

CITAGLOBAL BERHAD (“CITAGLOBAL” OR THE “COMPANY”)

EXECUTION OF SHARE SUBSCRIPTION AGREEMENT BETWEEN CITAGLOBAL ENVIRONMENT MANAGEMENT SDN BHD, A DIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, AND TIZA GLOBAL SDN BHD

1. INTRODUCTION

The Board of Directors of Citaglobal (“**Board**”) wishes to announce that Citaglobal Environment Management Sdn Bhd (“**CGEM**”), a wholly-owned subsidiary of the Company, has on 26 May 2026 entered into a share subscription agreement with TIZA Global Sdn Bhd (“**TIZA Global**” or the “**Subscriber**”) (“**SSA**”), for the subscription of 1,562,500 new ordinary shares in CGEM (“**CGEM Shares**”) (“**Subscription Shares**”) representing approximately 43.86% of the enlarged issued CGEM Shares after such subscription at an issue price of RM2.56 per Subscription Share, for a total subscription amount of RM4,000,000 (“**Subscription Amount**”) to be satisfied entirely in cash (“**Share Subscription**”).

The SSA became unconditional on the date of execution of the SSA.

The Share Subscription is a related party transaction pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”), in view of the interest of the major shareholders and certain director of the Company, as set out in **Section 7** of this Announcement.

Notwithstanding the above, as the highest percentage ratio applicable for the Share Subscription pursuant to Paragraph 10.02(g) of the Listing Requirements is 1.01%, the Share Subscription is not subject to the approval of Citaglobal’s shareholders.

2. DETAILS OF THE SHARE SUBSCRIPTION

2.1 Information on CGEM

CGEM is a private limited company incorporated in Malaysia on 17 September 2013. As at the date of this Announcement, CGEM has issued share capital of RM2,000,000 comprising 2,000,000 CGEM Shares. CGEM is currently a wholly-owned subsidiary of Citaglobal. Its directors are Tan Sri Dato’ Sri (Dr.) Mohamad Norza bin Zakaria (“**Tan Sri Norza**”) and Mr. Thye Chee How.

CGEM is the holding company of the environment division of Citaglobal and its subsidiaries (collectively, “**Citaglobal Group**” or the “**Group**”), which is currently involved in the supply of proprietary waste-to-energy systems via its 55%-owned entity, LAWI Engineering GmbH (“**LAWI**”).

Additionally, CGEM, through its wholly-owned subsidiary Citaglobal Bioenergy Sdn Bhd, is undertaking Bio-Compressed Natural Gas (“**Bio-CNG**”) project, where it is in the process of finalising the commercial agreements for the project.

Based on the latest audited financial statements of CGEM for the financial year ended (“**FYE**”) 31 December 2024, CGEM recorded net loss of RM141,656, and net assets (“**NA**”) of RM345,608.

2.2 Information on TIZA Global

TIZA Global is a private limited company incorporated in Malaysia on 26 September 2002. Its sole shareholder and sole director is Tan Sri Norza, who is also the Executive Chairman & President of Citaglobal.

The principal activities of TIZA Global are provision of commission received, investment holding, and property management.

As at 21 May 2026, being the latest practicable date prior to this Announcement (“**LPD**”), TIZA Global is a major shareholder of Citaglobal holding 31.67% of direct interest in Citaglobal.

2.3 Salient terms of the SSA

The salient terms of the SSA are as follows:

(i) Unconditionality

The SSA shall become unconditional on the date of execution of the SSA (“**Unconditional Date**”). The Share Subscription shall be completed no later than 30 June 2026, unless otherwise extended in writing by mutual agreement of CGEM and TIZA Global.

(ii) Payment and subscription

The Subscription Amount will be paid via bank transfer in two tranches:

- a. first tranche of RM2.00 million payable within 2 weeks from the Unconditional Date, being the execution date of the SSA (“**First Tranche Payment**”);
- b. the balance Subscription Amount of RM2.00 million shall be made within 2 weeks from the First Tranche Payment.

CGEM shall within 5 business days upon full payment of the Subscription Amount by the Subscriber, in any case, no later than 30 June 2026, do the following and deliver or cause to be delivered to the Subscriber, the following:

- a. allot and issue the Subscription Shares to the Subscriber;
- b. enter in the register of members of CGEM, the Subscriber as holder of the Subscription Shares; and
- c. the share certificates for the Subscription Shares issued in favour of the Subscriber (if applicable).

