

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
For the Three Months Period ended 31 March 2016**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2016 Unaudited RM'000	Preceding Year Quarter 31/03/2015 Unaudited RM'000	Current Year To Date 31/03/2016 Unaudited RM'000	Preceding Year To Date (Note 1) RM'000
Revenue	860	70	2,467	-
Cost of sales	(893)	(80)	(2,519)	-
<b>Gross (loss)</b>	<b>(33)</b>	<b>(10)</b>	<b>(52)</b>	-
Other income	-	3	22	-
Administrative expenses	(654)	(789)	(4,333)	-
Amortisation of intangible assets	(7)	(7)	(35)	-
Finance costs	(4)	-	(7)	-
<b>Loss before tax</b>	<b>(698)</b>	<b>(803)</b>	<b>(4,405)</b>	-
Tax expense	-	-	-	-
<b>Net loss for the period</b>	<b>(698)</b>	<b>(803)</b>	<b>(4,405)</b>	-
<b>Loss attributable to :</b>				
Owners of the parent	(677)	(770)	(4,171)	-
Non-controlling interests	(21)	(33)	(234)	-
	<b>(698)</b>	<b>(803)</b>	<b>(4,405)</b>	-
<b>Total comprehensive expense attributable to :</b>				
Owners of the parent	(677)	(770)	(4,171)	-
Non-controlling interests	(21)	(33)	(234)	-
	<b>(698)</b>	<b>(803)</b>	<b>(4,405)</b>	-
Basic loss per ordinary share attributable to Owners of the parent (sen)	(0.23)	(0.27)	(1.41)	-
Diluted loss per ordinary share (sen)	#	(0.20)	#	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of Vsolar Group Berhad, formerly known as Fast Track Solution Holdings Berhad ("Vsolar" or "Company") for the financial year ended 31 December 2014)

Note:

1. There are no comparative figures for the preceding year cumulative quarters as the Company has changed its financial year end from 31 December to 30 June. The first set of financial statements with the new financial year will be for 18 months period ending 30 June 2016.

# The fully diluted loss per ordinary share for the Group for the current year 3 months period ended 31 March and current year 15 months to date is not presented as the warrants would be anti-dilutive.

**Unaudited Condensed Consolidated Statement of Financial Position  
For the Three Months Period As At 31 March 2016**

	<b>Unaudited As at 31/03/2016 RM'000</b>	<b>Audited As at 31/12/2014 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,347	1,142
Work in progress	12,920	10,796
Goodwill on consolidation	225	260
	<u>14,492</u>	<u>12,198</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	2,031	2,163
Cash and bank balances	281	2,632
	<u>2,312</u>	<u>4,795</u>
<b>TOTAL ASSETS</b>	<u>16,804</u>	<u>16,993</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	30,352	28,187
Share premium	5,772	5,339
Warrant reserve	5,125	5,125
Accumulated losses	(26,346)	(22,175)
	<u>14,903</u>	<u>16,476</u>
Non-controlling interests	(407)	(173)
<b>Total equity</b>	<u>14,496</u>	<u>16,303</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,615	659
Loans & borrowings	308	-
	<u>1,923</u>	<u>659</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	31	31
Loans & borrowings	354	-
	<u>385</u>	<u>31</u>
<b>Total Liabilities</b>	<u>2,308</u>	<u>690</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>16,804</u>	<u>16,993</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT (SEN)</b>	<u>4.91</u>	<u>5.85</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of Vsolar for the financial year ended 31 December 2014)

**VSOLAR GROUP BERHAD [631995-T]**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2016

**Statement of Changes in Equity****For the Three Months Period ended 31 March 2016**

(The figures have not been audited)

