

VSOLAR GROUP BERHAD [631995-T]

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

**Unaudited Condensed Consolidated Statement of Comprehensive Income
For the Fourth Quarter ended 30 June 2018**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2018 Unaudited RM'000	Preceding Year Quarter 30/06/2017 Unaudited RM'000	Current Year To Date 30/06/2018 Unaudited RM'000	Preceding Year To Date 30/06/2017 Audited RM'000
Revenue	1,104	674	2,154	1,716
Cost of sales	(897)	(533)	(1,666)	(1,348)
Gross profit/(loss)	207	141	488	368
Other income	32	770	808	770
Administrative expenses	(778)	(2,647)	(3,086)	(5,017)
Other operating expenses	-	-	-	-
Finance costs	(2)	(4)	(11)	(18)
Profit/(Loss) before tax	(541)	(1,740)	(1,801)	(3,897)
Tax expense	-	5	(2)	5
Net profit/(loss) for the period	(541)	(1,735)	(1,803)	(3,892)
Profit/(Loss) attributable to :				
Owners of the parent	(480)	(1,602)	(1,621)	(3,701)
Non-controlling interests	(61)	(133)	(182)	(191)
	(541)	(1,735)	(1,803)	(3,892)
Total comprehensive expense attributable to :				
Owners of the parent	(480)	(1,602)	(1,621)	(3,701)
Non-controlling interests	(61)	(133)	(182)	(191)
	(541)	(1,735)	(1,803)	(3,892)
Basic earnings/(loss) per ordinary share attributable to Owners of the parent (sen)	(0.13)	(0.48)	(0.43)	(1.11)
Diluted earnings/(loss) per ordinary share (sen)	(0.12)	(0.37)	(0.40)	(0.85)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of Vsolar Group Berhad ("Vsolar" or "Company") for the financial year ended 30 June 2017)

**Unaudited Condensed Consolidated Statement of Financial Position
For the Fourth Quarter ended 30 June 2018**

	Unaudited As at 30/06/2018 RM'000	Audited As at 30/06/2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	10,957	11,482
	<u>10,957</u>	<u>11,482</u>
CURRENT ASSETS		
Inventory	100	-
Trade and other receivables	1,716	1,059
Cash and bank balances	4,467	4,992
	<u>6,283</u>	<u>6,051</u>
TOTAL ASSETS	<u>17,240</u>	<u>17,533</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,516	38,384
Share premium	7,609	7,609
Warrant reserve	-	4,042
ESOS reserve	543	543
Accumulated losses	(32,059)	(33,853)
	<u>16,609</u>	<u>16,725</u>
Non-controlling interests	(687)	(509)
Total equity	<u>15,922</u>	<u>16,216</u>
CURRENT LIABILITIES		
Trade and other payables	1,078	967
Loans & borrowings	-	97
Current tax liabilities	-	13
	<u>1,078</u>	<u>1,077</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	26	26
Loans & borrowings	214	214
	<u>240</u>	<u>240</u>
Total Liabilities	<u>1,318</u>	<u>1,317</u>
TOTAL EQUITY AND LIABILITIES	<u>17,240</u>	<u>17,533</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT (SEN)		
	<u>4.45</u>	<u>4.48</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 30 June 2017)

VSOLAR GROUP BERHAD [631995-T]

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

Statement of Changes in Equity**For the Fourth Quarter ended 30 June 2018**

(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	ESOS RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
At 1 July 2017	38,384	7,609	4,042	543	(33,853)	16,725	(509)	16,216
Total comprehensive expense	-	-	-	-	(1,621)	(1,621)	(182)	(1,803)
Expiry Of Warrants	-	-	(3,415)	-	3,415	-	-	-
Warrants conversion	2,132	-	(627)	-	-	1,505	-	1,505
Issuance of Subsidiaries Shares to non-controlling interest	-	-	-	-	-	-	4	4
At 30 June 2018	40,516	7,609	-	543	(32,059)	16,609	(687)	15,922
At 1 July 2016	33,352	7,609	4,042	-	(30,152)	14,851	(318)	14,533
Total comprehensive expense	-	-	-	-	(3,701)	(3,701)	(191)	(3,892)
Warrants conversion	-	-	-	-	-	-	-	-
Issuance of Shares	-	-	-	-	-	-	-	-
Share-based payments under ESOS	-	-	-	1,575	-	1,575	-	1,575
Employees' Share Option Scheme ("ESOS")	5,032	-	-	(1,032)	-	4,000	-	4,000
At 30 June 2017	38,384	7,609	4,042	543	(33,853)	16,725	(509)	16,216

