

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

| | Individual Quarter | | | | Cumulative Quarter | | | |
|---|--------------------|--------------|-----------------|---------------|--------------------|--------------|-----------------|---------------|
| | 3 Months Ended | | Changes | | 12 Months Ended | | Changes | |
| | 31/12/22 | 31/12/21 | | | 31/12/22 | 31/12/21 | | |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 72,501 | 56,970 | 15,531 | 27% | 215,436 | 247,382 | (31,946) | -13% |
| Cost of sales | (56,748) | (44,886) | (11,862) | 26% | (172,537) | (204,879) | 32,342 | -16% |
| Gross profit | 15,753 | 12,084 | 3,669 | 30% | 42,899 | 42,503 | 396 | 1% |
| Other income | 4,739 | 5,642 | (903) | -16% | 20,607 | 13,339 | 7,268 | 54% |
| Operating expenses | (65,567) | (12,266) | (53,301) | 435% | (99,016) | (44,315) | (54,701) | 123% |
| Profit/(Loss) from operations | (45,075) | 5,460 | (50,535) | -926% | (35,510) | 11,527 | (47,037) | -408% |
| Finance costs | (974) | (1,117) | 143 | -13% | (3,926) | (4,684) | 758 | -16% |
| Share of results of associates, net of tax | 143 | (369) | 512 | -139% | 379 | (2,082) | 2,461 | -118% |
| Profit/(Loss) before taxation | (45,906) | 3,974 | (49,880) | -1255% | (39,057) | 4,761 | (43,818) | -920% |
| Taxation | (1,553) | (147) | (1,406) | 956% | (2,399) | (1,248) | (1,151) | 92% |
| Profit/(Loss) for the year | (47,459) | 3,827 | (51,286) | -1340% | (41,456) | 3,513 | (44,969) | -1280% |
| Other comprehensive income, net of tax items that will not be reclassified subsequently to profit or loss: | | | | | | | | |
| Net surplus on revaluation of properties | 2,731 | - | 2,731 | N/A | 2,731 | - | 2,731 | N/A |
| Total comprehensive income/(loss) for the year | (44,728) | 3,827 | (48,555) | -1269% | (38,725) | 3,513 | (42,238) | -1202% |
| Profit/(Loss) attributable to: | | | | | | | | |
| Owners of the Company | (47,311) | 3,565 | (50,876) | -1427% | (40,878) | 3,692 | (44,570) | -1207% |
| Non-controlling interests | (148) | 262 | (410) | -156% | (578) | (179) | (399) | 223% |
| Profit/(Loss) for the year | (47,459) | 3,827 | (51,286) | -1340% | (41,456) | 3,513 | (44,969) | -1280% |
| Total comprehensive income/(loss) attributable to: | | | | | | | | |
| Owners of the Company | (44,580) | 3,565 | (48,145) | -1350% | (38,147) | 3,692 | (41,839) | -1133% |
| Non-controlling interests | (148) | 262 | (410) | -156% | (578) | (179) | (399) | 223% |
| Total comprehensive income/(loss) for the year | (44,728) | 3,827 | (48,555) | -1269% | (38,725) | 3,513 | (42,238) | -1202% |
| Earnings/(Loss) per share attributable to Owners of the Company (sen): | | | | | | | | |
| -Basic | (3.06) | 0.43 | (3.49) | -812% | (3.46) | 0.56 | (4.02) | -718% |
| -Diluted | (3.06) | 0.38 | (3.44) | -905% | (3.46) | 0.38 | (3.84) | -1011% |
| Net assets per share (RM) | | | | | 0.17 | 0.17 | - | 0% |

Note:

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 31 DECEMBER 2022**

| | Unaudited | Audited |
|--|------------------|-----------------|
| | 31/12/22 | 31/12/21 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 63,901 | 44,816 |
| Right-of-use assets | 10,970 | 16,908 |
| Goodwill on consolidation | 148,203 | 9,800 |
| Intangible asset | 1,537 | - |
| Investment in associates | 358 | 3,761 |
| Club memberships | 205 | 205 |
| Other receivable | 300 | - |
| Total non-current assets | 225,474 | 75,490 |
| Current assets | | |
| Inventories | 32,529 | 30,934 |
| Trade and other receivables | 91,560 | 104,577 |
| Prepayments | 2,770 | 3,047 |
| Contract assets | 45,488 | 32,506 |
| Tax recoverable | - | 1,349 |
| Short term deposits, cash and bank balances | 81,020 | 85,426 |
| Total current assets | 253,367 | 257,839 |
| TOTAL ASSETS | 478,841 | 333,329 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 497,985 | 300,453 |
| Irredeemable convertible preference shares ("ICPS") | 2,885 | 13,677 |
| Reserves | (182,665) | (144,518) |
| | 318,205 | 169,612 |
| Non-controlling interests | (275) | 303 |
| Total equity | 317,930 | 169,915 |
| Non-current liabilities | | |
| Borrowings | 13,515 | 10,701 |
| Deferred tax liabilities | 5,840 | 5,697 |
| Lease liabilities | 1,467 | 2,836 |
| Total non-current liabilities | 20,822 | 19,234 |
| Current liabilities | | |
| Trade and other payables | 80,348 | 65,134 |
| Contract liabilities | 10,979 | 25,897 |
| Borrowings | 45,193 | 50,753 |
| Provision for liabilities | 357 | 504 |
| Lease liabilities | 1,693 | 1,892 |
| Tax payable | 1,519 | - |
| Total current liabilities | 140,089 | 144,180 |
| TOTAL EQUITY AND LIABILITIES | 478,841 | 333,329 |
| Net assets per share attributable to the owners of the Company (RM) | 0.17 | 0.17 |