	ATTRIBUTABLE TO OWNERS OF THE PARENT						
	NON-DISTRIBUTABLE						
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	WARRANT RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
At 1 January 2015	28,187	5,339	5,125	(22,175)	16,476	(173)	16,303
Total comprehensive expense	-	-	-	(4,171)	(4,171)	(234)	(4,405)
Warrants conversion	2,165	433	-	-	2,598	-	2,598
At 31 March 2016	30,352	5,772	5,125	(26,346)	14,903	(407)	14,496
At 1 January 2014	25,624	4,827	5,125	(18,746)	16,830	64	16,894
Issue of share capital	2,563	512	-	-	3,075	42	3,117
Total comprehensive expense	-	-	-	(3,429)	(3,429)	(279)	(3,708)
At 31 December 2014	28,187	5,339	5,125	(22,175)	16,476	(173)	16,303

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of Vsolar for the financial year ended 31 December 2014)

**Unaudited Condensed Consolidated Statement of Cash Flows  
For the Three Months Period ended 31 March 2016**

	<b>15 months ended</b>	
	<b>31/03/2016 Unaudited RM'000</b>	<b>Preceding Year To Date (Note 1) RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(4,405)	-
Adjustments :		
Depreciation	347	-
Impairment of goodwill	35	-
Amortisation of intangible assets	-	-
Interest expense	7	-
Interest income	(15)	-
Allowance for specific doubtful debt	311	-
Bad debts written off	-	-
Intangible asset written off	-	-
Operating loss before working capital changes	<u>(3,720)</u>	<u>-</u>
Decrease in receivables	132	-
Increase in payables	<u>1,422</u>	<u>-</u>
Cash used in operations	(2,166)	-
Interest paid	(7)	-
Tax paid	-	-
Net cash used in operating activities	<u>(2,173)</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary company, net of cash acquired	-	-
Purchase of property, plant and equipment	(864)	-
Capital work in progress	(2,124)	-
Interest received	<u>15</u>	<u>-</u>
Net cash used in investing activities	<u>(2,973)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from warrants conversion	2,598	-
Placement of fixed deposits	-	-
Net cash generated from financing activities	<u>2,598</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,548)</b>	<b>-</b>
Cash and cash equivalents at beginning of period	2,394	-
<b>Cash and cash equivalents at end of period #</b>	<b><u>(154)</u></b>	<b><u>-</u></b>
<i># Represented by:</i>		
Cash and bank balances	281	-
Bank overdraft	(196)	-
Less : Fixed deposits pledged as securities	<u>(239)</u>	<u>-</u>
	<u>(154)</u>	<u>-</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of Vsolar for the financial year ended 31 December 2014)

**Note:**

1. There are no comparative figures for the preceding year cumulative quarters as the Company has changed its financial year end from 31 December to 30 June. The first set of financial statements with the new financial year will be for 18 months period ending 30 June 2016.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 ("MFRS 134") INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2014, except for the adoption of Amendments to Standards effective as of 1 January 2015.

Adoption of Amendments to Standards

The Group has adopted the following Amendments to Standards, with a date of initial application of 1 January 2015.

<b>MFRSs / Amendments to MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 119 Employee Benefits - Defined Benefit Plan : Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group:

<b>MFRSs / Amendments to MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 14 - Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 10 Consolidated Financial Statements - Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 12 Disclosure of Interests in Other Entities - Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 116 Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

**A1. Basis of preparation – cont'd**

MFRSs / Amendments to MFRSs	Effective for annual periods beginning on or after
Amendments to MFRS 116 Property, Plant and Equipment - Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127 Consolidated and Separate Financial Statements - Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate and Joint Venture	To be announced
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 138 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 141 Agriculture - Agriculture: Bearer plants	1 January 2016
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
MFRS 15 - Revenue from Contracts with Customers	1 January 2018
MFRS 9 - Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)	1 January 2018

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application, other than for MFRS 9 Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014). The Group will assess the financial implications of MFRS 9 Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014) when the full standard is issued.

**A2. Qualification of financial statements**

The audit report of the Group's financial statements for the financial year ended 31 December 2014 was not subject to any audit qualification.

**A3. Seasonal or cyclical factors**

The results for the quarter were not affected by any seasonal or cyclical factors.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter under review.

**A5. Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial periods, which have a material effect in the current quarter under review.

