

VSOLAR GROUP BERHAD
Registration No. 200301029575 (631995-T)
(Incorporated in Malaysia)

Minutes of the 19th Annual General Meeting (19th AGM or the Meeting) of Vsolar Group Berhad (Vsolar or the Company) held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 8 December 2022 at 2.30 p.m.**

DIRECTORS PRESENT : Encik Khairul Azwan bin Harun (Independent Chairman)
Mr. Koo Kien Yoon (Executive Director)
Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad
(Senior Independent Director)
Mr. Ng Chee Kin (Independent Director)
Mr. Chuah Hoon Hong (Independent Director)

MEMBERS PRESENT : As per attendance list

BY INVITATION : Guest as per attendance list

IN ATTENDANCE : Ms. Wong Yuet Chyn (Company Secretary)

CHAIRMAN

Encik Khairul Azwan bin Harun (Chairman) welcomed the shareholders to the 19th AGM of the Company. The Chairman then proceeded to introduce the Board members (Board), the Company Secretary and the External Auditors.

QUORUM

The Company Secretary confirmed the presence of a requisite quorum for the Meeting.

NOTICE OF MEETING

The Chairman informed that the 19th AGM was conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The Chairman notified that the Notice convening the 19th AGM (Notice) had been despatched to all shareholders and the Auditors of the Company and the said Notice was advertised in the New Straits Times on 31 October 2022 in accordance with the Company's Constitution be taken as read.

POLL VOTING

The Chairman then guided through the procedures of the Meeting. The Chairman informed that voting on all resolutions set out in the Notice would be conducted by way of poll in accordance with Rule 8.31A (1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities). For this purpose, the Chairman has exercised his right as the Chairman of the Meeting to demand for a poll in accordance with Clause 92 of Constitution of the Company in respect of all resolutions which would be put to vote at 19th AGM.

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The polling would be conducted electronically via the remote participation and voting facility provided by Workshire Share Registration Sdn. Bhd. (Workshire) and that the voting session had commenced from 2.30 p.m. until the announcement of the end of the voting session by the Chairman. In this respect, the Share Registrar, Workshire, had been appointed the Poll Administrator to conduct the polling process and SharePolls Sdn. Bhd. as Scrutineer to verify the poll results.

The Chairman informed that the Board will deal with the shareholders' questions after the deliberation of the agenda. The Board will try their best to address all the questions by email at the earliest possible after the Meeting if the Board was unable to address all the questions received from shareholders and/or proxies.

The Chairman further informed that the Minority Shareholder Watch Group (MSWG) had vide its letter dated 16 November 2022 addressed to the Board sought information and clarification on the Operational & Financial Matters and Corporate Governance. For the information of the Shareholders, the MSWG's questions and the responses from the Management were presented as follows:

Operational & Financial Matters

1. In line with the higher revenue recorded in FYE2022, Vsolar's loss after tax (LAT) decreased to RM26,347,682 from a LAT of RM34,642,577 in FYE2021. This represents a positive variance of RM8,294,895 or 23.94% (Page 11 of the Annual Report 2022).

Question:

Considering the reduction in losses recorded in FYE2022, what is the prospect of Vsolar's performance achieving another improvement in bottom-line result in FYE2023? When and how long does it take for the Group to break even?

Answer:

Targeting more solar projects coming in and monitoring operating expenses.

The business environment is challenging and the Company is looking for opportunity to involve in solar project or renewable energy projects.

2. Notwithstanding the increase in revenue, the Group recorded a gross profit (GP) of RM0.27 million, representing a contraction of RM0.84 million or 75.5% compared to FYE2021 of RM1.11 million, which was mainly impacted by the higher cost incurred in repair and maintenance of solar farm as well as lower margin from the trading business segment (Page 13 of the Annual Report 2022).

In FYE2022, the Group recorded a GP margin of 2.63% compared to a GP margin of 14.32% recorded in FYE2021 (Page 11 of the Annual Report 2022).

Question 2(a):

How does the Group intend to manage the GP level which was mainly impacted by the abovementioned factors?

Answer 2(a):

The Company's GP decrease was due to major overhaul repair and maintenance, we do not foresee any significant repair and maintenance to be incurred for FYE2023.

Question 2(b):

In what ways can the Group improve the GP margin?