Note:

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

Citaglobal Berhad (formerly known as WZ Satu Berhad)

[Registration No: 200401027590 (666098-X)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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

| Share Capital RM'000 | ICPS RM'000 | Warrant Reserve RM'000 | Revaluation Reserve RM'000 | Accumulated Losses RM'000 | Sub-Total RM'000 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|----------------------------|----------------|------------------------------|----------------------------------|---------------------------------|---------------------|--|---------------------------|
|----------------------------|----------------|------------------------------|----------------------------------|---------------------------------|---------------------|--|---------------------------|

12 months ended 31 December 2022

At 1 January 2022 300,453 13,677 9,888 16,525 (170,931) 169,612 303 169,915

| | | | | | | | | |
|----------------------------|---|---|---|---|----------|----------|-------|----------|
| Profit/(Loss) for the year | - | - | - | - | (40,878) | (40,878) | (578) | (41,456) |
|----------------------------|---|---|---|---|----------|----------|-------|----------|

Other comprehensive income/(loss)

| | | | | | | | | |
|------------------------------------|---|---|---|-------|---|-------|---|-------|
| Gains on revaluation of properties | - | - | - | 2,731 | - | 2,731 | - | 2,731 |
|------------------------------------|---|---|---|-------|---|-------|---|-------|

| | | | | | | | | |
|---|---|---|---|-------|----------|----------|-------|----------|
| Total comprehensive income/(loss) for the year | - | - | - | 2,731 | (40,878) | (38,147) | (578) | (38,725) |
|---|---|---|---|-------|----------|----------|-------|----------|

| | | | | | | | | |
|--------------------------------|---|---|---|-------|-----|---|---|---|
| Changes in revaluation reserve | - | - | - | (200) | 200 | - | - | - |
|--------------------------------|---|---|---|-------|-----|---|---|---|

| | | | | | | | | |
|---------------------------------------|--------|----------|---|---|---|---|---|---|
| Conversion of ICPS to ordinary shares | 10,792 | (10,792) | - | - | - | - | - | - |
|---------------------------------------|--------|----------|---|---|---|---|---|---|

| | | | | | | | | |
|--|---------|---|---|---|---|---------|---|---------|
| Issuance of shares pursuant to - Acquisition of subsidiaries | 186,740 | - | - | - | - | 186,740 | - | 186,740 |
|--|---------|---|---|---|---|---------|---|---------|

| | | | | | | | | |
|----------------------------|---------|-------|-------|--------|-----------|---------|-------|---------|
| At 31 December 2022 | 497,985 | 2,885 | 9,888 | 19,056 | (211,609) | 318,205 | (275) | 317,930 |
|----------------------------|---------|-------|-------|--------|-----------|---------|-------|---------|

Citaglobal Berhad (formerly known as WZ Satu Berhad)

[Registration No: 200401027590 (666098-X)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 (CONT'D)

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

| | Share Capital RM'000 | ICPS RM'000 | Warrant Reserve RM'000 | Revaluation Reserve RM'000 | Accumulated Losses RM'000 | Sub-Total RM'000 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|---|----------------------------|----------------|------------------------------|----------------------------------|---------------------------------|---------------------|--|---------------------------|
| <u>12 months ended 31 December 2021</u> | | | | | | | | |
| At 1 January 2021 | 242,813 | - | - | 16,725 | (174,805) | 84,733 | 298 | 85,031 |
| Profit/(Loss) for the year | - | - | - | - | 3,692 | 3,692 | (179) | 3,513 |
| Total comprehensive income/(loss) for the period | - | - | - | - | 3,692 | 3,692 | (179) | 3,513 |
| Changes in revaluation reserve | - | - | - | (200) | 200 | - | - | - |
| Right issue of ICPS with warrants | - | 45,741 | 9,888 | - | - | 55,629 | - | 55,629 |
| Conversion of ICPS to ordinary shares | 32,064 | (32,064) | - | - | - | - | - | - |
| Subscription of shares in subsidiary | - | - | - | - | (18) | (18) | 184 | 166 |
| Issuance of shares pursuant to the private placement | 25,576 | - | - | - | - | 25,576 | - | 25,576 |
| At 31 December 2021 | 300,453 | 13,677 | 9,888 | 16,525 | (170,931) | 169,612 | 303 | 169,915 |