**VSOLAR GROUP BERHAD [631995-T]**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2016

**A6. Debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

**A7. Dividend paid**

There were no dividends paid during the current quarter under review.

**A8. Segmental information**

All businesses were transacted in Malaysia and generated substantially from information technology related business.

15 months ended 31 March 2016	Animation Designing	Servers	Investment Holding	Publishing	Production House	Solar Farm	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	167	1,744	-	556	-	-	2,467	-	2,467
<b>Result</b>									
Profit / (Loss) from reportable segments	49	75	-	(176)	-	-	(52)	-	(52)
Finance cost									(7)
Other income									22
Admin expenses									(4,333)
Impairment loss of goodwill									(35)
Loss before tax									(4,405)
Income tax									-
Net loss after tax									(4,405)
<b>Assets</b>									
Segment assets	486	125	346	855	15	14,977	16,804	-	16,804
<b>Liabilities</b>									
Segment liabilities	142	856	329	304	132	545	2,308	-	2,308
<b>12 months ended 31 December 2014</b>	<b>Animation Designing</b>	<b>Servers</b>	<b>Investment Holding</b>	<b>Publishing</b>	<b>Production House</b>	<b>Solar Farm</b>	<b>Total</b>	<b>Elimination</b>	<b>Consolidated</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	1,241	-	304	-	-	1,545	-	1,545
<b>Result</b>									
Profit / (Loss) from reportable segments	-	(115)	-	(71)	-	-	(186)	-	(186)
Finance cost									-
Other Income									-
Admin expenses									(795)
Impairment loss of goodwill									-
Loss before tax									(981)
Income tax									(1)
Net loss after tax									(982)
<b>Assets</b>									
Segment assets	821	505	1,663	1,081	60	12,863	16,993	-	16,993
<b>Liabilities</b>									
Segment liabilities	205	5	207	59	130	84	690	-	690

**A9. Valuation of property, plant and equipment**

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

**A10. Material events subsequent to the end of the current quarter**

There were no material events subsequent to the end of quarter that have not been reflected in the financial statements for the current quarter, except as disclosed below:-

On 7 March 2016, Vsolar has changed its financial year end from 31 December to 30 June. As a result, the next audited financial statements of the Company shall be for a period of 18 months from 1 January 2015 to 30 June 2016 and thereafter 30 June for each subsequent year.

**A11. Changes in the composition of the Group**

There were no material changes in the composition of the Group during the quarter under review, except the following which took place in the second quarter:-

**(a) Incorporation of Vsolar Engineering Sdn Bhd**

Vsolar Group Berhad had on 1 June, 2015 incorporated a new subsidiary company namely, Vsolar Engineering Sdn. Bhd. (“VESB”) in Malaysia under the Companies Act, 1965. A Certificate of Incorporation of Private Company of VESB dated 1 June, 2015 issued by the Companies Commission of Malaysia was received on 2 June, 2015.

VESB has an authorised share capital of RM400,000.00 comprising 400,000 ordinary shares of RM1.00 each, of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been issued and fully paid-up. The principal activities of VESB are to carry out the business of engineering, procurement and construction solutions for renewable energy industry and general trading.

**A12. Contingent liabilities**

Vsolar Group Berhad (“Vsolar”) has given corporate guarantee of RM800,000 to Fast Track Solution Sdn Bhd, a subsidiary company of Vsolar as security against banking facility granted to Fast Track Solution Sdn Bhd in the form of bank overdraft.

**A13. Capital commitments**

Except as disclosed below, there was no capital commitment as at 31 March 2016:-

	Capital Commitment
	As at 31 March 2016
Capital expenditure	
Approved and contracted for:-	
- Solar Plant Projects	<u>4,475,475</u>

**A14. Significant related party transactions**

There were no significant related party transactions during the current quarter under review.