(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 30 June 2017)

**Unaudited Condensed Consolidated Statement of Cash Flows
For the Fourth Quarter ended 30 June 2018**

	12 months ended	
	30/06/2018	30/06/2017
	Unaudited RM'000	Audited RM'000
Cash flows from operating activities		
Loss before taxation	(1,801)	(3,897)
Adjustments :		
Depreciation	844	798
Deposit written off	-	66
Impairment loss on other receivables	-	244
Interest expense	11	18
Interest income	(68)	(20)
Share-based payment	-	1,575
Operating loss before working capital changes	<u>(1,014)</u>	<u>(1,216)</u>
Increase in receivables	(757)	(615)
Increase in payables	92	(247)
Cash used in operations	<u>(1,679)</u>	<u>(2,078)</u>
Interest paid	-	(2)
Tax paid	(2)	-
Net cash used in operating activities	<u>(1,681)</u>	<u>(2,080)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(318)	(37)
Interest received	<u>68</u>	<u>20</u>
Net cash used in investing activities	<u>(250)</u>	<u>(17)</u>
Cash flows from financing activities		
Proceeds from warrants conversion	1,505	-
Proceeds from issuance of shares pursuant to ESOS	-	4,000
Issuance of Subsidiaries Shares to non-controlling interest	4	-
Placement of fixed deposits	(2,000)	(20)
Interest paid on hire purchase	(11)	(16)
Repayment of hire purchase creditor	<u>(92)</u>	<u>(96)</u>
Net cash (used)/generated from financing activities	<u>(594)</u>	<u>3,868</u>
Net decrease in cash and cash equivalents	(2,525)	1,771
Cash and cash equivalents at beginning of period	4,733	2,962
Cash and cash equivalents at end of period #	<u><u>2,208</u></u>	<u><u>4,733</u></u>
<i># Represented by:</i>		
Cash and bank balances	4,467	4,992
Less : Fixed deposits	(2,000)	-
Fixed deposits pledged as securities	<u>(259)</u>	<u>(259)</u>
	<u><u>2,208</u></u>	<u><u>4,733</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 30 June 2017)

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 Interim Financial Report is unaudited and has been prepared in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard (“MFRS”) No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2017. These explanatory notes attached, provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2017.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2017 except for the adoption of new MFRSs, amendments to MFRSs and Issues Committee (“IC”) Interpretations as follows:

- a. Amendments to MFRS 107: Statement of Cash Flows – Disclosure Initiative
- b. Amendments to MFRS 112: Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
- c. Annual Improvements to MFRS 1 and 12 through 2014 – 2016 cycle

The adoption of these new MFRSs, amendments to MFRS and IC Interpretation do not have material impact on the results and financial position of the Group.

Standards that have been issued but are 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:

MFRSs / Amendments to MFRSs	Effective for annual periods beginning on or after
Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate of Joint Venture	To be announced
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate of Joint Venture	To be announced
MFRS 15 - Revenue from Contracts with Customers (Includes Clarifications to MFRS 15)	1 January 2018
MFRS 9 - Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 140 Investment Property – Transfer of Investment Property	1 January 2018
Amendments to MFRS 2 Share-based Payment - Classification and Measurement of Share-based payment Transactions	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 – Leases	1 January 2019

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 30 June 2017 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.

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

A8. Segmental information

All businesses were transacted in Malaysia and mostly generated from solar energy business and information technology related business.