Note:

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2022**

| 12 Months Ended | |
|------------------------|-----------------|
| 31/12/22 | 31/12/21 |
| RM'000 | RM'000 |

Cash Flows From Operating Activities

| | | |
|-----------------------------------|---------------|-----------------|
| Profit/(Loss) before taxation | (39,057) | 4,761 |
| Adjustments for non-cash items | 47,735 | 13,814 |
| | <u>8,678</u> | <u>18,575</u> |
| Changes in working capital | | |
| Net change in assets | 1,417 | (22,527) |
| Net change in liabilities | 6,440 | (3,214) |
| | <u>16,535</u> | <u>(7,166)</u> |
| Interest paid | (3,926) | (4,684) |
| Interest received | 1,240 | 741 |
| Net taxes paid | (2,020) | (1,360) |
| Net Operating Cash Flows | <u>11,829</u> | <u>(12,469)</u> |

Cash Flows From Investing Activities

| | | |
|---|----------------|-----------------|
| Acquisition of subsidiaries, net of cash acquired | 1,061 | - |
| Deposits pledged to licensed banks | 8,056 | (10,589) |
| Purchase of intangible asset | (700) | - |
| Purchase of plant and equipment | (17,155) | (5,854) |
| Purchase of right-of-use assets | - | (78) |
| Proceeds from disposal of an associate | 4,073 | - |
| Proceeds from disposal of plant and equipment | 1,402 | 666 |
| Proceeds from disposal of right-of-use assets | - | 986 |
| Net Investing Cash Flows | <u>(3,263)</u> | <u>(14,869)</u> |

Citaglobal Berhad (formerly known as WZ Satu Berhad)

[Registration No: 200401027590 (666098-X)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 (CONT'D)

| 12 Months Ended | |
|------------------------|-----------------|
| 31/12/22 | 31/12/21 |
| RM'000 | RM'000 |

Cash Flows From Financing Activities

| | | |
|---|---------------|---------------|
| Net proceeds from private placement | - | 25,576 |
| Net proceeds from right issue of ICPS with warrants | - | 55,629 |
| Net proceeds from issuance of shares to non-controlling interest | - | 166 |
| New drawdown of term loan | 6,080 | 1,959 |
| Repayment of lease liabilities | (1,907) | (3,868) |
| Drawdown/(Repayment) of bank borrowings | 1,764 | (24,264) |
| Net Financing Cash Flows | 5,937 | 55,198 |
| Net change in cash and cash equivalents | 14,503 | 27,860 |
| Cash and cash equivalents at beginning of the financial year | 55,895 | 28,032 |
| Effect of the exchange rate fluctuations | (8) | 3 |
| Cash and cash equivalents at end of the financial year | 70,390 | 55,895 |

Notes:

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

| | | |
|--|---------------|---------------|
| Cash on hand and at banks | 37,774 | 42,908 |
| Deposits with licensed banks | 43,246 | 42,518 |
| Cash and bank balances | 81,020 | 85,426 |
| Less: Bank overdrafts | (7,175) | (18,019) |
| Less: Deposits pledged to licensed banks | (3,455) | (11,512) |
| Cash and cash equivalents | 70,390 | 55,895 |

- (ii) The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

Part A – Explanatory Notes Pursuant to MFRS 134

1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to the understanding of changes in the financial position and performance of the Group.

2 Accounting Policies

The significant accounting policies and methods of computation adopted by Citaglobal Berhad (formerly known as WZ Satu Berhad) ("Citaglobal") in the condensed interim financial statements are consistent with those adopted in the audited consolidated financial statements of Citaglobal for the financial year ended 31 December 2021.

