<b>Equity</b>				
Accumulated losses	(a), (b) and (c)	211,647	622	212,269
<b>Non-current liabilities</b>				
Deferred tax liabilities	(b)	(5,840)	(26)	(5,866)
Loans and borrowings	(c)	(14,982)	(692)	(15,674)



## NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

### 37. COMPARATIVE FIGURES (CONTINUED)

The restatement of comparative as at 31 December 2022 are as follows: (Continued)

Group	Note	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>31 December 2022</b>				
<b>Statements of financial position (Continued)</b>				
<b>Current liabilities</b>				
Contract liabilities	(b)	(10,979)	(44)	(11,023)
Trade and other payables	(b)	(80,606)	5,267	(75,339)
Loans and borrowings	(c)	(46,888)	(232)	(47,120)
Tax payables	(b)	(1,519)	30	(1,489)
<b>Statements of comprehensive income</b>				
Revenue	(b)	215,436	(1,552)	213,884
Cost of sales	(b)	(172,779)	1,533	(171,246)
Other income	(c)	9,268	(13)	9,255
Administrative expenses	(c)	(29,571)	(13)	(29,584)
Other expenses	(a), (c)	(63,419)	(582)	(64,001)
Finance cost	(c)	(3,926)	(56)	(3,982)
Income tax expenses	(b)	(2,399)	61	(2,338)
<b>Statements of cash flows</b>				
Net cash generated from operating activities		12,190	1,305	13,495
Net cash used in investing activities		(3,405)	(1,511)	(4,916)
Net cash generated from financing activities		5,938	(286)	5,652



## **STATEMENT BY DIRECTORS**

Pursuant to section 251(2) of the Companies Act 2016

We, **YBHG TAN SRI DATO' SRI (DR.) MOHAMAD NORZA BIN ZAKARIA** and **IKHLAS BIN KAMARUDIN**, being two of the directors of Citaglobal Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 89 to 172 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....  
**YBHG TAN SRI DATO' SRI (DR.) MOHAMAD  
NORZA BIN ZAKARIA**  
Director

.....  
**IKHLAS BIN KAMARUDIN**  
Director

Kuala Lumpur

Date: 17 April 2024



## STATUTORY DECLARATION

Pursuant to section 251(1) of the Companies Act 2016

I, **CHAN FOOK KWONG**, being the officer primarily responsible for the financial management of **CITAGLOBAL BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 89 to 172 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....  
**CHAN FOOK KWONG**

MIA Membership No. 20046

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 17 April 2024.

Before me,

.....  
**HADINUR MOHD SYARIF W761**

Commissioner for Oaths





# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITAGLOBAL BERHAD (Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Citaglobal Berhad**, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 89 to 172.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' 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 and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### 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 of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Group

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#### **Business Combination (Note 4.1 and 9 to the financial statements)**

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In the previous financial year ended 31 December 2022, the Group made significant acquisition of Citaglobal Engineering Services Sdn Bhd ("CESSB"). The fair values of CESSB's identifiable assets acquired and liabilities assumed have been determined on a provisional basis within the measurement period pending the completion of a purchase price allocation ("PPA"). During the financial year ended 31 December 2023, the Group has completed the PPA exercise to determine the fair value of the net assets of CESSB within the stipulated time period, which is within 12 months.

#### **Our response:**

Our audit procedures included, among others:

- reading the sales and purchase agreements and understanding the accounting treatment by management on the acquisition of CESSB;
- discussing the work performed by management's experts in respect of the valuation of assets and liabilities;
- testing the mathematical computations in the allocation of the purchase price to the different assets and liabilities; and
- discussing with management on the appropriateness of the related disclosures.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITAGLOBAL BERHAD (Incorporated in Malaysia)

### Key Audit Matters (Continued)

#### Group (Continued)

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#### **Goodwill (Note 4.2 and 6 to the financial statements)**

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The Group has significant balances of goodwill attributable to acquisition of subsidiaries. The goodwill is tested for impairment annually. We focused on this area because the directors estimate the discounted cash flows using inputs about sales, gross profit margins and other operating expenses based on past experience, current events and possible future developments in determine the value-in-use of a cash generating unit. When value-in-use calculations are undertaken, the directors estimate the expected future cash flows from the cash-generating units and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### **Our response:**

Our audit procedures included, among others:

- comparing the actual results with previous budgets to understand the performance of the business;
- comparing the Group's assumptions to externally derived data, if any, and discussing with the management the key assumptions to the projections;
- testing the mathematical accuracy of the impairment assessment; and
- discussing the management's sensitivity analysis of key assumptions on the impact of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

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#### **Revenue recognition for construction business and property development (Note 4.3, 12, 13 and 22 to the financial statements)**

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We focused on this area because the amount of revenue recognised in the construction business and property development require the directors to apply judgement and estimation. The Group recognised construction and property development revenue in the profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction and property development costs incurred for work performed to date bear to the estimated total construction and property development costs. Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction and property development costs incurred, the estimated total construction and property development revenue and expenses, as well as the recoverability of the projects.