12 months ended 30 June 2018		Publication	Trading in information technology products	Renewable Energy	Others	Elimination	Total	Consolidated
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue		-	1,623	531	-	-	2,154	2,154
Result								
Profit / (Loss) from reportable segments		-	88	412	(12)	-	488	488
Finance cost								(11)
Other income								808
Admin expenses								(3,086)
Profit before tax								(1,801)
Income tax								(2)
Net profit after tax								<u>(1,803)</u>
Assets								
Segment assets		510	1,774	11,898	3,058	-	17,240	17,240
Liabilities								
Segment liabilities		24	333	467	494	-	1,318	1,318
12 months ended 30 June 2017		Publication	Trading in information technology products	Renewable Energy	Others	Elimination	Total	Consolidated
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue		17	1,279	420	-	-	1,716	1,716
Result								
Profit / (Loss) from reportable segments		(58)	49	377	-	-	368	368
Finance cost								(18)
Other income								770
Admin expenses								(5,017)
Loss before tax								(3,897)
Income tax								5
Net loss after tax								<u>(3,892)</u>
Assets								
Segment assets		622	650	11,750	4,511	-	17,533	17,533
Liabilities								
Segment liabilities		13	318	449	537	-	1,317	1,317

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.

A11. Changes in the composition of the Group

- i) On 16 May 2018, the Company has acquired 2,000,000 ordinary shares representing 49% equity interest in Cubetech Asia Sdn Bhd (“CASB”) for a nominal consideration of RM2/-, resulting in the Company increasing its interest in CASB from 51% to 100%.
- ii) In consequence of the Investment and Shareholders’ Agreement between KRU Energy Asia Pte Ltd, Rangkaian Iltizam and Kenneth Lee Wai Tong (the “Parties”) dated 8 August 2017, the Company reduced its Shareholding in Vsolar Engineering Sdn Bhd (“VESB”) from 100% to 60% through the allotment of ordinary shares of VESB to the Parties.

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

There were no capital commitments as at 30 June 2018.

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
Current Quarter Compared To The Corresponding Quarter Of Last Year (Q4 18 vs Q4 17)

	Individual Quarter Unaudited		Changes		Cumulative Quarters Unaudited		Changes	
	Current Quarter 30.06.2018	Preceding Quarter 30.06.2017			Current year to date 30.06.2018	Preceding year to date 30.06.2017		
Revenue	RM'000 1,104	RM'000 674	RM'000 430	% 64%	RM'000 2,154	RM'000 1,716	RM'000 438	% 26%
Operating Profit / (loss)	(541)	(1,740)	1,199	69%	(1,801)	(3,897)	2,096	54%
Profit / (loss) before interest & tax	(539)	(1,736)	1,197	69%	(1,790)	(3,879)	2,089	54%
Profit / (loss) before tax	(541)	(1,740)	1,199	69%	(1,801)	(3,897)	2,096	54%
Profit / (loss) after tax	(541)	(1,735)	1,194	69%	(1,803)	(3,892)	2,089	54%
Profit / (loss) attributable to ordinary equityholders of the parent	(480)	(1,602)	1,122	70%	(1,621)	(3,701)	2,080	56%

Revenue

The Group's revenue for the 4th quarter ended 30 June 2018 is RM1.104 million, representing an increase of RM0.430 million or 64% compared to the preceding year corresponding quarter of RM0.674 million. The increase in revenue was mainly contributed by information technology products segment amounted RM0.380 million and renewable energy segment amounted RM0.050 million.

Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit Margin for the 4th quarter ended 30 June 2018 increase by RM0.066 million compared to the preceding year corresponding quarter. This is mainly contributed from solar energy segment.

Profit / (loss) after Tax

The Group recorded a loss after tax of RM0.541 million for the 4th quarter ended 30 June 2018 as compared to RM1.735 million losses for the preceding year corresponding quarter. The decrease of loss after tax by 69% was mainly due to share-based payment under employee share option scheme amounted to RM1.575 million in preceding year corresponding quarter.

