

**PRIVATE PLACEMENT OF UP TO 49,500,000 NEW ORDINARY SHARES IN VOLCANO BERHAD (“VOLCANO” OR “COMPANY”) (“SHARES”) (“PLACEMENT SHARES”), REPRESENTING UP TO 30% OF SHARES IN ISSUE (EXCLUDING TREASURY SHARES, IF ANY) (“30% PRIVATE PLACEMENT”)**

We refer to the circular to shareholders dated 26 July 2023 in relation to the 30% Private Placement (“**Circular**”) and the announcements dated 6 July 2023, 24 August 2023, 5 September 2023, 18 December 2023, 10 January 2024 and 5 July 2024. Unless otherwise defined, the definitions set out in the Circular shall apply herein.

We wish to announce the updates of the 30% Private Placement with details as set out in the ensuing sections of this announcement.

**1. Status of the 30% Private Placement**

The Company had on 4 September 2023 issued and allotted the first tranche of 16,630,000 new Shares at an issue price of RM0.91 per Share, which was listed on the ACE Market of Bursa Securities on 6 September 2023 (“**First Tranche**”).

Bursa Securities had on 9 January 2024 granted the Company an extension of time until 5 July 2024 to complete the implementation of the 30% Private Placement. However, there was no further placement after the First Tranche allocation and the 30% Private Placement was deemed completed on 5 July 2024.

**2. Status of Utilisation of Proceeds from the 30% Private Placement**

The status of utilisation of proceeds from the 30% Private Placement as at 21 August 2024 is as follows:

| Details of utilisation   | Proposed utilisation*<br>RM'000 | Proceeds from the 30% Private Placement^<br>RM'000 | Actual utilisation<br>RM'000 | Balance unutilised<br>RM'000 | Estimated timeframe for utilisation |
|--|---------------------------------|--|------------------------------|------------------------------|-------------------------------------|
|  |                                 | (A)  | (B)                          | (A-B)                        |                                     |
| Construction of a factory by Volcano Tec (Thailand) Co., Ltd.      | 32,800                          |  | (3,692)                      |                              | Within 24 months                    |
| Proposed acquisition of a property by Volcano Name Plate Sdn. Bhd. | 5,200                           |  | (5,200)                      |                              | Within 12 months                    |
| Working capital  | 3,328                           |  | (2,039)                      |                              | Within 24 months                    |
| Estimated expenses for the Private Placement                       | 1,440                           |  | (394)                        |                              | Within 1 month                      |
| <b>Total</b>   | <b>42,768</b>                   | <b>15,133</b>                                      | <b>(11,325)</b>              | <b>3,808</b>                 |                                     |

*Notes:*

\* Based on the indicative issue price of RM0.8640 as set out in the Circular.

^ Based on issue price of RM0.91 per Placement Share.

**3. Status of Projects**

- (i) For the construction of a factory in Thailand, Volcano Tec (Thailand) Co., Ltd. had on 8 May 2024 obtained the approval from the Industrial Estate Authority of Thailand for the construction and building plan. This approval is valid from 8 May 2024 to 7 May 2026. The construction work is in progress and the factory building is expected to be completed in the third quarter of 2025.
- (ii) The acquisition of a property by Volcano Name Plate Sdn. Bhd. was completed on 28 November 2023 in accordance with the terms of the sale and purchase agreement with G2 Gold (M) Sdn. Bhd. dated 25 May 2023.

**4. Status of Balance Unutilised Proceeds from 30% Private Placement**

The balance unutilised proceeds from 30% Private Placement of RM3.808 million is deposited with RHB Asset Management Sdn. Bhd. and KasikornBank, Thailand.

**5. Summary of 30% Private Placement**

The summary of 30% Private Placement is as follows:

| <b>No. of Tranche</b>   | <b>Date of Price Fixing</b> | <b>Date of Issuance</b> | <b>No. of Placement Shares Issued and Allotted</b> | <b>Issue Price per Placement Share</b> | <b>Cumulative number of Placement Shares Issued and Allotted</b> |
|-------------------------|-----------------------------|-------------------------|--|--|--|
| First and final tranche | 24 August 2023              | 4 September 2023        | 16,630,000   | RM0.91 <sup>(i)</sup>                  | 16,630,000   |

*Note:*

- (i) *The issue price represents a discount of RM0.0694 or approximately 7.09% to the 5D-VWAP of Volcano Share up to and including 23 August 2023, being the market day immediately preceding the price-fixing date on 24 August 2023, of RM0.9794 per Volcano Share.*

This announcement is dated 21 August 2024.