The Group has adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

MFRS 3 Business Combinations

MFRS 9 Financial Instruments

MFRS 16 Leases

MFRS 116 Property, Plant and Equipment

MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

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

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

2 Accounting Policies (cont'd)

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

| | Effective for financial periods beginning on or after |
|--|---|
| <u>New MFRS</u> | |
| MFRS 17 Insurance Contract | 1 January 2023 |
| <u>Amendments/Improvements to MFRSs</u> | |
| MFRS 1 First-time Adoption of MFRSs | 1 January 2023# |
| MFRS 3 Business Combinations | 1 January 2023# |
| MFRS 5 Non-current Assets Held for Sale and Discontinued Operations | 1 January 2023# |
| MFRS 7 Financial Instruments: Disclosures | 1 January 2023# |
| MFRS 10 Consolidated Financial Statements | Deferred |
| MFRS 15 Revenue from Contracts with Customers | 1 January 2023# |
| MFRS 17 Insurance Contracts | 1 January 2023 |
| MFRS 101 Presentation of Financial Statements | 1 January 2023/ 1 January 2023# |
| MFRS 107 Statements of Cash Flows | 1 January 2023# |
| MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors | 1 January 2023 |
| MFRS 112 Income Taxes | 1 January 2023 |
| MFRS 116 Property, Plant and Equipment | 1 January 2023# |
| MFRS 119 Employee Benefits | 1 January 2023# |
| MFRS 128 Investments in Associates and Joint Ventures | Deferred/ 1 January 2023# |
| MFRS 132 Financial Instruments: Presentation | 1 January 2023# |
| MFRS 136 Impairment of Assets | 1 January 2023# |
| MFRS 137 Provisions, Contingent Liabilities and Contingent Assets | 1 January 2023# |
| MFRS 138 Intangible Assets | 1 January 2023# |
| MFRS 140 Investment Property | 1 January 2023# |

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

The Group will adopt the aforementioned pronouncements when they become effective in the respective financial periods.

Citaglobal Berhad *(formerly known as WZ Satu Berhad)*
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

3 Auditors' Report on Preceding Audited Financial Statements

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

4 Seasonal or Cyclical Factors

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

5 Unusual Significant Items

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

6 Changes in Accounting Estimates

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

7 Changes in Debts and Equity Securities

During the current quarter under review, 49,083,725 Irredeemable Convertible Preference Shares have been converted to 49,083,725 new ordinary shares of Citaglobal Berhad (formerly known as WZ Satu Berhad) with no additional cash payments to the Company. The new ordinary shares issued ranked pari-passu in all respects with the existing ordinary shares of the Company.

8 Dividends Paid

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

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

9 Segmental Reporting

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

Revenue

| | Total | Elimination | External |
|------------------------------------|----------------|--------------------|-----------------|
| | RM'000 | RM'000 | RM'000 |
| Civil Engineering and Construction | 137,567 | (30,223) | 107,344 |
| Energy | 50,817 | (5,732) | 45,085 |
| Manufacturing | 50,069 | - | 50,069 |
| Others | (23,017) | 35,955 | 12,938 |
| Total | 215,436 | - | 215,436 |

Results

| | |
|--|-----------------|
| | RM'000 |
| Civil Engineering and Construction | 9,817 |
| Energy | (1,732) |
| Manufacturing | 3,962 |
| Others | (79,220) |
| Add/(Less): elimination | 31,663 |
| Profit/(Loss) from operations | <u>(35,510)</u> |
| Finance cost | (3,926) |
| Share of results of associates, net of tax | 379 |
| Taxation | (2,399) |
| Profit/(Loss) for the year | <u>(41,456)</u> |

* *The Energy segment consists of the following business divisions:-*

- *Oil & Gas*
- *Renewable Energy*
- *Power Generation*

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

9 Segmental Reporting (cont'd)

Assets and Liabilities

| | Segment |
|------------------------------------|----------------------|
| | <u>Assets</u> |
| | RM'000 |
| Civil Engineering and Construction | 203,112 |
| Energy | 69,877 |
| Manufacturing | 92,287 |
| Others | 370,729 |
| Add/(Less): elimination | (257,164) |
| Total | <u>478,841</u> |

| | Segment |
|------------------------------------|---------------------------|
| | <u>Liabilities</u> |
| | RM'000 |
| Civil Engineering and Construction | 155,390 |
| Energy | 55,703 |
| Manufacturing | 29,055 |
| Others | 30,308 |
| Add/(Less): elimination | (109,545) |
| Total | <u>160,911</u> |

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

10 Profit/(Loss) Before Taxation

| | 3 Months Ended | 12 Months Ended |
|--|-----------------------|------------------------|
| | 31/12/22 | 31/12/22 |
| | RM'000 | RM'000 |
| Profit/(Loss) before taxation is arrived at after charging/(crediting): | | |
| Impairment loss on goodwill | 47,895 | 47,895 |
| Deposits written off | 39 | 42 |
| Depreciation for property, plant and equipment | 1,588 | 5,124 |
| Depreciation for rights-of-use assets | 45 | 1,630 |
| Corporate expenses for acquisition of subsidiaries | (1,154) | (1,154) |
| Gain on disposal of plant and equipment | (144) | (480) |
| Gain on disposal of associates | (1,655) | (1,655) |
| Gain on lease modification | - | (28) |
| Interest expense | 974 | 3,926 |
| Interest income | (377) | (1,240) |
| Plant and equipment written off | - | 180 |
| Reversal of provision for liabilities and charges | (84) | (84) |
| Impairment loss/(Reversal of impairment loss) on contract assets | 1,158 | (8,722) |
| Reversal of impairment loss on receivables | 2,860 | 2,663 |
| Share of results of associates | (143) | (379) |
| Unrealised (gain)/loss on foreign exchange | (90) | 17 |
| | <u> </u> | <u> </u> |

