

PROPOSED PROCUREMENT AND INSTALLATION OF ROOFTOP SOLAR SYSTEM BY VOLCANO TEC (THAILAND) CO., LTD. (“VTT”), A WHOLLY-OWNED SUBSIDIARY OF VOLCANO BERHAD (“VOLCANO” OR “THE COMPANY”)

1. INTRODUCTION

The Board of Directors of the Company (“**Board**”) wishes to announce that Volcano Tec (Thailand) Co., Ltd. (“**VTT**”), a wholly-owned subsidiary of the Company, has on 3 December 2025, appointed Vnergy Thai Co., Ltd. (“**Vnergy**”) as the EPCC (Engineering, Procurement, Construction & Commissioning) contractor for the procurement and installation of the rooftop solar system (capacity 514.08 kWp) (“**Solar System**”) and battery energy storage system (215 kWh) (“**BESS**”) for a contract price of Thai Baht 11,331,300 equivalent to approximately *RM1,462,848 (“**Consideration**”), (hereinafter referred to as the “**Solar System Project**”).

Note:

* Based on the exchange rate of Thai Baht 1: Ringgit Malaysia 12.9098 on 2 December 2025 as set out in the Bank Negara Malaysia’s website, subject to rounding.

2. DETAILS OF THE SOLAR SYSTEM PROJECT

2.1 Salient terms of the Solar System Project

The Company had on 3 December 2025, signed the acceptance of a quotation by Vnergy to form a contract (“**Contract**”) with Vnergy, as the EPCC Contractor for the Solar System Project to be carried out at VTT’s factory located at 7/621 Moo 6, Amata City Industrial Estate, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong 21140 Thailand (“**Project Site**”).

The salient terms of the Contract are set out in Appendix I of this announcement.

2.2 Basis and justification of arriving at the Consideration

The Consideration was arrived on willing buyer willing seller basis.

The Board is of the view that the Consideration is fair and reasonable after conducting an internal review, price comparison and taking into consideration the following factors:

- (i) Vnergy is offering a one-stop solution encompassing the procurement, supply, installation, engineering design, permit applications, project management, testing and commissioning of the Solar System Project;
- (ii) Vnergy is an experienced integral energy service provider in Thailand, Malaysia, and Southeast Asia. Vnergy has expertise spanning across solar power (residential, commercial & industrial, utility-scale, and floating solar systems), Battery Energy Storage Systems (BESS), energy efficiency optimization (including chiller optimization and replacement), and EV charging infrastructure;
- (iii) With the Solar System PV system capacity of 514.08 kWp, the estimated electricity output would be approximately 721,675.79 kWh for the first year which would translate into the estimated average savings of approximately THB 231,713.47 /month on electricity bill.

2.3 Method of payment and source of funding of the Consideration

The Consideration will be paid to Vnergy by VTT via cash to be funded using internally generated funds and/or bank borrowings in the following manner:-

No. of payments	Amount of Consideration	Timing/Deliverables
1 st	30%	upon the signing of the Contract
2 nd	40%	upon the delivery of major equipment, mounting structures and photovoltaic ("PV") modules to the Project Site
3 rd	20%	upon the delivery of the balance of system ("BOS") equipment, all electrical and system components
4 th	10%	upon the successful testing, commissioning and officially handover of the solar system

2.4 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees to be assumed by the Company arising from the Solar System Project.

3. INFORMATION ON VNERGY

Vnergy was incorporated on 29 January 2025 under the laws of Thailand, with its principal office at 168/63, Nakniwat Road, Lat Phrao Subdistrict, Lat Phrao District, Bangkok, Thailand. Vnergy has registered THB20,000,000 of which THB5,000,000 is paid-up.

The shareholders of Vnergy are:

Name	Nationality	No. of shares	%
Ms. Phusanisa Khongsuk	Thai	62,000	31.00%
Mr. Phakkaphon Homphaengwai	Thai	40,000	20.00%
Dato' Wong Tze Peng	Malaysian	40,000	20.00%
Mr. Daniel Tong Ji Shan	Malaysian	40,000	20.00%
Mr. Lai Chuan Shenq	Malaysian	18,000	9.00%
Total:		200,000	100.00%

The directors of Vnergy are Mr. Phakkaphon Homphaengwai and Mr. Lai Chuan Shenq.

4. RATIONALE OF THE SOLAR SYSTEM PROJECT

The Solar System Project underscores Volcano and its subsidiaries ("Volcano Group" or "Group")'s commitment to environmental responsibility and sustainable development. The system is expected to deliver long-term electricity cost savings while reducing the Group's carbon footprint and contributing to overall energy sustainability. This initiative supports both the organisation and the wider community by promoting cleaner and more efficient energy use.

5. PROSPECTS OF THE SOLAR SYSTEM PROJECT

The solar system project is expected to provide favourable long-term prospects for the Group. Upon commissioning, the system is anticipated to deliver stable and recurring electricity cost savings, thereby enhancing the Group's operational efficiency. The project

also supports the Group's transition toward cleaner and more sustainable energy, contributing to reduced carbon emissions and alignment with national and global sustainability goals.

In addition, the adoption of renewable energy is expected to strengthen the Group's environmental, social and governance (ESG) profile, which may enhance stakeholder confidence and create long-term value. Overall, the project is anticipated to contribute positively to the Group's future performance while reinforcing its commitment to sustainable growth.

6. RISK FACTORS

6.1 Non-completion risk

The Solar System Project is subject to the terms and conditions of the Contract, and hence, is exposed to the risk of the inability of the parties to complete the Contract in accordance with the terms thereof.

However, the Board will take reasonable steps to ensure that VTT fulfill all its obligations under the Contract within the prescribed timeframe.