**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B1. Review of performance**Cumulative period ended 31 March 2016

The Group recorded a total revenue of RM2.467 million for the cumulative 15 months period ended 31 March 2016 and posted a loss before taxation of RM4.405 million for the financial period ended 31 March 2016. The revenue was mainly contributed from the server trading segment. The loss before taxation was mainly contributed from administrative expenses that comprise of professional fees incurred for the rights issue exercise and expenses incurred for the launching of the online platform in the media publishing segment. Other income for the cumulative 15 months ended 31 March 2016 was mainly generated from interest income received from fixed deposits.

As for the current 3 months period ended 31 March 2016, the Group recorded a total revenue of RM0.86 million, as compared to RM0.07 million in the preceding year corresponding quarter. The increase in revenue was primarily due to increase revenue generated from animation design segment and server trading segment.

The Group recorded a loss before taxation of RM0.698 million for the current 3 months period ended 31 March 2016, as compared to RM0.803 million in the preceding year corresponding quarter. The decrease of RM0.105 million in loss before taxation is mainly due to higher professional fee incurred in the preceding year corresponding quarter.

The Group recorded gross loss of RM0.033 million for the current 3 months period ended 31 March 2016 as compared to RM0.01 million in the preceding year corresponding quarter, mainly due to decrease in revenue generated from media publishing segment.

The total assets for the Group was amounted to RM16.804 million as at 31 March 2016, representing a decrease of RM0.189 million from RM16.993 million as recorded in previous financial year ended 31 December 2014. The decrease was mainly due to the decreased in cash and bank balances, results from continuous fund utilisation on the construction of the solar plants.

For the financial period under review, the loss per share attributable to ordinary equity holder was stood at negative 0.23 sen as compared to previous corresponding quarter which stood at negative 0.27 sen as a result of decreased net loss.

The performance of the Group is expected to improve in the near future upon the commencement of operation from the solar plant where income from sales of renewable energy starts to flow in.

**B2. Comparison with preceding quarter's results**

The revenue of the Group had increased by RM0.129 million to RM0.86 million in the current quarter as compared to RM0.731 million in the immediate preceding quarter due to increase in revenue in server trading segment during the current quarter. The gross profit margin had increase from negative 8.1% to negative 3.8% as compared to the immediate preceding quarter due to decrease in media production cost in the media publishing segment.

**B3. Current year prospects**

The renewable energy (RE) market in Malaysia is expected to grow to nearly 1 GW by 2015, 2 GW by 2020 and 4 GW by 2030. All these efforts translate to the avoidance of up 145.1 metric tons of CO<sub>2</sub> emission. Solar PV will be the dominant source of energy post 2020 taking up 30% of the total capacity by 2030.

**B3. Current year prospects – cont'd**

In financial year 2016, Vsolar strive to increase its exposure in the solar farm development sector, the Group had plans to utilise its resources to enhance Group's ability to innovate and develop new ideas in order to fully unlock the potential of its solar plant development in the near future.

For the media publishing segment, Jasmine Magazine team will try to harvest benefits from its 90,000 plus Facebook fans by creating an online portal for advertisement and information platform as an alternative to its conventional advertisement.

**B4. Variance on forecast profit/profit guarantee**

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

**B5. Taxation**

There is no taxation being provided during the current quarter under review.

**B6. Profit on sale of unquoted investments and/or properties**

There was no sale of unquoted investments and/or properties during the current quarter under review.

**B7. Purchase or disposal of quoted securities**

There was no purchase or disposal of any quoted securities during the current quarter under review.