11 Valuation Of Property

A revaluation of properties of the Group was carried out by firms of professional valuers in the current quarter. This resulted in a revaluation surplus of RM2.73 million as set out below:

| | |
|---------------------|---------------|
| | RM'000 |
| Market value | 47,152 |
| Book value | (44,180) |
| Deferred Taxation | (241) |
| Revaluation surplus | <u>2,731</u> |

12 Material Subsequent Event

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

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

13 Changes In The Composition Of The Group

- (a) Acquisition by Citaglobal Berhad (Citaglobal) of the entire equity interest in Citaglobal Engineering Services Sdn Bhd ("CESSB") from TIZA Global Sdn Bhd at a purchase consideration of RM140,000,000 to be satisfied entirely via issuance of 736,842,105 new ordinary shares in Citaglobal (Consideration Shares) at an issue price of RM0.19 per Consideration Shares (Acquisition)

In relation to the above and on the 10 November 2022, Citaglobal announced to Bursa Malaysia Securities Berhad that the Acquisition has been completed on the 10 November 2022 and the Consideration Shares have been issued and allotted on even date, in accordance with the terms of the Share Purchase Agreement. Hence, CESSB is now a wholly-owned subsidiary of Citaglobal.

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

Identified assets acquired and liabilities assumed

| | Fair value RM'000 |
|---|----------------------------------|
| Plant and equipment | 698 |
| Trade and other receivables | 7,820 |
| Prepayments | 156 |
| Contract assets | 5,277 |
| Short term deposits, cash and bank balances | 1,850 |
| Deferred tax liabilities | (23) |
| Lease liability | (189) |
| Borrowings | (255) |
| Trade and other payables | (9,614) |
| Contract liabilities | (1,774) |
| Tax payable | (2,349) |
| | <u>1,597</u> |
| Net cash inflow arising from the acquisition of a subsidiary | RM'000 |
| Cash and cash equivalents acquired | 1,850 |
| <u>Less:</u> | |
| Purchase consideration in cash and cash equivalents | - |
| | <u>1,850</u> |
| Goodwill arising on the acquisition of a subsidiary | RM'000 |
| Fair value of purchase consideration | 187,895 |
| Fair value of identifiable net assets | (1,597) |
| | <u>186,298</u> |

Transaction costs related to the acquisition had been set-off against the share capital of the Company in the current quarter.

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

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

- (b) On 22 December 2022, the Company announced to Bursa Malaysia Securities Berhad the disposal of Citaglobal Berhad's entire equity stake in SE Satu Sdn Bhd ("SE SATU") represented by 3,470,000 ordinary shares or 49% of the issued share capital of SE SATU for a disposal consideration of RM4,796,204.97 ("Proposed Disposal"). Hence, SE SATU has ceased to be an associate company and equity accounted by the Group with the completion of the Proposed Disposal.

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

14 Changes In Contingent Liabilities And Assets

The contingent liabilities as at 31 December 2022 were as follows:

| | Group | |
|---------------------------------------|-----------------|-----------------|
| | 31/12/22 | 31/12/21 |
| | RM'000 | RM'000 |
| Guarantees in favour of third parties | <u>28,546</u> | <u>36,886</u> |

15 Capital Commitments

The capital commitments as at 31 December 2022 were as follows:

| | RM'000 |
|--|---------------|
| (i) Contracted and not provided for | 5,057 |
| (ii) Authorised and not contracted for | <u>-</u> |
| | <u>5,057</u> |

Analysed as follows:

| | |
|------------------------------------|--------------|
| Acquisition of plant and equipment | <u>5,057</u> |
|------------------------------------|--------------|

**Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)**

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

1 Review Of Performance

Current Year Quarter against Preceding Year Corresponding Quarter

| | Individual Quarter | | | |
|-------------------------------|--------------------|----------|----------|--------|
| | 3 Months Ended | | Changes | |
| | 31/12/22 | 31/12/21 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 72,501 | 56,970 | 15,531 | 27% |
| Profit/(Loss) before taxation | (45,906) | 3,974 | (49,880) | -1255% |

The Group registered a higher revenue of RM72.5 million in the current quarter compared to RM57.0 million in the preceding year corresponding quarter. The increase in revenue of RM15.5 million was due to the higher revenues of RM4.3 million and RM12.8 million from the Civil Engineering and Construction ("CEC") and remaining segments, respectively. However, this was offset by the lower revenues of RM1.1 million and RM0.5 million in the Manufacturing and Energy segments, respectively. The higher revenue in the current quarter was due to the recent acquisition of the Citaglobal Engineering Services Sdn Bhd ("CESSB") on the 10 November 2022 which contributed to the enlarged Group's revenue in the CEC segment and telecommunication division in the remaining segments.