#### **Our response:**

Our audit procedures on a sample of projects included, among others:

- reading the terms and conditions of sample of agreements with customers;
- understanding the design and implementation of controls over the Group's process in recording project costs, in preparing project budgets and in calculating the progress towards completion;
- discussing the progress of the projects and expected outcome with the respective project directors to obtain an understanding of the basis on which the estimates are made; and
- testing the mathematical computation of the recognised revenue and expenses during the financial year.

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#### **Trade receivables and contract assets (Note 4.5, 11 and 13 to the financial statements)**

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We focused on this area because the directors made subjective judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the directors are to select inputs to the impairment calculations, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period. The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITAGLOBAL BERHAD (Incorporated in Malaysia)

### Key Audit Matters (Continued)

#### Group (Continued)

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#### Trade receivables and contract assets (Note 4.5, 11 and 13 to the financial statements) (Continued)

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##### **Our response:**

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring and discussing the management's assessment of the expected credit losses of trade receivables and contract assets as at 31 December 2023;
- discussing the progress of the projects and expected outcome with the respective project directors;
- understanding of significant credit exposures which were significantly overdue or deemed to be in default through timelines stated in the construction contracts; and
- checking subsequent receipts, customer correspondences, and considering the levels of activity with the customer and management's explanation on recoverability of significantly past due balances.

#### Company

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#### Investment in subsidiaries (Note 4.4 and 9 to the financial statements)

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The Company assesses whether there is any indication that the cost of investment in subsidiaries is impaired at the end of each reporting date. Impairment is to be measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is to be measured at the higher of the fair value less cost to sell for that asset and its value-in-use. In determining the value-in-use of the subsidiaries, management is to estimate the discounted cash flows using reasonable and supportable inputs about sales, gross profit margins and other operating expenses based on past experience, current events and reasonably possible future developments. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

##### **Our response:**

Our audit procedures focused on evaluating the cash flow projections and the Company's forecasting procedures which included, among others:

- comparing the actual results with previous budgets to assess the performance of the business;
- comparing the Company's assumptions to externally derived data, if any as well as our assessments in relation to key assumptions to assess the reasonableness of their projections;
- testing the mathematical accuracy of the impairment assessment; and
- discussing the management's sensitivity analysis of key assumptions by assessing the impact of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

#### **Information other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITAGLOBAL BERHAD (Incorporated in Malaysia)

### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company'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 the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Group and of the Company, 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 and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' 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 or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company 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 auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company 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 financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITAGLOBAL BERHAD (Incorporated in Malaysia)

### Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' 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.

### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Baker Tilly Monteiro Heng PLT**  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

**Heng Fu Joe**  
No. 02966/11/2024 J  
Chartered Accountant

Kuala Lumpur

Date: 17 April 2024



## ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024

### ANALYSIS OF SHAREHOLDINGS

Number of Issued Share Capital	:	417,939,875 Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share

### ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	730	15.09	20,589	0.00
100 – 1,000	877	18.13	489,440	0.12
1,001 – 10,000	1,968	40.68	8,984,033	2.15
10,001 – 100,000	1,019	21.06	32,691,559	7.82
100,001 – 20,896,992 (*)	240	4.96	220,987,019	52.88
20,896,993 and above (**)	4	0.08	154,767,235	37.03
<b>TOTAL</b>	<b>4,838</b>	<b>100.00</b>	<b>417,939,875</b>	<b>100.00</b>

Remarks: \* Less than 5% of issued shares  
 \*\* 5% and above of issued shares

### SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of Citaglobal Berhad and their respective shareholdings based on the Register of Substantial Shareholders of Citaglobal Berhad as at 29 March 2024 are as follows:-

Substantial Shareholders	Direct	No. of Shares		%
		%	Indirect	
Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Mustafa'in Billah	41,372,818	9.90	-	-
TIZA Global Sdn. Bhd.	125,066,630	29.92	<sup>(1)</sup> 12,057,920	2.89
Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	4,508,300	1.08	<sup>(2)</sup> 137,124,550	32.81
Datuk Tang Vee Mun	9,892,600	2.37	<sup>(3)</sup> 19,197,799	4.59
RHB Trustee Berhad for Kenanga Islamic Absolute Return Fund	23,000,000	5.50	-	-

Notes:

- (1) Deemed interested by virtue of its shareholding in Citaglobal Energy Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (2) Deemed interested by virtue of his direct shareholding in TIZA Global Sdn. Bhd. ("TIZA Global") and indirect shareholdings in Citaglobal Energy Resources Sdn Bhd held via TIZA Global pursuant to Section 8 of the Companies Act 2016.
- (3) Deemed interested by virtue of his indirect shareholding in Mettiz Capital Sdn. Bhd. and Polo Investments Limited pursuant to Section 8 of the Companies Act 2016.



## ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024 (Cont'd)

### DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of Citaglobal Berhad as at 29 March 2024 are as follows:-

Size of Shareholdings	No. of Shareholders	No. of Shares Held		
		%	No. of Shares	%
Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	4,508,300	1.08	<sup>(1)</sup> 137,124,550	32.81
Ikhlas Bin Kamarudin	-	-	<sup>(2)</sup> 12,057,920	2.89
Rosli Bin Shafiei	-	-	-	-
Datuk Idris Bin Haji Hashim J. P.	-	-	-	-
Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	-	-	-	-
Dato' Sri Mohan A/L C Sinnathamby	-	-	<sup>(3)</sup> 1,600,000	0.38
Aimi Aizal Bin Nasharuddin	-	-	-	-
Datuk (Dr.) Yasmin Binti Mahmood	-	-	-	-

<sup>(1)</sup> Deemed interested by virtue of his direct shareholding in TIZA Global Sdn. Bhd. ("**TIZA Global**") and indirect shareholdings in Citaglobal Energy Resources Sdn Bhd held via TIZA Global pursuant to Section 8 of the Companies Act 2016.

<sup>(2)</sup> Deemed interested by virtue of his shareholding in Citaglobal Energy Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

<sup>(3)</sup> Deemed interested by virtue of his spouse's shareholding in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria's interest in the ordinary shares of the Company, he is deemed to have an interest in the ordinary shares of all subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, none of the other Directors in office has any interest in the ordinary shares of the Company and its related corporations as at 29 March 2024.



## ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024 (Cont'd)

### THIRTY LARGEST SHAREHOLDERS BASED ON RECORD OF DEPOSITORS AS AT 29 MARCH 2024

(without aggregating securities from different securities accounts belonging to the same persons)

No.	Name	No. of Shares	%
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR TIZA GLOBAL SDN. BHD. (444900)	67,461,937	16.14
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AL-SULTAN ABDULLAH IBNI SULTAN HAJI AHMAD SHAH	40,305,298	9.64
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIZA GLOBAL SDN BHD	24,000,000	5.74
4.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ISLAMIC ABSOLUTE RETURN FUND	23,000,000	5.50
5.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TIZA GLOBAL SDN.BHD.	16,660,000	3.99
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ETD MAKMUR (M) SDN BHD	14,827,200	3.55
7.	RAJA MUFIK AFFANDI BIN RAJA KHALID	13,479,226	3.23
8.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CITAGLOBAL ENERGY RESOURCES SDN BHD	12,057,920	2.89
9.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	11,967,840	2.86
10.	ONG LEE VENG @ ONG CHUAN HENG	10,000,000	2.39
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIZA GLOBAL SDN BHD	9,300,000	2.23
12.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TANG VEE MUN (DATUK) (MY4553)	9,000,000	2.15
13.	TIZA GLOBAL SDN BHD	7,644,693	1.83
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR METTIZ CAPITAL SDN. BHD.	7,113,098	1.70
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR METTIZ CAPITAL SDN BHD (444985)	6,672,059	1.60
16.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR METTIZ CAPITAL SDN BHD (MY3831)	4,600,000	1.10
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMAD NORZA BIN ZAKARIA	4,358,300	1.04
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	4,033,100	0.97
19.	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	3,943,700	0.94
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TENGKU UZIR BIN TENGKU UBAIDILLAH	3,123,510	0.75
21.	WILLIAM TAN CHEE KEONG	2,708,800	0.65
22.	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	2,419,333	0.58
23.	KAMARUDIN BIN MERANUN	2,400,000	0.57
24.	LIM KONG JOO	2,300,000	0.55
25.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHIN KEM WENG (PB)	2,000,000	0.48
26.	MALAYSIAN TRUSTEES BERHAD TEOH CHEE YOONG	1,746,509	0.42
27.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MARY ANNE WOON LAI KHENG	1,600,000	0.38
28.	TENGKU UZIR BIN TENGKU UBAIDILLAH	1,549,844	0.37
29.	AMSEC NOMINEES (TEMPATAN) SDN BHD	1,474,200	0.35
30.	SITI MUNAJAT BINTI MD GHAZALI	1,420,000	0.34





## ANALYSIS OF ICPS HOLDINGS

As at 29 March 2024

### ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS

Number of Outstanding ICPS Issued : 2,566,717

### ANALYSIS OF ICPS HOLDINGS

Size of ICPS Holdings	No. of ICPS Holders	%	No. of ICPS	%
1 – 99	29	10.58	802	0.03
100 – 1,000	92	33.58	41,779	1.63
1,001 – 10,000	109	39.78	420,019	16.36
10,001 – 100,000	40	14.60	1,346,144	52.45
100,001 – 128,334 (*)	1	0.36	111,020	4.33
128,335 and above (**)	3	1.09	646,953	25.21
<b>TOTAL</b>	<b>274</b>	<b>100.00</b>	<b>2,566,717</b>	<b>100.00</b>

Remarks: \* Less than 5% of issued ICPS  
 \*\* 5% and above of issued ICPS

### DIRECTORS’ ICPS HOLDINGS

The Directors’ ICPS holdings based on the Register of Directors’ Shareholdings of Citaglobal Berhad as at 29 March 2024 are as follows:-

