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AFTER a rebranding three years ago and a strategic shift into renewable energy (RE) and battery storage, Citaglobal Bhd believes 2025 could be its defining year.

Formerly known as WZ Satu Bhd, the company's transformation began with the injection of Citaglobal Engineering Services Sdn Bhd (CES) – a civil engineering and construction firm backed by Tan Sri Norza Zakaria, who is now the company's major shareholder.

In a major boost to its RE ambitions, the group, via a consortium with United Arab Emirates-based Masdar, has secured a winning bid under the Energy Commission's large-scale solar 5+ (LSS5+) programme to develop a 200MW project at Chereh Dam, Pahang.

The plant will be South-East Asia's largest floating solar power facility, surpassing the 145MW Cirata floating solar plant in Indonesia, which was also developed by Masdar together with Indonesia's PT PLN Nusantara Power.

Executive director and group chief operating officer Aimi Aizal Nasharuddin says the LSS5+ award validates the group's capabilities, putting it in the same league as larger RE developers, and will provide long-term revenue visibility.

"It also underscores Citaglobal's growing role in Malaysia's green energy drive," he tells *StarBiz* 7.

Spanning 750 acres, the Chereh Dam plant will have a capacity of over 300MWp, which is the maximum power it can generate under ideal sunlight.

It is expected to produce around 433GWh of clean electricity annually, enough to power more than 100,000 Malaysian homes each year.

The 200MW plant is one of 13 projects awarded under the LSS5+ programme, with commercial operations targeted to begin in 2027 under a 21-year power purchase agreement (PPA).

It is expected to deliver an internal rate of return of around 7%.

Notably, the award comes at a critical juncture for Citaglobal. As the three-year profit guarantee tied to CES expired in 2024, the pressure is now on the group to demonstrate that its RE push can deliver sustainable returns without relying on legacy construction margins.

Beyond the flagship floating solar project, Citaglobal is building a multi-pronged RE portfolio.

Among its headline ventures is myBESS, a home-grown battery energy storage system (BESS) platform. This initiative was developed through a joint-venture and officially unveiled in 2023.

Outside the country, the company has also signed several memorandums of understanding (MoUs) in Kyrgyzstan and Azerbaijan, while exploring telecommunications and RE projects in East Java, Indonesia.

Aimi says the group remains committed to executing these initiatives gradually.

"We are laying the building blocks. Citaglobal is a mini conglomerate in the making."

Touching on the MoUs, he says the Azerbaijan deal has progressed, with a framework agreement signed for a 5.4 MW solar

■ Citaglobal-Masdar consortium wins bid for 200MW floating solar project under LSS5+

■ Company part of bid for country's first public BESS project; winners to be announced in fourth quarter

■ RE, battery storage and WtE to drive next growth phase



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and BESS facility at Port of Baku under a long-term PPA.

To strengthen its RE efforts, Citaglobal created a dedicated New Energy division, headed by Datuk Chairil Nazri Ahmad, a seasoned energy professional.

The division oversees key initiatives in the RE space, and, together with the Environment and Telecommunication divisions, forms part of Citaglobal's New Growth segment.

The group's overall operations are structured into two other key segments.

One is the Primary Business, which comprises the operations of CEC and property. The other is its Strategic and Diversified portfolio segment, covering financial services, manufacturing and oil and gas.

As Citaglobal pivots towards green energy, its financial performance is also beginning to reflect the early impact.

In the financial year 2024 (FY24), it posted RM25mil in pre-tax profit – the strongest performance since 2017. However, part of this was supported by the profit guarantee tied to CES.

In the recent second quarter ended June 30, pre-tax profit stood at RM5mil, bringing first-half earnings to RM9mil.

Civil engineering and construction remain the main contributors, but tenders are increasingly

challenging amid squeezed margins.

Aimi, however, says another year of growth is likely.

"Our engineering DNA will give us an edge as we venture into renewables and energy tech."

"Currently, we have a total outstanding order book of RM1bil as of end-June."

The property division, which is undertaking projects in Kuantan, Pahang, has an estimated remaining gross development value of RM471mil.

This figure is set to rise as it embarks on new projects in FY25 and years ahead, Aimi says.

Meanwhile, the group is bidding for over RM1.5bil worth of contracts, including participation in Malaysia's first public BESS project.

"Malaysia is positioning itself as a hub for global data centres, with the government projecting that these facilities will demand an additional four gigawatts of green energy capacity."

"As more intermittent RE sources feed into the grid, addressing the challenges of intermittency becomes increasingly essential," Aimi says.

Coming back to Citaglobal's myBESS platform, he says it can be tailored to Malaysia's needs, lowering risks from foreign technology dependencies and supply disruptions.

On whether the company may look to raise funds, Aimi says funding avenues are being explored but stresses that capital will not be deployed at the expense of financial discipline.

"We will pace ourselves. Growth is important, but sustainability – both financial and operational – matters just as much."

To support its RE goals, Citaglobal is also expanding into waste-to-energy (WtE) through its environment division.

It acquired a 55% stake in Germany-based LAW1 Engineering GmbH earlier this year. The company's founder, Dieter Langer, retained the remaining 45%.

The investment is aimed at supporting upcoming WtE projects in Pahang that convert municipal waste into renewable electricity.

The plan is to eventually spin off the environment division through an initial public offering within the next five years.

The group has also made recent acquisitions in hydropower.

Last month, it acquired majority stakes in two hydropower projects in Perak for RM15mil.

The Slim plant, a brownfield asset, promises "immediate recurring revenue," while the Kampar project, a greenfield development, is poised to benefit from newly approved capacity and tariffs.

Together, both projects are expected to generate up to RM19mil in annual revenue under long-term PPAs.

On the infrastructure front, the group recently bought a 12.8% indirect stake in the master developer of the Perlis Maritime Corridor through a RM40mil share issuance deal.

However, delivering results in RE and battery storage remains the key test for the group.

For now, its share price has yet to see the kind of rally enjoyed by other RE players, but with the LSS5+ win, market sentiment may improve.

"We know expectations are high and winning the floating solar project is a strong validation of where we're heading," says Aimi.

At the time of writing, the stock was trading at 84 sen, up 15% year-to-date and roughly flat compared to a year ago. This translates to a price-to-earnings ratio of 23 times and a market cap of RM357.48mil.

Norza holds a 29.31% direct and indirect stake via private-held vehicle Tiza Global Sdn Bhd. The Sultan of Pahang, Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah is the second largest shareholder with 13.25% a direct interest.

RE-aching higher



Chereh Dam, Pahang