**B8. Status of corporate proposals**

There is no corporate proposals announced but not completed as at the reporting date save and except for the following:-

(a) Bumiputera Shareholding Requirements

Vsolar had, on 19 June 2009, submitted an application for an extension of time to meet the 30% Bumiputera shareholding requirement to the Securities Commission ("SC"). The SC had vide its letter dated 14 July 2009 approved the extension of time to meet the Bumiputera shareholding requirement ("Approval Letter") as follows:-

- (i) Vsolar is to comply with the Bumiputera equity condition by 31 December 2010 via the allocation of 12.5% of its enlarged issued and paid-up share capital to Bumiputera investors recognised by the Ministry of International Trade and Industry ("MITI") within 5 years from its listing on the ACE Market of Bursa Securities ("Revised Equity Condition"). In connection thereto, the shares must be allocated to public shareholders (as defined under the Listing Requirements of Bursa Securities for the ACE Market). As such, the equity condition imposed via the SC's letter 7 July 2004 will no longer be applicable;
- (ii) MIMB Investment Bank Bhd ("MIMB")/Vsolar is to submit a proposal to the SC to meet the Revised Equity Condition within 6 months from the date of the Approval Letter;

**B8. Status of corporate proposals – cont'd****(a) Bumiputera Shareholding Requirements – cont'd**

- (iii) MIMB/Vsolar is to submit an application to MITI for purposes of the allocation of shares to Bumiputera investors. In the event the said shares are not fully subscribed by the Bumiputera investors or MITI fails to allocate the shares within 1 year, Vsolar will be exempted from complying with the Revised Equity Condition; and
- (iv) MIMB/Vsolar is to submit a quarterly report to the SC on the progress of MITI's share allocation process.

On behalf of Vsolar, M&A Securities Sdn Bhd, the Adviser of Vsolar has on 31 May 2012 applied to the Securities Commission that Datuk Manan Bin Haji Md Said, the Executive Chairman of Vsolar has provided an irrevocable written undertaking to subscribe for up to 50,000,000 rights shares which will be issued together with 3,333,333 warrants via 3 excess application, if required, to meet the minimum subscription level (hereinafter referred to as "Undertaking"). In the event of Datuk Manan Bin Haji Md Said subscribes in full for the rights shares pursuant to the Undertaking, Datuk Manan Bin Haji Md Said's shareholding in Vsolar would increase to 32.79%, which meet the Revised Equity Condition. In the event, Datuk Manan is not required to subscribe in full for the rights shares pursuant to the Undertaking, Datuk Manan's shareholding may not fulfil the Revised Equity Condition. If that event arises, Vsolar will submit another proposal to the SC to meet the Revised Equity Condition (hereinafter referred to as "Application to Securities Commission (Equity Compliance Unit)"). On 16 July 2012, M&A Securities Sdn Bhd act on behalf of Vsolar to submit the withdrawal application to SC in relation to the Application to Securities Commission (Equity Compliance Unit).

On 4 June 2013, the Board has resolved to implement a private placement exercise involving the issuance of up to 25,624,500 new ordinary shares of RM0.10 each in Vsolar where the Board had given priority to issue the Placement Shares to Bumiputera investors in order to address the equity condition. In relation thereto, M&A Securities was appointed as the placement agent to identify potential Bumiputera investors. In their efforts to identify potential Bumiputera investors, M&A Securities had first offered the Placement Shares to their stockbroking team's existing retail clients. However, M&A Securities did not receive any interests from Bumiputera investors for the Placement Shares. Resulting from the absence of interests from Bumiputera investors in the Placement Shares, Vsolar had proceeded to issue the Placement Shares to other non-bumiputera third party investors in order to complete the Private Placement.

Moving forward, Vsolar will continue strive to meet the equity condition via new fund raising exercises. At this juncture, Vsolar had on 9 July 2015 obtained shareholders' approval on the Proposed Rights Issue II. Under the Proposed Rights Issue II, the Board intends to obtain the irrevocable undertaking from Bumiputera investors to subscribe for the new rights shares to be issued. In the event that such undertaking can be successfully procured, the equity condition shall be met.

On 23 January 2015, Vsolar had made further applications to extent the Bumiputera shareholding requirements via M&A Securities Sdn Bhd.

On 23 April 2015, Vsolar had obtained an 18-month extension of time approval from Securities Commission Malaysia subject to Vsolar submitting a proposal to SC to comply with the Bumiputera equity condition before 22 October 2015.

On 13 October 2015, Vsolar had submitted a letter to SC in relation to the Bumiputera Compliance Requirement based on the record of depositors of Vsolar as at 21 September 2015.

