

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

Minutes of the Extraordinary General Meeting (EGM or Meeting) of Vsolar Group Berhad (Vsolar or the Company) duly 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, on **Friday, 28 April 2023 at 11.00 a.m.**

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

MEMBERS PRESENT : As per attendance list

BY INVITATION : Guest as per attendance list

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

CHAIRMAN

The Chairman welcomed the shareholders to the EGM of the Company.

The Chairman took the chair and called the Meeting at 11.00 a.m.

QUORUM

The requisite quorum was present.

NOTICE OF MEETING

The Chairman notified that the Notice convening the EGM had been sent to all the shareholders of the Company and the said Notice was advertised in New Straits Times on 6 April 2023 in accordance with the Company's Constitution. He proposed and the Meeting consented that the Notice of Meeting be taken as read.

The Chairman then proceeded to introduce the Board of Directors' (Board) members and Company Secretary, advisor and solicitor.

The Chairman informed that voting at the EGM would be conducted via a poll in accordance with Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and Clause 92 of the Company's Constitution in respect of all resolutions which would be

put to voting by poll at the Meeting. The polling will be conducted electronically via the remote participation and voting session will commence from 11.00 a.m. until the announcement of the end of voting session. In this respect, the Share Registrar, Workshire Share Registration Sdn. Bhd., had been appointed the Poll Administrator and SharePolls Sdn. Bhd., the Scrutineer for the poll voting exercise.

The Chairman further informed that the Minority Shareholder Watch Group (MSWG) had vide its letter dated 20 April 2023 addressed to the Board sought information and clarification on the Proposed Diversification. For the information of the Shareholders, the MSWG's questions and the responses from the Management were presented as follows:

Proposed Diversification

1. Premised on the positive outlook of the railway supporting industry as set out in Section 6.5 of the Circular, the Board is of the view that the Supply Contract came at an opportune time that enabled the Group to venture into the Railway Business. The Proposed Diversification will provide an alternative source of income to the Group's existing businesses to turnaround the financial performance of Vsolar Group (Page 30 of the Circular).

Question:

Based on the above, with the inclusion of the railway supporting industry into the Group's business activities, what is the targeted financial contribution from the new business? What is the Group's targeted business margin for venturing into this industry?

Answer:

Since the Railway Industry is very niche and less competitive with a handful number of players, we anticipated a healthy margin base on the cost of material at the present market condition. However, as a listed entity, we are not encouraged to provide any targeted business margin in the absence of sufficient qualification, assumption or factual basis.

2. As disclosed on page 38 of the Circular, there are risk factors relating to the business: business diversification risk, dependency on key personnel, competition risk, and agreement risks. There are also approaches or measures that the Group will take to address those risks.

Question 2 (a):

To what extent will the abovementioned risk factors impact the new business and the Group, adversely?

Answer 2 (a):

The extent of such impact cannot be determined at this juncture. However, if any of such risk occurs, our financial performance will be affected (i.e. contribution from the railway business segment will be lower).

Question 2 (b):

Apart from approaches/measures mentioned in the Circular, how will Vsolar ensure that it can have a sustainable new business and effectively address all the risk factors?

Answer 2 (b):

To ensure long-term sustainability of the new Business, we will engage with professional consultants and specialist key personnel on project-to-project basis, to provide the necessary implementation support for the new railway projects secure by the group.

3. Going forward, the outlook of the rail supporting industry is expected to be positive with the support from the Government through the Malaysian Rail Supporting Industry Roadmap 2030 and the ongoing rail projects under the Economic Transformation Programmes as well as initiatives to be undertaken under the 12th Malaysian Plan (Page 37 of the Circular).

Question:

As the outlook of the rail supporting industry is expected to be positive, does the Company intend to go bigger in this area in the future? If so, what is the expected timeframe for Vsolar to become a more prominent player in the industry?

Answer:

Yes, Vsolar is planning to be a sizeable player in this industry. Nevertheless, we are planning phases approach. Supply contract as the first step entering into the industry to establish OEM networks relationship. Once the relationship has already been built, we are planning to participate in open tender issued by Rail Transport Operator and subsequently built Engineering Team that will be offering Engineering Services to the Rail Transport Operator.

This phases approach will enable Vsolar to build track records in the industry and to cap the required capital Expenditures.

The Chairman then proceeded to the Agenda for the Meeting.

ORDINARY RESOLUTION 1

PROPOSED DIVERSIFICATION OF THE BUSINESS OF VSOLAR GROUP BERHAD (VSOLAR OR COMPANY) AND ITS SUBSIDIARIES TO INCLUDE THE SUPPLY, TRADING, INSTALLATION, ASSEMBLY AND TESTING OF SPARE PARTS FOR RAILWAY VEHICLES (PROPOSED DIVERSIFICATION)

“**THAT** subject to the necessary approvals of the relevant authorities and parties (if required) being obtained, approval be and is hereby given to the Board to implement the diversification of the business of Vsolar and its subsidiaries to include the supply, trading, installation, assembly and testing of spare parts for railway vehicles.

THAT the Board be and is hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to give full effect to the Proposed Diversification with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Board in the best interest of the Company.

AND THAT the Company Secretary be hereby authorised and instructed to do all the necessary and deemed fit to lodge the prescribed form in accordance with the Companies Act, 2016 with the Companies Commission of Malaysia for and on behalf of the Company.”