Directors	Direct	No. of ICPS Held		%
		%	Indirect	
Tan Sri Dato’ Sri (Dr.) Mohamad Norza Bin Zakaria	-	-	-	-
Ikhlas Bin Kamarudin	-	-	-	-
Rosli Bin Shafiei	-	-	-	-
Datuk Idris Bin Haji Hashim J. P.	-	-	-	-
Dato’ Syed Kamarulzaman Bin Dato’ Syed Zainol Khodki Shahabudin	-	-	-	-
Dato’ Sri Mohan A/L C Sinnathamby	-	-	-	-
Aimi Aizal Bin Nasharuddin	-	-	-	-
Datuk (Dr.) Yasmin Binti Mahmood	-	-	-	-



## ANALYSIS OF ICPS HOLDINGS

As at 29 March 2024 (Cont'd)

### THIRTY LARGEST ICPS HOLDERS BASED ON RECORD OF DEPOSITORS AS AT 29 MARCH 2024

(without aggregating securities from different securities accounts belonging to the same persons)

No.	Name	No. of ICPS	%
1.	SU MING YAW	326,373	12.72
2.	TENGGU UZIR BIN TENGGU UBAlDILLAH	176,580	6.88
3.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR MOKHTAR BIN SAMAD (REM 130)	144,000	5.61
4.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PAULINE SEAH SEOW GEIK	111,020	4.33
5.	TAN JING JIA	100,000	3.90
6.	LEE FOO KEONG	78,666	3.06
7.	KOAY HIAN BENG	69,020	2.69
8.	CHOW OI OI	68,400	2.66
9.	HOH DING WEI	61,333	2.39
10.	HOH DING WEI	60,000	2.34
11.	RHB NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR GAN SEONG LIAM	60,000	2.34
12.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR NURRUL MARIA BINTI MOKHTAR (REM 130)	58,660	2.29
13.	TENG CHEK CHEONG	57,600	2.24
14.	CHIN KWAI MUI	54,400	2.12
15.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR MOKHZANI BIN MOKHTAR (REM 130)	53,320	2.08
16.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR THAM TOO KAM	52,800	2.06
17.	LSQ & SONS SDN. BERHAD	40,000	1.56
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR CHEONG KAI FU	40,000	1.56
19.	CHOH KOK CHOY	34,000	1.32
20.	ONG KIAN TONG	32,800	1.28
21.	LEH YOK TEN	30,000	1.17
22.	ZULKEFLY BIN MOHD DAIM	30,000	1.17
23.	ONG CHIN HONG	23,280	0.91
24.	RHB NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR SOH SAY KEONG	22,000	0.86
25.	CHIA SOO HOCK	20,666	0.81
26.	AHMAD ZAMRI BIN SAIHANI	20,000	0.78
27.	LAM AH CHOI	20,000	0.78
28.	QRHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR NURULHAYATI BINTI ANUAL	20,000	0.78
29.	TAN AH KOW @ TAN CHEE LIN	20,000	0.78
30.	WEE CHOO KIAN	20,000	0.78



## ANALYSIS OF WARRANTS A HOLDINGS

As at 29 March 2024

### ANALYSIS OF WARRANTS A HOLDINGS

Number of Outstanding Warrants A Issued : 36,648,073

### ANALYSIS OF WARRANTS A HOLDINGS

Size of Warrants A Holdings	No. of Warrants A Holders	%	No. of Warrants A	%
1 – 99	319	31.24	6,465	0.02
100 – 1,000	220	21.55	87,054	0.24
1,001 – 10,000	221	21.65	899,687	2.45
10,001 – 100,000	192	18.81	7,369,523	20.11
100,001 – 1,832,402 (*)	68	6.66	21,588,664	58.91
1,832,403 and above (**)	1	0.10	6,696,680	18.27
<b>TOTAL</b>	<b>1,021</b>	<b>100.00</b>	<b>36,648,073</b>	<b>100.00</b>

Remarks: \* Less than 5% of issued Warrants A  
 \*\* 5% and above of issued Warrants A

Directors	No. of Warrants A Held			
	Direct	%	Indirect	%
Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	-	-	-	-
Ikhlas Bin Kamarudin	-	-	-	-
Rosli Bin Shafiei	-	-	-	-
Datuk Idris Bin Haji Hashim J. P.	-	-	-	-
Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	-	-	-	-
Dato' Sri Mohan A/L C Sinnathamby	-	-	-	-
Aimi Aizal Bin Nasharuddin	-	-	-	-
Datuk (Dr.) Yasmin Binti Mahmood	-	-	-	-



## ANALYSIS OF WARRANTS A HOLDINGS

As at 29 March 2024 (Cont'd)

### THIRTY LARGEST WARRANTS A HOLDERS BASED ON RECORD OF DEPOSITORS AS AT 29 MARCH 2024

(without aggregating securities from different securities accounts belonging to the same persons)