Answer 2(b):

Without incurring the major overhaul FYE2023 the GP margin will be automatically normalised and similar like previous financial year.

Question 2(c):

What is the outlook for the GP margin in FY2023?

Answer 2(c):

Refer to answer 2(b).

3. Projects

Question 3(a):

What is the progress of the Group's projects in the domestic and foreign markets, such as in Taiwan, where there is a delay due to endangered wild animals recently found within the land (Page 126 of the Annual Report 2022)? Are the projects on schedule?

Answer 3(a):

The 52MWdc project in Taiwan located in Miaoli County is still undergoing on the Environmental Impact Assessment (EIA) studies by local authorities to address the endangered wildlife animal issue. Latest update from the local authorities is that they are rezoning parts of the land to prohibit construction works so that certain parts of the land will be preserved as a natural habitat for the endangered wildlife animals to continue its existence. This has significantly impact the initial timeline of the Project and can only resume back sometime in Q3/Q4 2023. We are currently waiting for the official confirmation from the local authorities in Taiwan.

All other local projects in Malaysia are on-going smoothly with no major delays and/or obstacles in the way.

Question 3(b):

Is Vsolar facing any major challenges in completing the projects? If so, what are the measures taken to address the challenges and to mitigate any adverse impact to the Group's business?

Answer 3(b):

No major challenges except for the endangered wildlife animal issue which is not within the Group's control to mitigate or act upon and to which is solely the responsibility of the respective Taiwan authorities.

4. ICT trading segment

Question 4(a):

What is the total current orders secured by segment, to-date?

Answer 4(a):

As to-date, there is no order secured by this segment.

Question 4(b):

Is the segment facing any challenges in securing new orders?

Answer 4(b):

Yes, we are facing low demand due to market has opened up and stiff competition from other companies and not able to secure any orders.

Question 4(c):

What is the targeted orders replenishment in the next two financial years?

Answer 4(c):

The Company will be shifting focus into renewable energy.

Corporate Governance

5. The total cost incurred to engage the internal audit function of the Group for the financial year under review amounted to RM10,000 (Page 37 of the Annual Report 2022).

Question:

Given that the fee is rather small (approximately RM833 per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function? What are the areas covered by the internal audit function? How many internal audit reports were issued during the said period?

Answer:

The areas covered for the FYE2022 are as below:

1. Risk Management Update 2021;

2. Solar Plant Management, Maintenance Management, and Procurement to Payment Management for Solar Interactive Sdn. Bhd.; and
3. Follow-up of Previous Internal Audit Report on Sales to Collection Management, Procurement to Payment Management, Business Strategy and Investment Management, Accounting and Finance Management, and Information Technology Management for Cube World Sdn. Bhd.

Besides outsourcing the internal control function to an independent professional third-party advisor, the AC will meet at least once in every quarter where in the meeting the management will brief the committee members on the latest development of the Group. The AC members have a free hand to ask, request, challenge and make necessary enquiries to any of the matters pertaining to the Group, from the operation to the welfare of the employees. The AC will also follow up with the management in the event there are matters to be clarified and to be reported back to the committee. The AC also met privately with the internal and external auditors to receive their reports and their findings on the reviewing and auditing the Group. Matters highlighted and suggestions for improvement from the auditors have been taken seriously to ensure the deficiencies identified, if any, have been rectified accordingly. With these and coupled with the whistle blower policy that has been put in place, the AC believes that it will be able to discharge its duty and be able to perform its function effectively.

Lower fee is corresponding to a remarkably lower business volume, operations and revenue generated during the said financial period due to Covid pandemic. Also, the Internal Auditor (IA) was conducted on virtual basis thus the 100% savings on out-of-pocket expenses as per advocated by Ministry of Health during the MCO/EMCO/RMCO periods.

The IA plan approved by AC was crafted adequately well to cover the key spectrum of IA vis-a-vis the current state-of-affairs of the business and in maintaining the effectiveness of IA as all the identified due diligence processes were dully processed as per the IA scope.

During the period, there were 1 Internal Audit Report, a Risk Management Update and a Follow-up of Previous Internal Audit Report.

The Chairman then proceeded with the Agenda of the Meeting.