The Group registered a loss before taxation of RM45.9 million in the current quarter compared to a profit before taxation of RM4.0 million in the preceding year corresponding quarter. The decrease in profit before taxation of RM49.9 million was mainly due to the impairment of goodwill arising from the acquisition of CESSB of RM47.9 million. On 15 June 2022, the Company entered into a Share Purchase Agreement for the acquisition of CESSB via the issuance of 736,842,105 consideration shares at a fixed issue price of 19 sen per share. At the date of completion of the acquisition of CESSB on 10 November 2022, the market price / fair value of the consideration shares were 25.5 sen per share. The appreciation of the Company's share price gave rise to an additional share value of 6.5 sen per consideration share. As a prudent measure and based on the prevailing accounting standard MFRS 3, the Board has deliberated to fully impair the "one off" excess goodwill in the current quarter. If exclude the "one off" goodwill impairment, the Group would have registered a profit before taxation of RM2.0 million and RM8.8 million for the 4th Quarter 2022 and full financial year ended 31 December 2022 respectively.

**Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)**

1 Review Of Performance (cont'd)

Current Year-To-Date against Preceding Year Corresponding Year-To-Date

| | Cumulative Quarter | | | |
|-------------------------------|--------------------|----------|----------|-------|
| | 12 Months Ended | | Changes | |
| | 31/12/22 | 31/12/21 | | |
| RM'000 | RM'000 | RM'000 | % | |
| Revenue | 215,436 | 247,382 | (31,946) | -13% |
| Profit/(Loss) before taxation | (39,057) | 4,761 | (43,818) | -920% |

The Group registered a lower revenue of RM215.4 million in the current year-to-date compared to RM247.4 million in the preceding year corresponding year-to-date. The decrease in revenue of RM31.9 million was due to the lower revenues of RM39.9 million and RM7.0 million in the Energy and CEC segments, respectively. This was offset by the higher revenues of RM3.3 million and RM11.7 million registered in the Manufacturing and remaining segments, respectively. The lower revenue in the Energy segment was due to lower project and services revenues whilst the CEC segment was due to lower project revenue. The lower project revenues were due to existing projects are nearing completion while new projects have yet to significantly commence. Manufacturing segment revenue was higher due to the higher steel price. Remaining segments revenue was higher due to the contribution from the telecommunication division of the enlarged Group.

The Group registered a loss before taxation of RM39.1 million in the current year-to-date compared to a profit before taxation of RM4.8 million in the preceding year corresponding year-to-date. The decrease in profit before taxation of RM43.8 million was mainly due to the impairment of goodwill arising from the acquisition of CESSB of RM47.9 million. However, the Group would have registered a profit before taxation of RM8.8 million if before the impairment of goodwill of RM47.9 million.

2 Variation Of Results Against Preceding Quarter

| | 3 Months Ended | |
|-------------------------------|----------------|----------|
| | 31/12/22 | 30/09/22 |
| | RM'000 | RM'000 |
| Revenue | 72,501 | 53,556 |
| Profit/(Loss) before taxation | (45,906) | 2,364 |

The Group registered a higher revenue of RM72.5 million in this quarter compared to RM53.6 million in the preceding quarter. The increase in revenue of RM18.9 million was due to the higher revenues of RM4.1 million, RM3.3 million and RM12.9 million registered by the CEC, Energy and the remaining segments, respectively. This was offset by the lower revenue of RM1.4 million registered in the Manufacturing segment. The higher revenues in the CEC and remaining segments were due to the enlarged Group with the acquisition of CESSB in this quarter.

**Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)**

2 Variation Of Results Against Preceding Quarter (cont'd)

The current quarter registered a loss before taxation of RM45.9 million compared to a profit before taxation of RM2.4 million in the preceding quarter. The loss before taxation in the current quarter was mainly due to the impairment of goodwill arising on the acquisition of CESSB of RM47.9 million. The Group would have registered a profit before taxation of RM2.0 million if the effect of the goodwill impairment was removed.

3 Prospects

Outlook

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

As at 31 December 2022 the Group has a total outstanding order book of RM733.2 million. The Group through its indirect subsidiary has diversified into property development business namely the PR1MA Phase 2 Project with an estimated gross development value of RM373 million.

