

VSOLAR GROUP BERHAD (631995-T)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED

Thirteenth Annual General Meeting (“AGM”) of the Company held at Theatre Room, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 November 2016 at 11.00 a.m.

The voting at the Thirteenth AGM was conducted by way of poll.

Except for the following, no other matter was discussed during the AGM:-

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The following were queries raised by the Shareholders and the responses made by the Board of Directors:-

- a) Mr Ng Aik Pheng enquired on the status of the technology collaboration with a Japanese corporation for the development of solar plants and the current development of the Company for the next three years.

Mr Ng further enquired on the projected rate of return on investment for the solar projects and the reason for the termination of licence from Sustainable Energy Development Authority (“SEDA”).

The Executive Director, Mr Leung Kok Keong (“Mr Leung”) replied that the Company had diversified its core business into solar renewable energy business and entered into the Collaboration Agreement with the Japanese corporation, Eastasia Group Co. Ltd (“Eastasia”) to provide Engineering, Procurement and Construction (“EPC”) solutions capitalizing on Eastasia’s knowledge in large commercial solar development. Eastasia will licence to the Company the Intellectual Property expertise for the development of solar farms using EPC design methodology developed by Eastasia.

On the question of investment returns, Mr Leung replied that the projected Internal Rate of Return for the solar projects is generally at 18%.

The Executive Director, Encik Ameen bin Jamal (“Encik Ameen”) replied that the Company has a contract with Tenaga Nasional Berhad for the supply of solar energy in Peninsular Malaysia for 21 years and the revenue is fixed.

At the moment, Sabah and Sarawak are not open to solar energy. However, the Company will consider supplying solar energy to Sabah and Sarawak if they are open for bidding. Encik Ameen further stressed that the price of oil does not affect the price of solar energy.

Datuk Chairman added that the land in Sabah and Sarawak is undulating and would make solar power installations difficult.

On the question of termination of licence from SEDA, Encik Ameen replied that the licence was terminated because the Company was not successful in complying with the requirements of the Government contract within three months.

b) Mr Yap Tian Soong asked what is the future potential for the Company.

Mr Leung replied that the Company has plans to expand its solar generation capacity by bidding for new quotas and entering into strategic partnerships.

In order to expand the Company's solar energy generation capacity, the Company had entered into a Memorandum of Understanding ("MOU") with Universiti Teknologi Malaysia ("UTM") for the development of solar farm(s) at UTM or any other suitable site identified and provided by UTM.

There being no further questions on the Audited Financial Statements, the Audited Financial Statements for the financial period ended 30 June 2016 together with the Reports of the Directors and Auditors thereon were duly received by the Shareholders.

The Meeting terminated at 12.15 p.m.