

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

Minutes of the 20th Annual General Meeting (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 **Wednesday, 6 December 2023 at 11.00 a.m.**

- DIRECTORS PRESENT** : Mr. Koo Kien Yoon (Mr. Koo) (Executive Director) (Meeting Chairman)
Mr. Ng Chee Kin (Independent Non-Executive Director)
Mr. Chuah Hoon Hong (Independent Non-Executive Director)
Datuk Salmah Hayati binti Ghazali (Independent Non-Executive Director)
- ABSENT WITH APOLOGIES** : Encik Khairul Azwan bin Harun (Encik Khairul) (Independent Non-Executive Chairman)
- MEMBERS PRESENT** : As per attendance list
- BY INVITATION** : Guest as per attendance list
- IN ATTENDANCE** : Ms. Wong Yuet Chyn (Company Secretary)

CHAIRMAN

Mr. Koo informed the Meeting that Encik Khairul had extended his sincere apologies for unable to join the Meeting due to his other business arrangement. Thus, Mr. Koo was appointed by the Board of Directors (Board) as meeting chairman (Meeting Chairman) to chair the Meeting.

The Meeting Chairman took the chair and called the Meeting to order at 11.00 a.m. He welcomed the shareholders, proxies and Corporate Representatives to the 20th AGM of the Company and then proceeded to introduce the Board, the Company Secretary and the External Auditors to the Meeting.

QUORUM

Based on the registration data at 11.00 a.m., 4 December 2023, there were 30 members or proxies or corporate representatives had registered for attendance of the AGM. As of 11.00 a.m., 6 December 2023, there were 7 members or proxies or corporate representative had participated in the AGM virtually.

As informed by the Company Secretary that there being a quorum present, the Meeting Chairman declared the Meeting duly convened.

NOTICE OF MEETING

The Meeting Chairman informed that the 20th 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,

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The Meeting Chairman notified that the notice convening the 20th 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 2023 in accordance with the Company's Constitution be taken as read.

POLL VOTING

The Meeting Chairman then guided through the procedures of the Meeting. He 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 (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities). For this purpose, he 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 20th AGM.

The polling would be conducted electronically via the remote participation and voting facility and voting session had commenced from 11.00 a.m. until the announcement of the end of the voting session by the Meeting Chairman. In this respect, the Share Registrar, Workshire Share Registration Sdn. Bhd., had been appointed the Poll Administrator to conduct the polling process and SharePolls Sdn. Bhd. as Scrutineer to verify the poll results.

The Meeting Chairman informed that the Board will deal with the shareholders' questions after the deliberation of the agenda. The Board would 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 Meeting Chairman further informed that the Minority Shareholder Watch Group (MSWG) had vide its letter dated 10 November 2023 addressed to the Board sought information and clarification on the Operational & Financial Matters. For the information of the Shareholders, the MSWG's questions and the responses from the Management were presented as follows:

Operational & Financial Matters

(1) Financial Performance

GROUP					
YEAR ENDED	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
KEY COMPREHENSIVE INCOME STATEMENT DATA (RM)					
Revenue	8,946,323	10,279,333	7,727,415	2,782,196	2,989,345
Loss before taxation	(14,681,831)	(26,275,041)	(34,517,881)	(4,143,139)	(1,543,613)

(Source: Page 11 of the Annual Report 2023/AR2023)

As reported above, Vsolar recorded a 12.9% year-on-year (YOY) decrease in revenue, mainly due to lower revenue contribution from the Trading segment. Notwithstanding the decrease in the revenue, Vsolar's loss before taxation improved significantly by 44.12% YOY basis, which was due to the share-based payment under Vsolar's employee share option scheme (ESOS) recorded in FYE2022 (Page 13 of AR2023).

Question (1)

What was the outlook for Vsolar's business segments and financial performance in FYE2024? When did the Board expect the Company to record its first profit since FYE2019 and mark a turnaround business?

Answer (1)

- i. The Company was contemplating a strategic emphasis on the rail business with the aim of enhancing revenue. This might involve diversification, expansion into new markets, or the improvement of current product/service offerings within the Group's Trading segment. The VRail business was anticipated to experience ongoing improvement, while the solar energy sector was expected to maintain stability and avoid volatility.
- ii. Predicting the exact timing of a turnaround would require a more in-depth understanding of Vsolar's strategic initiatives and the external economic environment. The Board's expectation for the Company to turnaround its business would be dependent on successful execution of its business plans, market conditions, and the effectiveness of its cost-saving measures, which the Board unable to confirm at this juncture.