Completion of the Share Subscription shall take place on the date of allotment and issuance of the Subscription Shares to the Subscriber.

(iii) Director composition

Upon completion of the Share Subscription, CGEM's board of directors shall comprise 3 directors, of which 1 director is to be nominated by TIZA Global.

(iv) Ranking of shares

The Subscription Shares will rank equally in all respects with the existing CGEM Shares, except that TIZA Global will not be entitled to any dividends, rights, allotments, or distributions where the entitlement date is prior to the date of allotment.

(v) Encumbrances

The Subscription Shares shall be issued free from all charges, liens, pledges, and other encumbrances.

(vi) Termination and remedies

In the event of default by a party, the non-defaulting party shall have the right to require the defaulting party to remedy the breach within 14 days, failing which the non-defaulting Party shall be entitled to claim for either specific performance of the SSA, or terminate the SSA by notice in writing and upon such termination, the defaulting party shall pay to the non-defaulting party all costs incurred by non-defaulting party relating to and in connection with the SSA, after which the non-defaulting party shall have no other claim whatsoever against defaulting party save and except for any antecedent breaches.

2.4 Basis and justification for the Subscription Amount

The Subscription Amount is arrived at upon considering the funding requirement of CGEM and its subsidiaries (collectively, “**CGEM Group**”) as set out in **Section 3** of this Announcement.

The issue price per Subscription Share of RM2.56 was arrived at on a willing buyer, willing seller basis after taking into consideration, among others, the CGEM Group’s NA based on its unaudited financial statements for the FYE 31 December 2025 of RM1.41 million, the CGEM Group’s unaudited profit after tax for the FYE 31 December 2025 of approximately RM1.06 million, as well as the CGEM Group’s earnings prospects, additional capital expenditures investments required, and potential business growth arising from the materialisation of projects under LAWI and the Bio-CNG project.

The Subscription Amount of RM4.00 million for a 43.86% equity interest in CGEM translates to an implied valuation of approximately RM9.12 million for CGEM Group on a 100% basis. This represents a price-to-book (P/B) multiple of approximately 6.47 times over CGEM Group’s unaudited NA as at 31 December 2025 of RM1.41 million and a price-to-earnings (P/E) multiple of approximately 8.60 times based on CGEM Group’s unaudited profit after tax for its FYE 31 December 2025 of approximately RM1.06 million.

The implied P/E multiple of 8.60 times falls within the range of P/E multiples of 4.78 times to 29.44 times of selected listed peers operating in the waste-to-energy, biomass and biogas industry, as set out below:

	Closing share price (RM)	Market capitalisation (RM million)	P/E multiple (times)
Comparable companies			
1. Tex Cycle Technology (M) Berhad	1.050	269.50	13.74
2. Kinergy Advancement Berhad	0.385	841.25	29.44
3. BM GreenTech Berhad (formerly known as Boilermech Berhad)	1.110	763.45	14.94
4. Wasco Berhad	0.840	650.42	4.78
Summary			
Minimum			4.78
Maximum			29.44
Average			15.73
Median			14.34

(Source: Bloomberg as at LPD)

3. UTILISATION OF PROCEEDS

The Subscription Amount will be utilised by CGEM Group for the following purposes:

- (i) up to RM2.00 million for working capital requirement for LAWI to fund existing and new project undertakings;
- (ii) up to RM1.00 million for preliminary/initial expenses to be incurred for the Bio-CNG project such as fees to be incurred for consultants, advisers, professionals, and the relevant technical and feasibility studies; and
- (iii) up to RM1.00 million for general working capital for CGEM Group, including for staff related costs and other operating and administrative expenses.

4. RATIONALE OF THE SHARE SUBSCRIPTION

The Share Subscription provides an additional avenue for the CGEM Group to raise funds to support ongoing business operations and capitalise on its next phase of growth, supplementing the existing capital support provided by Citaglobal.

As the CGEM Group is currently in its growth stage, continuous capital injection is essential to maintain its operational trajectory and prepare for future expansion.

Pursuant to discussions with TIZA Global, TIZA Global has agreed to provide the necessary funding via equity injection without requiring Citaglobal to provide additional capital, which would enable Citaglobal to preserve and deploy its available financial resources to support the growth and requirements of its other core business divisions.

Furthermore, raising equity capital through the Share Subscription enables the CGEM Group to secure the necessary funding without incurring additional financing costs or debt servicing obligations arising from procuring external bank borrowings, thus preserving CGEM Group's cash flows and profit margins.