6.2. Other risks

Save for the non-completion risk above and the economic and inherent risks normally associated with the installation of rooftop solar system, the Board does not foresee any other specific risk factors arising from the Solar System Project which could materially or adversely affect the financial and operating condition of the Volcano Group.

7. EFFECTS OF THE PROJECT

7.1 Issued share capital, substantial shareholders' shareholdings

The Solar System Project will not have any effect on the issued share capital and the shareholdings of the substantial shareholders of the Company as the Solar System Project does not involve any issuance of new ordinary shares in Volcano.

7.2 Net assets, net assets per share and gearing

The Solar System Project is not expected to have any material effect on the net assets, net assets per share and gearing of Volcano Group for the financial year ending 30 June 2026.

7.3 Earnings and earnings per share ("EPS")

The Solar System Project is not expected to have any material impact on the earnings or EPS of the Company for the financial year ending 30 June 2026.

8. APPROVALS REQUIRED

The Solar System Project is not subject to the approval of the shareholders of Volcano but is subject to VTT obtaining the following approvals:

- (i) Building, modification or demolition permit or IEAT permit from the Industrial Estate Authority of Thailand ("IEAT");
- (ii) Notification for exemption of Electricity Business License from the Energy Regulatory Commission, Thailand; and
- (iii) Grid interconnection/parallel operation permit (utility) from Provincial Electricity Authority (PEA), Thailand.

9. HIGHEST PERCENTAGE RATIO

Based on the latest audited financial statements of the Company, the highest percentage ratio applicable to the Project pursuant to Paragraph 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is 1.41%.

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

Save as disclosed below, none of the directors or major shareholders and/or persons connected with them has any interest, whether direct or indirect, in the Contract.

- (i) Dato' Wong Tze Peng is the Executive Director and substantial shareholder of Volcano and he is one of the substantial shareholders of Vnergy, holding 20% of its shares.

As at the date of this announcement, the shareholdings of Dato' Wong Tze Peng in Volcano are as follows:

Interested Director	Direct		Indirect	
	No. of Volcano shares	%	No. of Volcano shares	%
Dato' Wong Tze Peng	24,600,000	13.54	-	-

The Contract is deemed a related party transaction pursuant to Paragraph 10.08 of the ACE Market Listing Requirements in view of the above.

Accordingly, Dato' Wong Tze Peng has abstained and will continue to abstain from all deliberations and voting in respect of the Contract and the Solar System Project at the relevant Board meetings of the Company.

11. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The Audit and Risk Management Committee of Volcano, having considered all aspects of the Contract, including the salient terms, the basis of arriving at the Consideration, rationale, prospects, and the effects of the Solar System Project, is of the opinion that the Contract is:

- (i) in the best interest of the Company;
- (ii) fair, reasonable and on normal commercial terms;
- (iii) at arm's length and on terms not more favorable to the related party than those generally available to the public; and
- (iv) not detrimental to the interest of the non-interested shareholders of the Company.

12. DIRECTORS' STATEMENT

The Board (save for Dato' Wong Tze Peng who has interest in the Contract and had abstained from the deliberation and voting in respect of the Contract), after having considered the terms and conditions of the Contract and all relevant aspects including the rationale, prospects and financial effects of the Solar System Project, is of the opinion that the Contract and the Solar System Project is in the best interest of the Volcano Group.

13. TOTAL AMOUNT TRANSACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

Other than the Contract for which the Consideration is Thai Baht 11,331,300 and a recurrent related party transaction of rental of marketing office space at RM1,000 per month totaling to RM12,000 per year, there were no other transactions between the Volcano Group and Dato' Wong Tze Peng and/or persons connected with him for the preceding 12 months from the date of this announcement.

14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Contract is expected to be completed in the third quarter of 2026.

15. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION

As at the date of this announcement, there is no other corporate proposal which has been announced but is pending implementation by the Company.

16. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Contract will be made available for inspection at the Company's registered office at 9-1, 9th Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 Georgetown, Pulau Pinang during normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 3 December 2025.

Salient terms of the Contract**1. Scope of Work**

The scope of work of Vnergy as the EPCC Contractor encompasses:

- 1.1. Procurement – Supply of PV modules, inverters, structures, BOS, cabling and BESS
- 1.2. Installation – Installation, wiring, testing and commissioning
- 1.3. Safety – Walkways, lifeline, guard rails and cleaning system
- 1.4. Engineering – Design, calculation and permit applications
- 1.5. Management – Project execution, logistics and transportation

2. Payment Terms

VTI shall pay Vnergy in the manner stated in Section 2.3 of the announcement above.

3. Technical Specifications

Specifications	Type
Proposed PV System Installed Capacity	514.08 kWp
PV Module Type	TW solar/Trina Solar Monocrystalline Module N-Type, Tier one listed in Bloomberg or equivalent
PV Module Nominal Power	720 W
PV Module Nominal Size	2,384 mm x 1,303 mm
PV Module Quantity (estimation)	714 pieces
Rapid Shutdown	AP Smart/ Projoy/ Benny/ Fonrich
Emergency Switch	AP Smart/ Projoy/ Benny/ Fonrich
Mounting Structure	Goomax/ BM Solar or equivalent brand
Inverter	HYXIPOWER
BESS 215k kWh	HYXIPOWER
Installation Warranty	2-year, plus 2-year of free system maintenance (2 times per year)

4. Termination Clause

Either party may terminate this contract by giving 30 days' written notice, and the project owner shall pay the contractor for all work properly completed up to the termination date. The project owner may terminate immediately if the contractor fails to perform, causes unreasonable delay and does not fix the issue after written notice, or becomes insolvent. Upon termination, the contractor shall stop work, make the project site safe, and hand over all completed work, materials, and documents paid for by the project owner.