On the 10 November 2022, Citaglobal Berhad completed the acquisition of Citaglobal Engineering Services Sdn Bhd ("CESSB") (which further strengthened the Group's CEC business unit) in which the vendor has provided a 3 year aggregate profit after taxation guarantee to the Group of RM60 million (pre and post acquisition) for the financial years ended / ending 2022 to 2024.

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

The performance outlook of the Group will depend on the actual commencement date of contracts and finalisation of the various joint venture agreements with various collaborative partners for the Battery Energy Storage System ("BESS") and for the ECRL Independent Power Producer ("IPP") Project.

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

4 Variance Between Actual Profit And Forecast Profit

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

5 Taxation

Breakdown of taxation is as follow:

| | 3 Months Ended | 12 Months Ended |
|-------------------------------|-----------------------|------------------------|
| | 31/12/22 | 31/12/22 |
| | RM'000 | RM'000 |
| Current taxation | 1,572 | 2,520 |
| Movement in deferred taxation | (19) | (121) |
| | <u>1,553</u> | <u>2,399</u> |

The effective tax rates for the current and cumulative quarters were higher than the statutory tax rate due to certain profitable direct and indirect subsidiaries of the Group.

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

6 Status Of Corporate Proposal

(a) Irredeemable Convertible Preference Shares

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

On 8 September 2021, the Company announced to Bursa Securities the variation of utilisation proceeds of RM14 million from future projects to an existing project in line with the current business needs of the Group. The variation is not subject to approval of any authorities or shareholders of the Company as the variation is less than 25% of the total proceeds raised from the rights issue pursuant to Paragraph 8.22 of the Listing Requirements. The utilisation of proceeds status as at 31 December 2022 is as set out below:-

| Purpose | Proposed utilisation RM'000 | Variation/ Transfer from/(to) RM'000 | Revised proposed utilisation RM'000 | Actual utilisation RM'000 | Balance RM'000 | Expected time frame for utilisation of proceeds |
|--|--|---|--|--|---------------------------|--|
| Funding for future construction and/or project/business financing activities | 54,883 | (13,954) | 40,929 | (13,282) | 27,647 | Within 36 months |
| Working capital | 700 | - | 700 | (700) | - | Within 12 months |
| Estimated expenses* | 700 | (46) | 654 | (654) | - | Within 1 month |
| Existing project | - | 14,000 | 14,000 | (14,000) | - | Within 6 months |
| Total | 56,283 | - | 56,283 | (28,636) | 27,647 | |

* Estimated expenses is in relation to the above rights issue exercise. The surplus has been adjusted against the portion earmarked for funding for future construction and/or project/business financing activities of our Group.

**Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)**

6 Status Of Corporate Proposal (cont'd)

(b) Proposed Share Consolidation

Reference is made to the announcements dated 15 June 2022, 9 August 2022, 17 February 2023 and 20 February 2023 in relation to the Proposals. Bursa Securities had, vide its letter dated 13 September 2022, approved the following:

Proposed Share Consolidation comprising the listing and quotation of:

- (i) up to 431,563,765 consolidated Shares;
- (ii) up to 22,440,625 consolidated ICPS;
- (iii) up to 36,648,289 consolidated Warrants A; and
- (iv) up to 12,791,609 consolidated Warrants B.

The consolidated Shares, consolidated ICPS, consolidated Warrants A and consolidated Warrants B must be listed and quoted simultaneously.

The approval by Bursa Securities is subject to the following conditions:

- (i) Citaglobal and KAF IB must fully comply with the relevant provisions under the Main Market Listing Requirements (“Main LR”) at all times pertaining to the implementation of the Proposals;
- (ii) Citaglobal and KAF IB are required to inform Bursa Securities upon completion of the Proposals;
- (iii) Citaglobal and KAF IB are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the respective Proposals are completed;
- (iv) Citaglobal / KAF IB is required to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at the extraordinary general meeting for the Proposals prior to the listing and quotation of the new ordinary shares to be issued pursuant to the Proposed Acquisition and the consolidated ordinary Shares, consolidated ICPS, consolidated Warrants A and consolidated Warrants B; and
- (v) Citaglobal / KAF IB is required to make the relevant announcements pursuant to Paragraphs 6.56 (2)(ii) and (iii) and Paragraph 13.20(2) of the Main LR.

Based on announcement made on 20 February 2023, the Ex-Date for the Proposed Share Consolidation is on 2 March 2023 with listing of the consolidated Shares, consolidated ICPS, consolidated Warrants A and consolidated Warrants B on 6 March 2023.

For further details, kindly refer to the latest announcements to Bursa Securities from time to time.