**B8. Status of corporate proposals – cont'd**(b) Multiple proposals

On 8 December 2014, the Board had announced to Bursa Securities that Vsolar wishes to undertake the following proposals:-

- a) Proposed renounceable rights issue of up to 1,153,102,353 new ordinary shares of RM0.10 each in Vsolar together with up to 576,551,176 free detachable warrants (“Warrants-B”) on the basis of three (3) Rights Shares for every existing ordinary share of RM0.10 each held in Vsolar together with one (1) Warrant-B for every two (2) Rights Shares subscribed at an entitlement date to be determined later;
- b) Proposed establishment and implementation of an employees’ share option scheme (“ESOS”) for eligible employees and Directors of Vsolar and its subsidiaries (excluding dormant subsidiaries);
- c) Proposed increase in the authorised share capital of Vsolar from RM50,000,000 comprising 500,000,000 Vsolar Shares to RM500,000,000 comprising 5,000,000,000 Vsolar Shares (“Proposed IASC”); and
- d) Proposed amendments to the Memorandum and Articles of Association of Vsolar to facilitate the Proposed IASC.

On 20 April 2015, Vsolar has entered into a Collaboration Agreement with the 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 license to Vsolar the Intellectual Property expertise for the development of solar farms using EPC design methodology developed by Eastasia.

On 15 June 2015, Solar Interactive Sdn Bhd (“Solar Interactive”) a wholly-owned subsidiary of Vsolar, has entered into a strategic alliance and collaboration with Artisan Semesta Sdn Bhd (“Artisan”) in planting and intercropping of food crops utilising Artisan’s EM products at Solar Interactive’s photovoltaic energy generation sites. The planting of the food crops will utilize, but not limited to, organic hydroponic planting technologies. These advances organic hydroponic technologies will be jointly developed by Artisan and Solar Interactive.

On 9 July 2015, Vsolar had obtained shareholders’ approval for the multi proposals stated above via Extraordinary General Meeting.

On 17 September 2015, Vsolar has submitted to Bursa Securities on an application for extension of time of four (4) months up to 28 March 2016 to complete the Proposed Rights Issue with Warrants.

On 6 October 2015, Bursa Malaysia Securities Berhad has resolved to grant Vsolar an extension of time of four (4) months from 29 November 2015 to 28 March 2016 to complete the implementation of the Proposed Rights Issue of Warrants.

On 22 January 2016, Vsolar has submitted to Bursa Securities on an application for extension of time of six (6) months up to 28 September 2016 to complete the Proposed Rights Issue with Warrants.

On 3 February 2016, Bursa Malaysia Securities Berhad has resolved to grant Vsolar an extension of time of six (6) months from 28 March 2016 to 28 September 2016 to complete the implementation of the Proposed Rights Issue of Warrants.

**B8. Status of corporate proposals – cont'd**(c) Employees' Share Option Scheme (ESOS)

On 15 March 2016, Vsolar announced that the Company has on 15 March 2016 offered a total of 30,000,000 share options at the option price of RM 0.10 to eligible employees of Vsolar in accordance with the By-Laws of the ESOS. Therefore, the number of shares offered to the Vsolar's Directors under the ESOS was tabled as below:-

Name of Director	Designation	Number of shares offered under the ESOS
Datuk Manan Bin Haji Md. Said	Executive Chairman	2,777,500
Ameezan Bin Jamal	Executive Director	2,251,400

On 22 March 2016, the Directors of the Company have, in consideration of the payment of a sum of RM1.00, accepted the options granted to them to subscribe for the number of new ordinary shares of RM0.10 each in the Company at an exercise price of RM0.10 per share for each option granted pursuant to the Company's ESOS.

**B9. Status of utilisation of proceeds**

Funds raised via corporate exercises had been fully utilised and disclosed in the previous quarterly reports.