No.	Name	No. of Warrants A	%
1.	TENGGU UZIR BIN TENGGU UBADILLAH	6,696,680	18.27
2.	TAN PANG HONG	1,514,760	4.13
3.	BHARANIKAAANTH A/L BALAGURU	1,396,000	3.81
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD GAN BOON GUAT (EM1-P88)	1,394,300	3.80
5.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KEVIN TAN CHEE MING (MY2091)	1,240,000	3.38
6.	SIVALINGAM A/L VELUPPILLAI	1,200,000	3.27
7.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KRISHNA KUMAR A/L MANIKAM (KR011 STS)	1,038,800	2.83
8.	YEE KONG SIONG	1,000,000	2.73
9.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN BOON GUAT (028)	639,000	1.74
10.	BONG LEE HUEY	496,000	1.35
11.	MAHALINGAM A/L VELUPPILLAI	402,900	1.10
12.	TEE LIN SAY	400,000	1.09
13.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE BOON (E-KPG)	391,100	1.07
14.	LEE KIM-YIE	390,000	1.06
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHAN SOON ONN	390,000	1.06
16.	KAF NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR TENGGU ABDULLAH IBNI SULTAN HJ AHMAD SHAH (TE1113)	372,057	1.02
17.	SHARMALA DEVI A/P V THURAIRATNAM	349,900	0.95
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG CHEW YENG (MY3114)	340,000	0.93
19.	TAN JING XIN	320,394	0.87
20.	ELVIN SIEW CHUN WAI	320,000	0.87
21.	BAO, SHENGLU	284,000	0.77
22.	PAKIRISAMY BASKARAN A/L P THANGAVELU	280,700	0.77
23.	LAM KIM GOON	280,000	0.76
24.	TEE ZHEN LUNG	276,800	0.76
25.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAM TOO KAM	257,958	0.70
26.	TENGGU ZUBIR BIN TENGGU UBADILLAH	256,005	0.70
27.	TAN PANG HONG	238,732	0.65
28.	LOW CHEE ONN	207,900	0.57
29.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR FOONG AI LIN	200,000	0.55
30.	FOONG AI LIN	200,000	0.55



## ANALYSIS OF WARRANTS B HOLDINGS

As at 29 March 2024

### ANALYSIS OF WARRANTS B HOLDINGS

Number of Outstanding Warrants B Issued : 12,365,413

### ANALYSIS OF WARRANTS B HOLDINGS

Size of Warrants B Holdings	No. of Warrants B Holders	%	No. of Warrants B	%
1 – 99	288	43.31	6,754	0.05
100 – 1,000	150	22.56	55,813	0.45
1,001 – 10,000	122	18.35	551,484	4.46
10,001 – 100,000	84	12.63	3,092,084	25.01
100,001 – 618,269 (*)	19	2.86	4,908,046	39.69
618,270 and above (**)	2	0.30	3,751,232	30.34
<b>TOTAL</b>	<b>665</b>	<b>100.00</b>	<b>12,365,413</b>	<b>100.00</b>

Remarks: \* Less than 5% of issued Warrants B  
 \*\* 5% and above of issued Warrants B

Directors	No. of Warrants B Held			
	Direct	%	Indirect	%
Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	-	-	<sup>(1)</sup> 2,477,520	20.04
Ikhlas Bin Kamarudin	-	-	<sup>(2)</sup> 2,477,445	20.04
Rosli Bin Shafiei	-	-	-	-
Datuk Idris Bin Haji Hashim J. P.	-	-	-	-
Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	-	-	-	-
Dato' Sri Mohan A/L C Sinnathamby	-	-	-	-
Aimi Aizal Bin Nasharuddin	-	-	-	-
Datuk (Dr.) Yasmin Binti Mahmood	-	-	-	-

Notes:

- (1) Deemed interested by virtue of his direct shareholding in TIZA Global Sdn. Bhd. ("**TIZA Global**") and indirect shareholdings in Citaglobal Energy Resources Sdn Bhd held via TIZA Global pursuant to Section 8 of the Companies Act 2016.
- (2) Deemed interested by virtue of his shareholding in Citaglobal Energy Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.



## ANALYSIS OF WARRANTS B HOLDINGS

As at 29 March 2024 (Cont'd)

### THIRTY LARGEST WARRANTS B HOLDERS BASED ON RECORD OF DEPOSITORS AS AT 29 MARCH 2024

(without aggregating securities from different securities accounts belonging to the same persons)

No.	Name	No. of Warrants B	%
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CITAGLOBAL ENERGY RESOURCES SDN. BHD.	2,477,445	20.04
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AL-SULTAN ABDULLAH IBNI SULTAN HAJI AHMAD SHAH	1,273,787	10.30
3.	TEE KENG HOON	600,000	4.85
4.	LOW CHANG CHOY	599,600	4.85
5.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEVIN TAN CHEE MING (MY2091)	497,200	4.02
6.	TEE LIN SAY	400,000	3.23
7.	TENGGU UZIR BIN TENGGU UBADILLAH	343,255	2.78
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TENGGU UZIR BIN TENGGU UBADILLAH	328,970	2.66
9.	KENANGA NOMINEES (TEMPATAN) SDN BHD LIM KOK KHONG (AA0039387)	225,700	1.83
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN HAI TOH	221,832	1.79
11.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAM TOO KAM	203,000	1.64
12.	TEO CHUNG WEE	201,100	1.63
13.	FOONG AI LIN	200,000	1.62
14.	CHEW GUAT LOOI	180,000	1.46
15.	KENANGA NOMINEES (TEMPATAN) SDN BHD NATASHA NG EU JERN (023)	165,200	1.34
16.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG CHEW YENG (MY3114)	160,400	1.30
17.	WONG KENG PUNG	140,200	1.13
18.	NG THOR KIOK	120,000	0.97
19.	TENGGU UZIR BIN TENGGU UBADILLAH	110,617	0.89
20.	LIM CHEW CHING	110,240	0.89
21.	TAN JING XIN	100,732	0.81
22.	CHONG CHEW YENG	100,000	0.81
23.	PAUL IAN BROWN-KENYON	100,000	0.81
24.	TEE KHENG EAN @ TEE CHENG YAN	100,000	0.81
25.	ONG POH GAIK	90,540	0.73
26.	LIM SIOK HWA	90,000	0.73
27.	COLIN SOH CHENG HOE	85,000	0.69
28.	TAN PANG HONG	80,482	0.65
29.	REBEKAH ALEXANDRA A/P D JOSEPH	80,000	0.65
30.	SIVALINGAM A/L VELUPPILLAI	79,500	0.64