1. AUDITED FINANCIAL STATEMENTS (AFS) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman proceeded to item 1 of the Agenda which was to receive the Company's AFS for the FYE 2022 together with the Reports of the Directors and Auditors thereon, as set out in the Annual Report 2022.

The Chairman informed that the AFS together with the Reports of the Directors and Auditors for the FYE 2022 were duly tabled and received at the 19th AGM in accordance with Section 340(1)(a) of the Companies Act 2016 (CA 2016). He further explained that the AFS for FYE 2022 were for discussion only as they did not require shareholders' approval. Hence, the AFS would not be put forward for voting.

2. PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024 (FYE 2024)

The Chairman proceeded to Ordinary Resolution 1 which was to approve the sum of RM324,000.00 as Directors' fees in respect of the FYE 2024.

The Chairman closed the resolution and proceeded with the next resolution.

3. PAYMENT OF DIRECTORS' BENEFITS FOR THE PERIOD COMMENCING AFTER THE DATE OF THE 19TH AGM TO THE DATE OF THE NEXT AGM

The Chairman proceeded to Ordinary Resolution 2 which was to approve the sum of up to RM18,000.00 as Directors' benefits for the period commencing after the date of the 19th AGM to the date of the next AGM.

The Chairman closed the resolution and proceeded with the next resolution.

4. RE-ELECTION OF MR. KOO KIEN YOON (MR. KOO)

The Chairman proceeded to Ordinary Resolution 3 which was to re-elect Mr. Koo, who is retired pursuant to Clause 134 of the Company's Constitution. He added that Mr. Koo, who was eligible for re-election, had offered himself for re-election.

The Chairman further informed that Mr. Koo is the Executive Director of the Company and his profile was set out on page 8 of the Annual Report 2022.

The Chairman closed the resolution and proceeded with the next resolution.

5. RE-ELECTION OF ENCIK KHAIRUL AZWAN BIN HARUN (ENCIK AZWAN)

The Chairman informed that he shall hand over the chairmanship to Mr. Koo as he was due for retiring and seeking for re-election.

Mr. Koo took the chair accordingly.

Mr. Koo proceeded to Ordinary Resolution 4 which was to re-elect Encik Azwan, who is retired pursuant to Clause 119 of the Company's Constitution. He added that Encik Azwan, who was eligible for re-election, had offered himself for the re-election.

Mr. Koo further informed that Encik Azwan is the Independent Chairman of the Company and his profile was set out on page 8 of the Annual Report 2022.

Mr Koo closed the resolution and passed back the chairmanship to the Chairman.

The Chairman then proceeded with the next resolution.

6. RE-APPOINTMENT OF MESSRS. CAS MALAYSIA PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman proceeded to Ordinary Resolution 5 which was to re-appoint Messrs CAS Malaysia PLT (CAS) as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

The Chairman added that CAS, the retiring Auditors have indicated their willingness to accept the re-appointment. A representative from CAS, Mr. Jeremy Kong June Hon introduced himself to the Shareholders.

The Chairman closed the resolution and proceeded with the next resolution.

7. RETENTION OF ENCIK ABDUL MENON BIN ARSAD @ ABDUL MANAN BIN ARSHAD (ENCIK MENON) AS SENIOR INDEPENDENT DIRECTOR

The Chairman proceeded to Ordinary Resolution 6 which was to approve the retention of Encik Menon who has served as the Senior Independent Director for a cumulative term of more than 9 years to continue to act as the Independent Director of the Company.

The Chairman closed the resolution and proceeded with the next resolution.

8. RETENTION OF MR. NG CHEE KIN (MR. NG) AS AN INDEPENDENT DIRECTOR

The Chairman proceeded to Ordinary Resolution 7 which was to approve the retention of Mr. Ng who has served as an Independent Director for a cumulative term of more than 9 years to continue to act as the Independent Director of the Company.

The Chairman closed the resolution and proceeded with the next resolution.

9. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE CA 2016

The Chairman proceeded to Ordinary Resolution 8 which was to provide the authority for the Directors to issue shares pursuant to Sections 75 and 76 of the CA 2016.

“**THAT** subject always to Sections 75 and 76 of the CA 2016, the Constitution, the ACE Market Listing Requirements of Bursa Securities and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 20th AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Clause 65 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

The Chairman closed the resolution and proceeded with the next resolution.