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

7 Borrowings And Debts Securities

The Group's borrowings were as follows:

| | As at | |
|-------------------------|----------|----------|
| | 31/12/22 | 31/12/21 |
| | RM'000 | RM'000 |
| Non-current | | |
| <u>Secured</u> | | |
| Floating rate bank loan | 4,709 | 6,087 |
| Term Loan | 8,618 | 4,614 |
| <u>Unsecured</u> | | |
| Term Loan | 188 | - |
| | 13,515 | 10,701 |
| Current | | |
| <u>Secured</u> | | |
| Floating rate bank loan | 1,452 | 1,335 |
| Term Loan | 2,088 | 1,494 |
| Trade financing | 7,924 | 7,849 |
| <u>Unsecured</u> | | |
| Bank overdrafts | 7,175 | 18,019 |
| Term Loan | 57 | - |
| Trade financing | 26,497 | 22,056 |
| | 45,193 | 50,753 |
| Total | 58,708 | 61,454 |

8 Off Balance Sheet Financial Instruments

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

9 Material Litigation

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

Notice Of Adjudication Under The Construction Industry Payment & Adjudication Act 2012 By Proweld Engineering Sdn Bhd Against Citaglobal Energy Sdn Bhd (formerly known as WZS Misi Setia Sdn Bhd)

On 27 July 2022, the Company via its wholly-owned subsidiary Citaglobal Energy Sdn Bhd (formerly known as WZS Misi Setia 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 in an amount of RM5,258,026.08 which Citaglobal Energy received via A.R. Post on 27 July 2022.

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

9 Material Litigation (cont'd)

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 5 December 2022 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 Construction Industry Payment and Adjudication Act (“CIPAA”) subsection 25(o), Citaglobal Energy shall pay to PESB interest on the adjudicated amount, calculated at 5% per annum up to 13 June 2022 amounting to RM44,882.03.
- (iii) Pursuant to CIPAA subsection 25(o), Citaglobal Energy shall pay to PESB interest on the adjudicated amount, calculated at 5% per annum from 5 December 2022 and continuing until the adjudicated amount is completely paid.
- (iv) Pursuant to CIPAA subsection 18(1), and in accordance with the principle that costs follow the event, Citaglobal Energy shall pay to PESB the costs of the adjudication proceeding, including the Adjudicator’s fees and expenses and the Asian International Arbitration Centre (AIAC)’s fees and expenses in the total amount of RM81,289.00.
- (v) The above amounts shall be paid by Citaglobal Energy to PESB on or before 14 December 2022.

On the advice of the solicitors for Citaglobal Energy, on 20 January 2023, Citaglobal Energy had through its solicitors filed an application before the High Court of Shah Alam (Suit No.: BA-24C-9-01/2023) to apply for an Order that the Adjudication Decision dated 5 December 2022 be set aside and/or declared null and (“Setting Aside Application”) on the grounds that the Adjudication Decision is wrong and defective and the Adjudicator has acted contrary to and in conflict with natural justice. The costs of these proceedings are to be borne by PESB. No payments pursuant to the Adjudication Decision has been made by Citaglobal Energy to PESB.

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 Company is of the opinion that it has sufficient grounds to set aside the Adjudication Decision, 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 impact on the Group for the financial year ending 31 December 2023.

None of the Directors and/or major shareholders of Citaglobal and/or persons connected to them has any interest, direct or indirect in the Adjudication proceedings.

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

Citaglobal Berhad (formerly known as WZ Satu Berhad)
[Registration No: 200401027590 (666098-X)]

Notes To The Interim Financial Report
For The Fourth Quarter Ended 31 December 2022
(Unaudited)

10 Dividend

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

11 Earnings/(Loss) Per Share

| | 3 Months Ended | 12 Months Ended |
|---|-----------------------|------------------------|
| | 31/12/22 | 31/12/22 |
| <u>Basic</u> | | |
| Profit/(Loss) attributable to owners of the Company (RM'000) | <u>(47,311)</u> | <u>(40,878)</u> |
| Weighted average number of ordinary shares for basic earnings per share ('000) | <u>1,546,190</u> | <u>1,181,924</u> |
| Earnings/(Loss) per ordinary share (sen) | <u>(3.06)</u> | <u>(3.46)</u> |
| <u>Diluted</u> | | |
| Profit/(Loss) attributable to owners of the Company (RM'000) | <u>(47,311)</u> | <u>(40,878)</u> |
| Weighted average number of ordinary shares for basic earnings per share ('000) | <u>1,546,190</u> | <u>1,181,924</u> |
| Effect of dilution due to warrants ('000) | <u>-</u> | <u>-</u> |
| Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000) | <u>1,546,190</u> | <u>1,181,924</u> |
| Earnings/(Loss) per ordinary share (sen) | <u>(3.06)</u> | <u>(3.46)</u> |

12 Approval For The Release Of Quarterly Results

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