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 791,850,044 NEW ORDINARY SHARES IN VSOLAR (RIGHTS SHARES) TOGETHER WITH UP TO 395,925,022 FREE DETACHABLE WARRANTS (WARRANTS C) ON THE BASIS OF 4 RIGHTS SHARES TOGETHER WITH 2 WARRANTS C FOR EVERY CONSOLIDATED SHARE HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED (ENTITLEMENT DATE) (PROPOSED RIGHTS ISSUE WITH WARRANTS)

“**THAT** subject to the passing of Special Resolution 1 and all the approvals from relevant authorities being obtained where necessary, approval be and is hereby given for Vsolar to undertake the Proposed Rights Issue with Warrants as follows:

- (a) To provisionally issue and allot by way of renounceable rights issue of up to 791,850,044 Rights Shares together with up to 395,925,022 free Warrants C on the basis of 4 Rights Shares together with 2 Warrants C for every Consolidated Share held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date;
- (b) To issue and allot the Warrants based on the salient terms of which are set out in Section 4.9 of the Circular to Shareholders dated 6 April 2023 (Circular) and upon the terms and conditions of the deed poll to be executed by Vsolar (Deed Poll C);
- (c) To issue and allot such number of new Vsolar Shares arising from the exercise of the Warrants C during the tenure of the Warrants C; and
- (d) To issue and allot such Warrants as may be required or permitted to be issued as a result of any adjustment under the provisions of the Deed Poll C;

THAT the final issue price of the Rights Shares and the exercise price of the Warrants C shall be at a relevant discount to the market price of Vsolar Shares which is deemed attractive to shareholders based on the historical trading price of Vsolar Shares and/or the 5-day volume weighted average price of Vsolar Shares prior to the price fixing date to be determined;

THAT the Board be and is hereby authorised to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board in their absolute discretion;

THAT the Board be and is hereby authorised to deal with all or any of the fractional entitlement of the Rights Shares and Warrants C arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner as the Board may in their absolute discretion deem fit and in the best interest of the Company;

THAT all the Rights Shares and the new Vsolar Shares to be issued pursuant to the exercise of the Warrants C, shall upon issue and allotment, rank equally in all respects with the then existing Vsolar Shares except for any entitlements, the entitlement date of which is before the date of allotment of the Rights Shares and the new Vsolar Shares to be issued pursuant to the exercise of the Warrants C (as the case may be);

THAT the proceeds from the Proposed Rights Issue with Warrants will be utilised for such purposes as set out in Section 4.7 of the Circular and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll C constituting the Warrants C and to do all acts, deeds and things as they may deem fit and expedient in order to implement, finalise and give effect to the Deed Poll C;

AND THAT the Board be and is hereby authorised with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authority/authorities to give effect to the Proposed Rights Issue with Warrants, and to take all such steps as they may deem necessary or expedient in the best interest of the Company to implement, finalise and give full effect to the Proposed Rights Issue with Warrants.”

SPECIAL RESOLUTION 1

PROPOSED CONSOLIDATION OF EVERY 30 EXISTING ORDINARY SHARES IN VSOLAR (VSOLAR SHARES OR SHARES) INTO 1 SHARE (CONSOLIDATED SHARE) (PROPOSED SHARE CONSOLIDATION)

“**THAT** subject to the approvals of all relevant parties and/or authorities being obtained (if required), approval be and is hereby given to the Company to give effect to the consolidation of every 30 existing Shares held by the entitled shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board and announced later by the Company into 1 Consolidated Share;

THAT the Consolidated Shares shall, upon allotment and issuance, rank equally in all respects with one another and that the fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

AND THAT the Board be and is hereby authorised with full power to do all such acts, deeds and things and to execute and deliver on behalf of the Company all such documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give effect to the Proposed Share Consolidation with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or required by the relevant authorities.”

At 11.10 a.m., there were some technical issues on the voting platform and the Chairman, on behalf of the Board, had extended sincere apologies to the shareholders and/or proxies for any inconvenience caused. In view of this, the Chairman requested the shareholders and/or proxies to resubmit their votes again.

The Chairman then proceeded with the Question and Answer session to deal with the questions that had been submitted by the shareholders, as follows:

(1) Question:

Please give us the door gift.

Reply by the Chairman:

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

(2) Question:

How to ensure shareholders' benefit in the long run? When will the Company pay dividend?

Reply by the Chairman:

Although the Company is mainly focusing on its solar business, the Company believes that the Proposed Diversification will also bring good yield benefits to the Group and to the shareholders ultimately. The Company anticipates positive results from the existing and new business in future.

The Company will look into the dividend policy once the Company achieve consistent profitability in the future.

There being no further questions raised by the shareholders, the Chairman declared that the voting session would be closed in 30 minutes.

The Chairman then adjourned the Meeting for 30 minutes for the poll votes to be counted by the Poll Administrator in the presence of the appointed Scrutineer.

The Meeting resumed at 11.48 a.m.

RESULT OF THE POLL VOTES ON RESOLUTIONS TABLED AT THE EGM ON 28 APRIL 2023:

Ordinary Resolutions	Voted For			Voted Against		
	No. of Shareholders	No. of shares	%	No. of Shareholders	No. of shares	%
Ordinary Resolution 1 Proposed Diversification	6	1,118,067,300	99.8658	5	1,502,064	0.1342
Ordinary Resolution 2 Proposed Rights Issue with Warrants	5	1,118,067,200	99.8658	5	1,502,064	0.1342
Special Resolution 1 Proposed Share Consolidation	4	1,118,032,200	99.8627	6	1,537,064	0.1373

The Chairman then declared all the resolutions for the day carried.

TERMINATION

There being no other business the Meeting terminated at 11.52 a.m. with a vote of thanks to the Chair.

C O N F I R M E D B Y

KHAIRUL AZWAN BIN HARUN
Chairman

Date: 28 April 2023