(2) **Gross Profit Margin (GPM)**

The Group's GPM improved significantly from a low and single-digit GPM level of 2.63% (RM270,737/RM10,279,333×100) in FYE2022 to a double-digit GPM of 11.61% (RM1,038,775/ RM8,946,323×100) in FYE2023 (Page 62 of AR2023).

Question (2)

Did the Board expect the GPM level to improve further in the coming years? If so, what were the targeted GPM levels to achieve in the next two financial years?

Answer (2)

Regarding the query about the Board's expectations for future GPM levels, the Company was optimistic about the trajectory of the financial performance. While specific numerical targets might not be disclosed at this time due to competitive considerations, the Board was committed to sustaining and enhancing the GPM.

The Company's ongoing focus on cost management, supply chain optimization, and product/service innovation positions them well for continued improvement in the financial metrics. The Company recognized the importance of maintaining a healthy GPM as a key indicator of our operational effectiveness and overall financial health.

As the Company looked ahead to the next two financial years, the goal was to build on the momentum gained in FYE2023. The Company anticipated further improvements in GPM, driven by a combination of factors such as increased operational efficiency, economies of scale, and a continued emphasis on delivering high-quality products/services to the customers.

- (3) The Group recorded another fair value loss on other investments amounting to RM9,240,309 in FYE2023 (FYE2022: Fair value loss of RM6,975,586 (RM7,043,754 - RM68,168)) (Page 62 of AR2023) related to the quoted investments. The fair value loss amount in FYE2023 represents 28.76% of the quoted investments' value of RM32,122,966 (Page 107 of AR2023).

Question (3)(a)

Which quoted investments were involved in the fair value loss exercise?

Answer (3)(a)

The fair value loss involved certain quoted and unquoted investments made by the Board. However, the Company was unable to disclose the information on the investment at this juncture, and the Board was constantly monitoring the performance of these investments.

Question (3)(b)

Based on the monitoring done by the Group, did the Group expect another fair value loss in FYE2024, or were the market values of these quoted investments expected to recover in FYE2024?

Answer (3)(b)

As of now, the Group would continuously monitor the market conditions and the performance of our investments. However, predicting future market movements involved inherent uncertainties and was subject to various external factors. The decision on whether to expect another fair value loss in FYE2024 or anticipate a recovery in the market values of quoted investments was influenced by the dynamic nature of financial markets.

Given the unpredictable nature of market fluctuations, the Company was unable to provide a definitive forecast at this time. The Group remains vigilant and was committed to implementing prudent financial management practices to navigate potential challenges and capitalize on opportunities.

Question (3)(c)

How long did the Group intend to retain these quoted investments?

Answer (3)(c)

The Group planned to retain these quoted investments until market conditions improve, aligning with long-term strategic goals and the imperative to liquidate this investment into cash.

Question (3)(d)

What was the Group's policy about investing in quoted/other investments? As the investments recorded successive fair value losses, had this triggered a change in the Group's policy? Please explain.

Answer (3)(d)

The Board's investment policy undergoes continuous review by the Board. While successive fair value losses prompt careful consideration, the fundamental policy remains steadfast. Any adjustments will be communicated transparently among the Board members.

- (4) There was a significant increase in impairment loss made for the trade receivables in FYE2023, which amounted to RM948,421 compared to an impairment loss of RM182,424 recorded in FYE2022 (Page 62 of AR2023).

Question (4)(a)

Which trade receivables were involved in the impairment exercises?

Answer (4)(a)

These were expected credit loss made under MFRS 9 of RM948,421. Therefore, the impairment was not specific to certain customers.

Question (4)(b)

What were the measures taken to recover the amount?

Answer (4)(b)

Comprehensive measures were in place to recover the amount, with a focus on direct negotiation with the customers and alternative solutions such as constant reminders. The management had successfully collected significant sums of these receivables after financial year end.

Question (4)(c)

How much of the amount had been recovered, to date? What was the expected amount to be recovered in FYE2024?

Answer (4)(c)

Comprehensive measures were in place to recover the amount, focusing on negotiation and alternative solutions. The management had successfully collected majority of these receivables after financial year end of approximately 80% of the outstanding debt.

- (5) **Question (5)**

On the Solar energy segment, what was the progress of the Meru Project, which commenced in December 2022 (Page 12 of AR2023)? Was this project on schedule?

Answer (5)

The Meru Projects was currently on hold as the client was doing the submission for Amalgamated with the local council. After the process and approval then only will kick off back the solar project.

The Meeting Chairman then proceeded with the Agenda of the Meeting.

1. AUDITED FINANCIAL STATEMENTS (AFS) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (FYE 2023) TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Meeting Chairman proceeded to item 1 of the Agenda which was to receive the Company's AFS for the FYE 2023 together with the Reports of the Directors and Auditors thereon, as set out in the Annual Report 2023.

