VIBROPOWER CORPORATION LIMITED
(Company Registration Number 200004436E)
(Incorporated in the Republic of Singapore on 23 May 2000)

REACTIVATION OF BIOMASS POWER PLANT IN SANDAKAN

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1. INTRODUCTION

The Board of Directors (the "**Board**") of VibroPower Corporation Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to its previous announcement 8 June 2021 and its latest annual report for the financial year ended 31 March 2024 (the "**FY2024 AR**"). As disclosed in these documents, the Company's associated company, VibroPower Green Energy Sdn Bhd ("**VGE**"), has been upgrading the biomass power plant (the "**Biomass Power Plant"**) owned and leased to it by another associated company, Biomass Energy Sdn Bhd ("**VBE**").

In the FY2024 AR, the Company informed shareholders that it was pursuing opportunities to expand its clean energy business. The Company completed the initial upgrade of its Biomass Power Plant in Sandakan, Malaysia in 2023. This upgrade allows for sludge oil processing, which is expected to commence in the third quarter of 2024, pending necessary licenses. While sludge oil production will provide an additional revenue stream, it is not intended to be the Group's main business activity.

The Company also disclosed that it obtained approval from the Energy Commission of Sabah in April 2024 for the second phase of the upgrade, enabling the Biomass Power Plant to generate electricity for commercial sale. This announcement provides an update on this initiative.

2. RENEWABLE ENERGY POWER PURCHASE AGREEMENT

The Group is pleased to announce that VBE entered into a Renewable Energy Power Purchase Agreement (the "**PPA**") with Sabah Electricity Sdn Bhd ("**SESB**") dated 10 January 2025, a signed copy of which was received by the Group on 18 February 2025.

Under the PPA, SESB will purchase the net electricity output generated from the Biomass Power Plant, which has a maximum capacity of 11.5 MW. SESB is obligated to purchase up to a maximum annual allowable quantity (of approximately 9 MW). Any excess electricity generated may be purchased by SESB at its discretion. The Group will retain the 2.5 MW electricity required for the operation of the Biomass Power Plant.

3. THE BIOMASS POWER PLANT

The Biomass Power Plant will utilise empty fruit bunches ("**EFB**"), a readily available waste product from the palm-oil milling industry, as its primary fuel source.

4. KEY CONDITIONS OF THE PPA

Before the Biomass Power Plant can become operational, the Group must meet certain conditions precedent, including:

- **Technical Commissioning:** VBE must submit a "Commissioning Test Certificate" and other documentation to SESB and the Energy Commission, certifying the plant's operational readiness and compliance with the PPA.
- **Financing:** VBE must secure financing and submit copies of all financing and project documents to SESB and the Energy Commission by the Financial Closing Date.
- **Design and Engineering:** VBE must submit design reports, shop drawings, and other technical documentation to SESB within specified timeframes.

- **Licensing:** VBE must obtain the required licenses to own, operate, and maintain the Biomass Power Plant and sell biomass energy to SESB.

Critical Milestones:

The parties are working together to achieve the following critical milestones:

- **Financial Closing Date:** On or before 30 June 2025
- **Commencement Date:** No later than 31 January 2025
- **Initial Operation Date:** On or before 31 October 2026

5. SUSTAINABILITY DRIVE OF THE GROUP

The PPA and the anticipated commencement of the project represent a significant milestone in the Group's commitment to sustainability. This project aligns with the Malaysian government's renewable energy policies and contributes to sustainable development by utilising biomass as a renewable energy source.

The Group believes this project will reduce reliance on fossil fuels, minimise environmental impact, and promote a more circular economy by re-purposing EFB.

6. CAUTIONARY STATEMENTS

While the Group expects to meet all conditions and critical milestones, there is no assurance that it will do so. Shareholders are, therefore, advised to exercise caution before making any decision in respect of their dealings in the shares of the Company. Shareholders and potential investors are advised to read this announcement and any further update announcement(s) released by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Benedict Chen Onn Meng
Chief Executive Officer
18 February 2025