## LIST OF PROPERTIES

### As at 31 Dec 2023

Location	Tenure	Land area/ Built-up Area (sq ft)	Description /Existing Use	Net Book Value (RM'000)	Age of Building	Date of Acquisition /Revaluation
1. HSD 7625 for PT No. 3521, Mukim of Sungai Karang, District of Kuantan, State of Pahang Darul Makmur	Freehold	3,370,503	Agriculture	11,000	-	2022
2. Lot 1850 Jalan KPB 10 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Freehold	102,154/ 79,759	Manufacturing Plant cum Warehouse	22,361	23 years	2022
3. Lot 1882 Jalan KPB 9 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Leasehold (Expires 17.8.2065)	81,646/ 40,860	Warehouse	12,873	16 years	2020
4. B2-1 Block B Jalan Damai Perdana 2/8 Bandar Damai Perdana 56100 Kuala Lumpur	Freehold	650	Apartment / Staff Quarters	97	20 years	2022
5. B2-2 Block B Jalan Damai Perdana 2/8 Bandar Damai Perdana 56100 Kuala Lumpur	Freehold	650	Apartment / Staff Quarters	97	20 years	2022
6. B0-1 Block B Jalan Damai Perdana 2/8 Bandar Damai Perdana 56100 Kuala Lumpur	Freehold	650	Apartment / Staff Quarters	108	20 years	2022
7. B0-2 Block B Jalan Damai Perdana 2/8 Bandar Damai Perdana 56100 Kuala Lumpur	Freehold	650	Apartment / Staff Quarters	108	20 years	2022



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Nineteenth (**19th**) Annual General Meeting (“**AGM**”) of the Company will be held at Grand Johor, Lower Lobby, Shangri-La Kuala Lumpur, 11, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 4 June 2024 at 10:00 a.m. for the following purposes:-

### AGENDA

- |    |  |  |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon.                           | [Please refer to Explanatory Note (1)] |
| 2. | To approve the payment of Directors’ fees to the Directors of the Company and its subsidiaries amounting to RM1,200,000 for the period from 1 July 2024 to 30 June 2025.                 | (Ordinary Resolution 1)                |
| 3. | To approve the payment of benefits payable to the Directors up to an amount of RM250,000 for the period from 1 July 2024 to 30 June 2025.  | (Ordinary Resolution 2)                |
| 4. | To re-elect the following Directors who retire by rotation in accordance with Clause 118 of the Company’s Constitution and being eligible, have offered themselves for re-election:-     |  |
|    | (a) Dato’ Sri Mohan A/L C Sinnathamby  | (Ordinary Resolution 3)                |
|    | (b) Dato’ Syed Kamarulzaman Bin Dato’ Syed Zainol Khodki Shahabudin  | (Ordinary Resolution 4)                |
| 5. | To re-elect Datuk (Dr.) Yasmin Binti Mahmood who is retiring in accordance with Clause 117 of the Company’s Constitution and being eligible, has offered herself for re-election.        | (Ordinary Resolution 5)                |
| 6. | To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | (Ordinary Resolution 6)                |

### As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions: -

- |    |  |                         |
|----|--|-------------------------|
| 7. | <b>RETENTION OF ROSLI BIN SHAFIEI AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR</b>   | (Ordinary Resolution 7) |
|    | “ <b>THAT</b> Rosli Bin Shafiei, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 28 October 2014, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”                 |                         |
| 8. | <b>RETENTION OF DATUK IDRIS BIN HAJI HASHIM J.P. AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR</b>  | (Ordinary Resolution 8) |
|    | “ <b>THAT</b> Datuk Idris Bin Haji Hashim J.P., who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 20 November 2014, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.” |                         |





## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

9. **RETENTION OF DATO' SYED KAMARULZAMAN BIN DATO' SYED ZAINOL KHODKI SHAHABUDIN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR** (Ordinary Resolution 9)

**“THAT** subject to the passing of Ordinary Resolution 4, Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 23 April 2015, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”

10. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** (Ordinary Resolution 10)