The Meeting Chairman informed that the AFS together with the Reports of the Directors and Auditors for the FYE 2023 were duly tabled and received at the 20th AGM in accordance with Section 340(1)(a) of the Companies Act 2016 (CA 2016). He further explained that the AFS for FYE 2023 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 2025 (FYE 2025)

The Meeting Chairman proceeded to **Ordinary Resolution 1** which was to approve the sum of RM276,000.00 as Directors' fees in respect of the FYE 2025.

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

3. PAYMENT OF DIRECTORS' BENEFITS FOR THE PERIOD COMMENCING AFTER THE DATE OF THE 20TH AGM TO THE DATE OF THE NEXT AGM

The Meeting 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 20th AGM to the date of the next AGM.

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

4. RE-ELECTION OF MR. NG CHEE KIN (MR. NG)

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

The Meeting Chairman further informed that Mr. Ng is the Independent Non-Executive Director of the Company and his profile was set out on page 9 of the Annual Report 2023.

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

5. RE-ELECTION OF DATUK SALMAH HAYATI BINTI GHAZALI (DATUK SALMAH)

The Meeting Chairman proceeded to **Ordinary Resolution 4** which was to re-elect Datuk Salmah, who was retired pursuant to Clause 119 of the Company's Constitution. He added that Datuk Salmah, who was eligible for re-election, had offered herself for the re-election.

The Meeting Chairman further informed that Datuk Salmah is the Independent Non-Executive Director of the Company and her profile was set out on page 10 of the Annual Report 2023.

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

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

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

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

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

7. RETENTION OF MR. NG AS INDEPENDENT DIRECTOR

The Meeting Chairman proceeded to **Ordinary Resolution 6** which was to approve the retention of Mr. Ng who had served as an Independent Non-Executive Director for a cumulative term of more than 9 years to continue to act as the Independent Non-Executive Director of the Company until the conclusion of the next AGM.

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

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

The Meeting 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 AMLR 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 21st 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 FURTHER 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 Meeting Chairman closed the resolution and proceeded with the next resolution.

9. ANY OTHER BUSINESS

The Meeting 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 Meeting 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. In reply to the questions on e-vouchers, the Meeting Chairman responded that the Company would arrange accordingly to the shareholders attending the 20th AGM.

With no further questions raised by shareholders, the Meeting Chairman announced the allocation of a further 5 minutes for the shareholders to complete casting their votes.

The Meeting Chairman then announced the closing of the online voting session and then adjourned the Meeting for approximately 25 to 30 minutes for the poll votes to be counted by the Poll Administrator in the presence of the appointed Scrutineer.

The Meeting resumed and the representative of the Scrutineer submitted the report of the results to the Meeting Chairman.

10. RESULT OF THE POLL VOTES ON RESOLUTIONS TABLED AT THE 20TH AGM ON 6 DECEMBER 2023

The results of the poll votes were as follow:

Resolution	Voted For			Voted Against		
	No. of Shareholders	No. of shares	%	No. of Shareholders	No. of shares	%
Ordinary Resolution 1 Approval of Directors’ Fees for the FYE 2025	22	26,138,467	99.9578	7	11,047	0.0422
Ordinary Resolution 2 Approval of Directors’ Benefits	20	26,126,457	99.9118	9	23,057	0.0882
Ordinary Resolution 3 Re-election of Mr. Ng Chee Kin	24	26,139,470	99.9616	5	10,044	0.0384
Ordinary Resolution 4 Re-election of Datuk Salmah Hayati binti Ghazali	25	26,139,476	99.9616	4	10,038	0.0384
Ordinary Resolution 5 Re-appointment of Auditors	25	26,139,476	99.9616	4	10,038	0.0384
Ordinary Resolution 6 <ul style="list-style-type: none"> • Retention of Mr. Ng Chee Kin as Independent Director • Tier 1 • Tier 2 	1 23	1,900,100 24,239,367	100.00 99.9586	0 6	0 10,047	100.00 0.0414

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Ordinary Resolution 7 Authority to allot and issue shares under Sections 75 and 76 of the CA 2016	23	26,139,467	99.9616	6	10,047	0.0384
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The Meeting Chairman then declared all the resolutions as set out on the Notice of the 20th AGM were carried.

11. CLOSE OF MEETING

There being no other business, the Meeting terminated at 11.57 a.m. with a vote of thanks to the Chair.

C O N F I R M E D

-Signed-
KOO KIEN YOON
Meeting Chairman

Date: 6 December 2023