10. ANY OTHER BUSINESS

The Chairman, with confirmation from the Company Secretary, informed that the Company did not receive any notice for transaction of any other business at the Meeting.

The Chairman then proceeded with the Questions and Answers session for the Board and Management to deal with the questions that had been submitted by the Shareholders as follows:

(1) Question:

Kindly give the shareholders some e-vouchers, such as food vouchers or e-wallet (not discount vouchers) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these times. Thank you.

Reply by the Board:

The Management will arrange for a token of appreciation to the shareholders attended the Meeting in due course.

(2) Question:

What will company do or action plan to adapt new government forming and new upcoming Malaysia project for getting more revenue?

Reply by the Board:

The Management will monitor the current politic situation and hope that the new government will able to add the economy recovery plans during the post pandemic and will come out new plans for solar and also farm owner.

Question:

What strategy to be ready of upcoming Malaysia mega project or government project?

Reply by the Board:

The Management will consider any project related to Vsolar and if the margin or the costing is right.

Question:

What could the Company do to make it better value?

Reply by the Board:

The Management is trying their very best in targeting for more contracts in order to increase the revenue of the Company.

Question:

Can company from time to time corporate update us?

Reply by the Board:

Should there be any updates, the Company will make the necessary announcement(s) accordingly.

(3) Question:

Your share price is reaching zero, when are you going to do share consolidation?

Reply by the Board:

The Management will consider the suggestion. Should there be any updates, the Company will make the necessary announcement accordingly.

(4) Question:

Vsolar had secure contract from rail for spare part purchase for fifty sets AMPANG 6 car. How much does the contract worth, initial date and duration?

Reply by the Board:

The contract is based on purchase order. As at to-date, it is amounted RM2.4 million. It is depending on how fast the refurbishment of the rails, i.e. the faster the refurbishment completed, the Company's value will also increase accordingly.

With no further questions raised by shareholders, the Chairman announced the allocation of a further 10 minutes for the shareholders to complete casting their votes.

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The Chairman then announced the closing of the online voting session and then adjourned the Meeting for approximately 15 to 20 minutes for the poll votes to be counted by the Poll Administrator in the presence of the appointed Scrutineer.

The Meeting resumed at 3.25 p.m. The representative of the Scrutineer submitted the report of the results to the Chairman.

11. RESULT OF THE POLL VOTES ON RESOLUTIONS TABLED AT THE 19TH AGM ON 8 DECEMBER 2022

The results of the poll were as follow:

Resolution	Voted For			Voted Against		
	No. of Shareholders	No. of shares	%	No. of Shareholders	No. of shares	%
Ordinary Resolution 1 Payment of Directors' Fees for FYE 2024	10	970,678,063	99.9139	6	836,364	0.0861
Ordinary Resolution 2 Payment of Directors' Benefits	10	970,678,063	99.9139	6	836,364	0.0861
Ordinary Resolution 3 Re-election of Mr. Koo	13	971,213,363	99.9690	3	301,064	0.0310
Ordinary Resolution 4 Re-election of Encik Azwan	12	971,213,263	99.9690	4	301,164	0.0310
Ordinary Resolution 5 Re-appointment of Auditors	13	971,213,363	99.9690	3	301,064	0.0310
Ordinary Resolution 6 Retention of Encik Menon as Independent Director						
• Tier 1	1	876,111,600	100.00	0	0	100.00
• Tier 2	10	95,101,363	99.6840	6	301,464	0.3160
Ordinary Resolution 7 Retention of Mr. Ng as Independent Director						
• Tier 1	1	876,111,600	100.00	0	0	100.00
• Tier 2	10	95,101,463	99.6841	5	301,364	0.3159
Ordinary Resolution 8 Authority to Allot and Issue Shares under Sections 75 and 76 of the CA 2016	9	970,478,063	99.8933	7	1,036,364	0.1067

The Chairman then declared all the resolutions as set out on the Notice of the 19th AGM were carried out.

12. CLOSE OF MEETING

There being no other business, the Meeting terminated at 3.55 p.m. with a vote of thanks to the Chair.

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C O N F I R M E D

KHAIRUL AZWAN BIN HARUN

Chairman

Date: 8 December 2022