**“THAT** subject always to the Companies Act 2016 (**“the Act”**), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (**“Bursa Securities”**) and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company for the time being (**“General Mandate”**);

**THAT** in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 14 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate;

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

11. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

**CHUA SIEW CHUAN (MAICSA 0777689)(SSM PC NO. 201908002648)**  
**YAU JYE YEE (MAICSA 7059233)(SSM PC NO. 202008000733)**  
Company Secretaries

Kuala Lumpur  
Dated: 30 April 2024



## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

### Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **27 May 2024** (“**General Meeting Record of Depositors**”) shall be eligible to participate, speak and vote at the Meeting.
2. A member entitled to participate and vote at the Meeting is entitled to appoint more than one (1) proxy to participate and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but does not need to be a member of the Company. Notwithstanding this, a member entitled to participate and vote at the Meeting is entitled to appoint any person as his proxy to participate and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Appointment of proxy and registration for voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited not less than forty-eight (48) hours before the time for holding the meeting or adjournment thereof through either one of the following avenues:-

#### In hard copy Form of Proxy

To be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan; or

#### By electronic Form of Proxy

To be submitted via fax at +603 20949940 or +603 20950292 or email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).

7. If you have submitted your proxy form(s) and subsequently decide to appoint another person or wish to participate in the 19th AGM by yourself, please write to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) to revoke the earlier appointed proxy twenty-four (24) hours before this Meeting.

### Explanatory Notes: -

#### 1. **Audited Financial Statements for the financial year ended 31 December 2023**

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require the formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

#### 2. **Ordinary Resolutions 1 and 2 - Directors' Fees and Benefits Payable**

Pursuant to Section 230(1) of the Act provides amongst others, that the fees of the Directors, and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at the general meeting.

The Nomination and Remuneration Committee (“**NRC**”) recommended and the Board of Directors of the Company affirmed that the Directors' fees of RM1,200,000 to the Directors of the Company and its subsidiaries for the period from 1 July 2024 to 30 June 2025 be recommended to the shareholders for approval at the 19th AGM.



## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

The proposed Ordinary Resolution 1, if approved, will authorise the payment of the Directors' fees to the Directors of the Company and its subsidiaries for the period from 1 July 2024 to 30 June 2025 and to be payable on a monthly basis in arrears after each month of completed service of the Directors.

The proposed Ordinary Resolution 2, if approved, will authorise the payment of Directors' benefits to the Non-Executive Directors ("NEDs") of the Company. The Directors' benefits payable comprises meeting allowance based on the current Board size, the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees, the number of NEDs involved in the meetings and other benefits-in-kind payable to the NEDs.

If the Directors' benefits payable proposed are insufficient due to the enlarged Board size, the Company will seek shareholders' approval at the next Annual General Meeting for additional Directors' benefits to meet the shortfall.

### 3. Ordinary Resolutions 3 to 5 - Re-election of Directors

Clause 118 of the Company's Constitution mandates that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Clause 117 of the Company's Constitution states that any Director who is appointed either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the conclusion of the next AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

In evaluating the eligibility of the Directors for re-election at the forthcoming 19th AGM, the NRC considered the following:-

- (i) Directors' self-assessment and peer-to-peer performance evaluation;
- (ii) Evaluation of the effectiveness of the Board as a whole and the Committees of the Board; and
- (iii) For Independent Non-Executive Directors ("INEDs") specifically, assessing their level of independence and their ability to act in the Company's best interest.

The Board has endorsed the NRC's recommendation for the retiring Directors in accordance with Clauses 117 and 118 of the Company's Constitution. All the retiring Directors have consented to their re-election and abstained from deliberation and decisions regarding their own eligibility for re-election at the relevant NRC and Board meetings, where applicable.

### 4. Ordinary Resolution 6 - Re-appointment of Auditors

The Audit and Risk Committee thoroughly evaluated the suitability and independence of the External Auditors and recommended the re-appointment of Baker Tilly Monteiro Heng PLT as the Company's External Auditors for the financial year ending 31 December 2024. Subsequently, the Board carefully reviewed the Audit and Risk Committee's recommendation and endorsed it to be presented to the shareholders for approval at the upcoming 19th AGM of the Company under Ordinary Resolution 6.

### 5. Ordinary Resolutions 7 to 9 - Retention of Independent Non-Executive Directors

The Board had conducted an assessment of the independence of Rosli Bin Shafiei, Datuk Idris Bin Haji Hashim J.P. and Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin and is confident that they will uphold independent perspectives on the Board, thereby safeguarding the minority interest of the Company. The Board acknowledges their leadership qualities, industry knowledge, and extensive experience, which it believes will continue to positively contribute to the Board and its Committees in an impartial manner.

The Board recommends the retention of Rosli Bin Shafiei, Datuk Idris Bin Haji Hashim J.P. and Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin as Independent Non-Executive Directors of the Company. This recommendation is subject to approval from the Company's shareholders through a two-tier voting process, as outlined in the Guidance to Practice 5.3 of the Malaysian Code on Corporate Governance.



## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

### 6. Ordinary Resolution 10 - Authority to Issue Shares Pursuant to the Companies Act 2016

The proposed Ordinary Resolution 10 seek to renew the authority granted to the Company's Directors at the Eighteenth (18th) AGM of the Company held on 30 May 2023 ("**Previous Mandate**") to issue and allot shares at their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "**General Mandate**").

Under the Previous Mandate, the Company completed a placement of 37,956,885 new ordinary shares at a subscription price of RM1.32, generating total gross proceeds of RM50,103,088.20. Details of this private placement are disclosed in the Additional Compliance Information section of the Annual Report.

The new General Mandate will empower the Directors to swiftly allot shares for potential fundraising activities, such as further share placements, funding current or future investment projects, meeting working capital needs, acquisitions, issuance of shares as settlement of purchase consideration (including but not limited to the issuance of 7,466,666 consideration shares for acquisition by the Company of 25% equity interest in IFactors Sdn. Bhd. which has been completed on 31 January 2024) or such other applications. This will eliminate the need for convening general meetings to approve share issuances, thereby saving time and costs.

The proposed Ordinary Resolution 10, if passed, will require shareholders to waive their statutory pre-emptive rights, allowing the Directors to issue new shares to any person under the General Mandate without offering these shares to all existing shareholders first.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 19th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed 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), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# FORM OF PROXY



**CITAGLOBAL**

Registration No. 200401027590 (666098-X)  
(Incorporated in Malaysia)

CDS Account No.	
Number of ordinary shares held	

\*I/We (full name), \_\_\_\_\_  
bearing \*NRIC No./Passport No./Registration No. \_\_\_\_\_  
of (full address) \_\_\_\_\_

being a \*member/members of Citaglobal Berhad (“the Company”) hereby appoint: -

First Proxy “A”

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

and/or failing \*him/her,

Second Proxy “B”

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

100%

or failing \*him/her, the \*Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Nineteenth (19th) Annual General Meeting of the Company to be held at Grand Johor, Lower Lobby, Shangri-La Kuala Lumpur, 11, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 4 June 2024 at 10:00 a.m. and any adjournment thereof.

Please indicate with an “X” in the spaces provided below as to how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

Ordinary Resolution	Agenda	For	Against
1	To approve the payment of Directors’ fees to the Directors of the Company and its subsidiaries amounting to RM1,200,000 for the period from 1 July 2024 to 30 June 2025.		
2	To approve the payment of benefits payable to the Directors up to an amount of RM250,000 for the period from 1 July 2024 to 30 June 2025.		
3	To re-elect Dato’ Sri Mohan A/L C Sinnathamby as a Director of the Company who retires by rotation in accordance with Clause 118 of the Company’s Constitution and being eligible, has offered himself for re-election.		
4	To re-elect Dato’ Syed Kamarulzaman Bin Dato’ Syed Zainol Khodki Shahabudin as a Director of the Company who retires by rotation in accordance with Clause 118 of the Company’s Constitution and being eligible, has offered himself for re-election.		
5	To re-elect Datuk (Dr.) Yasmin Binti Mahmood as a Director of the Company who retires by rotation in accordance with Clause 117 of the Company’s Constitution and being eligible, has offered herself for re-election.		
6	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
<b>As Special Business</b>			
7	Retention of Rosli Bin Shafiei as an Independent Non-Executive Director.		
8	Retention of Datuk Idris Bin Haji Hashim J.P. as an Independent Non-Executive Director.		
9	Retention of Dato’ Syed Kamarulzaman Bin Dato’ Syed Zainol Khodki Shahabudin as an Independent Non-Executive Director.		
10	Authority to issue shares pursuant to the Companies Act 2016		

As witness my/our hand(s) this day \_\_\_\_\_ of \_\_\_\_\_ 2024.

\_\_\_\_\_  
\*Signature of Member /Common Seal

\*Strike out whichever not applicable

**Notes:-**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **27 May 2024** (“**General Meeting Record of Depositors**”) shall be eligible to participate, speak and vote at the Meeting.
2. A member entitled to participate and vote at the Meeting is entitled to appoint more than one (1) proxy to participate and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but does not need to be a member of the Company. Notwithstanding this, a member entitled to participate and vote at the Meeting is entitled to appoint any person as his proxy to participate and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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Affix  
Stamp

The Share Registrar

**CITAGLOBAL BERHAD** Registration No. (200401027590) (666098-X)  
Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur.

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6. Appointment of proxy and registration for voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited not less than forty-eight (48) hours before the time for holding the meeting or adjournment thereof through either one of the following avenues:-

In hard copy Form of Proxy

To be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan; or

By electronic Form of Proxy

To be submitted via fax at +603 20949940 or +603 20950292 or email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).

7. If you have submitted your proxy form(s) and subsequently decide to appoint another person or wish to participate in the 19th AGM by yourself, please write to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) to revoke the earlier appointed proxy twenty-four (24) hours before this Meeting.

**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 19th Annual General Meeting dated 30 April 2024.



[www.citaglobal.my](http://www.citaglobal.my) 

**CITAGLOBAL BERHAD**

*Registration No. (200401027590) (666098-X)*

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Jalan Stesen Sentral 5, Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia

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Fax : +603-2773 8878