5. RISK FACTORS

5.1 Dilution of interest and potential earnings reduction

Upon completion of the Share Subscription, Citaglobal's equity interest in CGEM will be diluted from 100.00% to approximately 56.14%. As a result, the future earnings of CGEM Group attributable to Citaglobal will be proportionally reduced based on the revised shareholding.

In view of the equity dilution, the Board will proactively manage and strategically deploy the available funds into other projects, with the objective of generating optimal and additional returns for the shareholders of Citaglobal.

5.2 No assurance of guaranteed return

There is no assurance that CGEM Group will achieve its projected financial performance following the capital injection from the Share Subscription. The operational and financial performance of the CGEM Group remains subject to prevailing business, regulatory, and market risks inherent in the environmental management industry. These risks include, but are not limited to, changes in government policies, shifting environmental regulations, market competition, and broader macroeconomic conditions.

Notwithstanding these inherent risks, the Board will continue to actively monitor and manage these risk exposures. Furthermore, the Board will work closely with the management of the CGEM Group to ensure the strategic and effective utilisation of the subscription proceeds to mitigate downside risks.

6. EFFECTS OF THE SHARE SUBSCRIPTION

The pro forma effects of the Share Subscription in this section are illustrated based on the following scenarios:

- (i) **Minimum Scenario:** Based on the assumption that none of the outstanding irredeemable convertible preference shares in Citaglobal constituted by the Constitution of Citaglobal, expiring on 5 May 2031 ("**ICPS-A**"), series B irredeemable convertible preference shares in Citaglobal constituted by the Constitution of Citaglobal, expiring on 29 January 2029 ("**ICPS-B**"), 10-year warrants (2021/2031) in Citaglobal constituted by the deed poll dated 24 March 2021, expiring on 5 May 2031 ("**Warrants B**"), and 3-year warrants (2025/2028) in Citaglobal constituted by the deed poll dated 17 April 2025, expiring on 12 May 2028 ("**Warrants C**") (the ICPS-A, ICPS-B, Warrants B and Warrants C are collectively defined as "**Convertible Securities**") are converted/exercised into new ordinary shares in the Company ("**Shares**") prior to the completion of the Share Subscription.
- (ii) **Maximum Scenario:** Based on the assumption that all the outstanding Convertible Securities are fully converted/exercised into new Shares prior to the completion of the Share Subscription.

6.1 Share capital and substantial shareholders' shareholdings

The Share Subscription will not have any effect on the issued share capital and the substantial shareholders' shareholdings in Citaglobal as the Share Subscription does not involve any issuance of Share.

6.2 Earnings and earnings per share

The Share Subscription is not expected to have any material effect on the earnings of the Citaglobal Group and the earnings per Share for the financial period ending 30 June 2026.

The Subscription Amount received by CGEM from the Share Subscription is expected to contribute positively to the future earnings of CGEM Group and Citaglobal Group, in view of the utilisation of proceeds as set out in **Section 3** of this Announcement.

-THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK-

6.3 NA, NA per Share and gearing

Minimum Scenario

<i>Amount in RM'000 unless specified</i>	Audited as at 31 December 2024	(I) After subsequent events ⁽¹⁾	(II) After (I) and the Share Subscription
Share capital	557,059	615,843	615,843
ICPS/ICPS-B	1,116	56,096	56,096
Warrant reserve	9,559	9,559	9,559
Revaluation reserve	18,629	18,629	18,629
Exchange reserve	(235)	(235)	(235)
Accumulated losses	(189,467)	(195,472)	⁽²⁾ (193,596)
Equity attributable to the owners of the Company / NA	396,661	504,420	506,296
Non-controlling interests	(432)	(432)	⁽³⁾ 1,692
Total equity	396,229	503,988	507,988
No. of Shares ('000)	425,476	494,556	494,556
NA per Share ⁽⁴⁾ (RM)	0.93	1.02	1.02
Total borrowings	103,140	103,140	103,140
Gearing ⁽⁵⁾ (times)	0.26	0.20	0.20

Notes:

(1) After accounting for the following:

- (a) issuance of 95,625,000 ICPS-B at RM0.80 per ICPS-B on 30 January 2026 for part settlement of the purchase consideration for the acquisition of a parcel of leasehold land held under H.S.(D) 61190, Lot No. PT 25082, Mukim Sungai Karang, Kawasan Perindustrian Gebeng, Daerah Kuantan, Pahang, measuring 999,521 square meters by Citaglobal Property Development Sdn Bhd (formerly known as Sinergi Dayang Sdn Bhd), a wholly-owned subsidiary of the Company, from Tree Technologies Sdn Bhd for a purchase consideration of RM90.00 million, out of which RM76.50 million is to be satisfied via the issuance of 95,625,000 ICPS-B at an issue price of RM0.80 per ICPS-B, and RM13.50 million is to be satisfied in cash. The acquisition was completed on 30 January 2026 ("**Gebeng Land Acquisition**");
- (b) estimated expenses in relation to the Gebeng Land Acquisition of RM1,000,000;
- (c) issuance of 26,806,631 new Shares arising from the conversion of 26,806,631 ICPS-B without additional cash payment pursuant to the terms of ICPS-B.
- (d) issuance of 42,105,264 new Shares on 26 December 2025 for full settlement of purchase consideration for the acquisition of 20% equity interest in Manjaran Sdn Bhd by the Company for a purchase consideration of RM40.00 million to be satisfied entirely via issuance of 42,105,264 new Shares at an issue price of RM0.95 per Share, completed on 31 December 2025 ("**Manjaran Shares Acquisition**");
- (e) estimated expenses in relation to the Manjaran Shares Acquisition of RM600,000;
- (f) issuance of 168,400 new Shares arising from the conversion 168,400 ICPS-A from 1 January 2025 up to the LPD without additional cash payment pursuant to the terms of the ICPS-A;
- (g) payment of final single tier dividend of RM0.01 per Share for the FYE 31 December 2024 amounted to approximately RM4.25 million in total on 23 May 2025; and
- (h) payment of cumulative preferential dividend of 3% per annum for the ICPS-A amounted to approximately RM0.15 million in total on 23 May 2025.

(2) Upon accounting for credit adjustment in the accumulated losses account of RM1.88 million pursuant to the dilution in the Company's interest in CGEM arising from the Share Subscription.

(3) Non-controlling interest of RM2.12 million is estimated to be recorded arising from the Share Subscription.

(4) Computed based on NA over number of issued Shares.

(5) Computed based on total borrowings over total equity.

Maximum Scenario

<i>Amount in RM'000 unless specified</i>	Audited as at 31 December 2024	(I) After subsequent events ⁽¹⁾	(II) After (I) and assuming full conversion/ exercise of the Convertible Securities	(III) After (II) & the Share Subscription
Share capital	557,059	615,843	772,231	772,231
ICPS/ICPS-B	1,116	56,096	-	-
Warrant reserve	9,559	9,559	-	-
Revaluation reserve	18,629	18,629	18,629	18,629
Exchange reserve	(235)	(235)	(235)	(235)
Accumulated losses	(189,467)	(195,472)	(195,472)	⁽²⁾ (193,596)
Equity attributable to the owners of the Company / NA	396,661	504,420	595,153	597,029
Non-controlling interests	(432)	(432)	(432)	⁽³⁾ 1,692
Total equity	396,229	503,988	594,721	598,721
No. of Shares ('000)	425,476	494,556	663,164	663,164
NA per Share ⁽⁴⁾ (RM)	0.93	1.02	0.90	0.90
Total borrowings	103,140	103,140	103,140	103,140
Gearing ⁽⁵⁾ (times)	0.26	0.20	0.17	0.17

Notes:

(1) After accounting for the following:

- (i) issuance of 95,625,000 ICPS-B at RM0.80 per ICPS-B on 30 January 2026 for part settlement of the purchase consideration for the Gebeng Land Acquisition;
 - (j) estimated expenses in relation to the Gebeng Land Acquisition of RM1,000,000;
 - (k) issuance of 26,806,631 new Shares arising from the conversion of 26,806,631 ICPS-B without additional cash payment pursuant to the terms of ICPS-B.
 - (l) issuance of 42,105,264 new Shares on 26 December 2025 for full settlement of purchase consideration for the Manjaran Shares Acquisition;
 - (m) estimated expenses in relation to the Manjaran Shares Acquisition of RM600,000;
 - (n) issuance of 168,400 new Shares arising from the conversion 168,400 ICPS-A from 1 January 2025 up to the LPD without additional cash payment pursuant to the terms of the ICPS-A;
 - (o) payment of final single tier dividend of RM0.01 per Share for the FYE 31 December 2024 amounted to approximately RM4.25 million in total on 23 May 2025; and
 - (p) payment of cumulative preferential dividend of 3% per annum for the ICPS-A amounted to approximately RM0.15 million in total on 23 May 2025.
- (2) Upon accounting for credit adjustment in accumulated losses account of RM1.88 million pursuant to the dilution in the Company's interest in CGEM arising from the Share Subscription.
- (3) Non-controlling interest of RM2.12 million is estimated to be recorded arising from the Share Subscription.
- (4) Computed based on NA over number of issued Shares.
- (5) Computed based on total borrowings over total equity.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors and major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Share Subscription:

- (i) TIZA Global, a major shareholder of the Company, is the Subscriber for the Share Subscription; and
- (ii) Tan Sri Norza, the Executive Chairman & President and a major shareholder of the Company, is deemed interested in the Share Subscription in view that he is also the sole shareholder and sole director of TIZA Global.

(Collectively, TIZA Global and Tan Sri Norza are referred to as the “**Interested Parties**” while Tan Sri Norza is referred to as the “**Interested Director**”)

The shareholdings of the Interested Parties in Citaglobal as at the LPD are as follows:

Interested Parties	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%
TIZA Global	156,612,810	31.67	-	-
Tan Sri Norza	5,769,800	1.17	(2) 156,612,810	31.67

Notes:

(1) Computed based on the total number of 494,555,856 Shares as at the LPD.

(2) Deemed interested by virtue of his interest in TIZA Global pursuant to Section 8 of the Companies Act 2016.

The Interested Director has abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in relation to the Share Subscription.

8. TRANSACTIONS WITH THE INTERESTED PARTIES IN THE PAST 12 MONTHS

Save as disclosed below, the Group has not entered into any transaction with the Interested Parties and persons connected to them for the past 12 months preceding the LPD:

Citaglobal Property Development Sdn Bhd (formerly known as Sinergi Dayang Sdn Bhd) (“**CGPD**”), an indirect wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement dated 9 September 2025 with Tree Technologies Sdn Bhd (“**TTSB**”) for the acquisition by CGPD from TTSB of a leasehold industrial land measuring approximately 247 acres located within the Gebeng Industrial Estate, Kuantan, Pahang for a purchase consideration of RM90.0 million to be satisfied via a combination of RM13.5 million in cash and RM76.5 million via the issuance of 95,625,000 ICPS-B at an issue price of RM0.80 each (“**Land Acquisition**”).

The Land Acquisition was completed on 30 January 2026.

TTSB is a person connected with TIZA Global and Tan Sri Norza, as TIZA Global is the holding company of TTSB holding 65.50% equity interest in TTSB, and Tan Sri Norza is the sole director of TTSB.

9. PERCENTAGE RATIO

The highest percentage ratio applicable to the Share Subscription pursuant to Paragraph 10.02(g) of the Listing Requirements is 1.01%, computed based on the Subscription Amount of RM4.00 million over the NA of the Citaglobal Group of RM396.70 million based on its latest audited financial statements for the FYE 31 December 2024.

10. APPROVALS REQUIRED AND CONDITIONALITY

As the highest percentage ratio applicable to the Share Subscription is more than 0.25% but less than 5.00%, the Share Subscription is not subject to the approval of the shareholders of Citaglobal.

The Share Subscription is not conditional upon any proposal undertaken or to be undertaken by the Company.

11. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company, having considered all relevant aspects of the Share Subscription, including but not limited to the rationale, the basis and justification for the Subscription Amount, the effects of the Share Subscription, and the terms and conditions of the SSA, is of the opinion that the Share Subscription is:

- (i) in the best interests of the Company;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders of the Company.

12. DIRECTORS' STATEMENT

The Board (save for the Interested Director), having considered all aspects of the Share Subscription, including but not limited to the rationale, the basis and justification for the Subscription Amount, the effects of the Share Subscription, and the terms and conditions of the SSA, is of the opinion that the Share Subscription is in the best interests of the Company.

13. ADVISER

Astramina Advisory Sdn Bhd has been appointed as the Financial Adviser to the Company in relation to the Share Subscription.

14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Share Subscription is estimated to be completed in the 2nd quarter of 2026.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The SSA is available for inspection during normal office hours at the Company's registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia from Monday to Friday (except public holidays) for a period of 3 months from the date of this Announcement.

This announcement is dated **26 May 2026**.