**B10. Borrowings and debt securities**

The Group did not issue any debt securities or long term borrowings during the current quarter under review. The Group's borrowings which are denominated in Ringgit Malaysia as at 31 March 2016 are as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Short term loans</b>			
Term loans	-	-	-
Revolving credits	-	-	-
Finance lease	112	-	112
Overdraft	196	-	196
<hr/>			
<b>Long term loans</b>			
Term loans	-	-	-
Revolving credits	-	-	-
Finance lease	354	-	354
Overdraft	-	-	-
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**B11. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of this quarterly report.

**B12. Material litigation**

There are no pending material litigations involving the Group as at the date of this report.

**B13. Dividend**

The Board of Directors did not recommend any dividend for the current quarter ended 31 March 2016.

**B14. Loss before tax**

	Individual Quarter		Cumulative Year to Date	
	3 months ended		15 months ended	
	31/03/2016	31/03/2015	31/03/2016	(Note 1)
	RM'000	RM'000	RM'000	RM'000
<u>Loss before tax is stated after crediting:-</u>				
Interest income	N/A	3	15	N/A
Other income (including investment income)	N/A	N/A	7	N/A
Gain on disposal of plant & equipment	N/A	N/A	N/A	N/A
Foreign exchange gain	N/A	N/A	N/A	N/A
<u>Loss before tax is stated after charging:-</u>				
Interest expense	4	N/A	7	N/A
Depreciation and amortisation	76	57	347	N/A
Foreign exchange loss	N/A	N/A	N/A	N/A
Impairment of assets	7	N/A	35	N/A
Exceptional items	N/A	N/A	N/A	N/A
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Provision for and write off of receivables	N/A	N/A	311	N/A
Loss on derivatives	N/A	N/A	N/A	N/A
Loss on disposal of investments or properties	N/A	N/A	N/A	N/A

Note:

1. There are no comparative figures for the preceding year cumulative quarters as the Company has changed its financial year end from 31 December to 30 June. The first set of financial statements with the new financial year will be for 18 months period ending 30 June 2016.

**B15. Loss per share**

Basic loss per share is calculated by dividing the net loss for the period by the number of ordinary shares in issue during the period.

	Quarter Ended		Year Ended	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	Preceding Year To Date (Note 1)
Net loss attributable to owners of the parent (RM'000)	(677)	(770)	(4,171)	-
Weighted average number of ordinary shares in issue ('000)	296,081	281,870	296,081	-
Basic loss per share attributable to owners of the parent (sen)	(0.23)	(0.27)	(1.41)	-

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**B15. Loss per share – cont'd**

The diluted loss per share for the financial period is based on the loss attributable to the equity holders of the Company divided by number of ordinary shares in issue during the period.

	Quarter Ended		Year Ended	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	Preceding Year To Date (Note 1)
Net loss attributable to owners of the parent (RM'000)	(677)	(770)	(4,171)	-
Weighted average number of ordinary shares in issue ('000)	296,081	281,870	296,081	-
Effect of dilution of warrants ('000)	102,498	102,498	102,498	-
Adjusted weighted average number of ordinary shares in issue ('000)	398,579	384,368	398,579	-
Diluted loss per share attributable to owners of the parent (sen)	#	(0.20)	#	-

**B16. Qualification of financial statement**

The audit report of the Company's financial statements for the financial year ended 31 December 2014 was not subject to any audit qualification.

**B17. Realised and unrealised profits/losses disclosure**

	As at 31.03.2016	Preceding Year To Date (Note 1)
	RM'000	RM'000
Total accumulated losses from the Company and its subsidiaries		
- Realised	(28,574)	-
- Unrealised	(5,125)	-
	(33,699)	-
Less: Consolidated Adjustment	7,353	-
<b>Total accumulated losses as per consolidated financial statements</b>	<b>(26,346)</b>	<b>-</b>

Note:

1. There are no comparative figures for the preceding year cumulative quarters as the Company has changed its financial year end from 31 December to 30 June. The first set of financial statements with the new financial year will be for 18 months period ending 30 June 2016.