B2. Comparison Of Current Quarter Results With The Immediate Preceding Quarter (Q4 18 vs Q3 18)

	Current Quarter	Immediate	Changes	
	30.06.2018	31.03.2018	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	1,104	318	786	247%
Operating profit / (loss)	(541)	(623)	82	13%
Profit / (loss) before interest & tax	(539)	(620)	81	13%
Profit / (loss) before tax	(541)	(623)	82	13%
Profit / (loss) after tax	(541)	(623)	82	13%
Profit / (loss) attributable to ordinary equityholders of the parent	(480)	(601)	121	20%

Revenue

The revenue of the Group had increase by RM0.786 million to RM1.104 million in the current quarter as compared to RM0.318 million in the immediate preceding quarter due to higher demand in revenue in trading in information technology products segment.

Profit / (loss) after Tax

The Group recorded a loss after tax of RM0.541 million in current quarter as compared to RM0.623 million in the immediate preceding quarter. The decrease in the loss after tax by RM0.082 million was mainly due to increase revenue in trading in information technology products segment and solar energy segment.

B3. Current year prospects

The country is going to need more energy as the economy continues to expand, 6 GW of new generation capacity is expected to be needed by the year 2020. Currently, 58% of power generated in Malaysia is based on natural gas, with the remainder from coal (37%) and hydro (5%). The 10th Malaysia Plan spells out the government's strategy in this area where gives new emphasis on the use of renewable energy, particularly the use of hydropwer for electricity generation and the mandatory blending of biofuels for the transportation sector. The call for emphasis on renewable energy stems from two main factors namely to be less reliant on traditional energy sources and to reduce carbon emission.

As a result, the Renewable Energy ("RE") market in Malaysia is expected to grow to 2,080 mw by 2020, 4,000 mw by 2030 and 21,370 mw by 2050. Biomass will dominate RE capacity until 2020, accounting for nearly 40% of the addition as small hydro and solid waste plants reach their maximum capacity. Solar PV will be the dominant source of energy post 2020 taking up 30% of the total capacity by 2030.

Premised on the above, the management of Vsolar believes that both Solar and Biomass/Biogas RE is a stable RE source in the future. Therefore, these businesses have a favourable outlook based on the increasing demand for RE.

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

The breakdown of income tax expense is as follow:-

	Current Quarter RM'000	Year to Date RM'000
Under provision in prior year	-	2
	-	2

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) Corporate Proposals and Fund Raising

On 06 September 2017, the Company announced on the new corporate exercise which shall supersede the Original Proposed Rights Issue with Warrants where the Company proposes to implement a renounceable rights issue of up to 1,426,271,553 irredeemable convertible preference shares ("ICPS") together with up to 237,711,926 Warrants B at an indicative issue price of RM0.05 per ICPS on the basis of 3 ICPS for every existing Company's share held together with one (1) free detachable Warrant B for every six (6) ICPS subscribed ("New Proposed Rights Issue with Warrants"). The ICPS will be offered to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on at an entitlement date to be determined by the Board after obtaining the approvals for the new Proposed Rights Issue with Warrants from all relevant authorities and the shareholders of the Company.

On 13 October 2017, the Company announced that after taking into consideration amongst others, the prevailing market conditions of the Company's shares, the Board decided to undertake the Proposed Rights Issue with Warrants, which shall supersede the New Proposed Rights Issue with Warrants. Under the Proposed Rights Issue with Warrants, the Company proposes to implement a renounceable rights issue of up to 1,426,271,553 new Company's shares ("Rights Shares") together with up to 950,847,702 free Warrant B at an indicative issue price of RM0.10 per Rights Share on the basis of three (3) Rights Shares for every existing Company's share held together with two (2) Warrants B for every three (3) Rights Shares subscribed. The Rights Shares will be offered to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on at an entitlement date to be determined by the Board after obtaining the approvals for the Proposed Rights Issue with Warrants from all relevant authorities and the shareholders of the Company.

B8. Status of corporate proposals – cont'd

On 03 Nov 2017, the company further to the announcement dated 13 October 2017 in relation to the Proposed Rights Issue with Warrants, M&A Securities Sdn Bhd, on behalf of the Company has announced that the listing application to Bursa Malaysia Securities Berhad in relation to the Proposed Rights Issue with Warrants has been submitted.

On 06 Feb 2018, the company further announced dated 13 October 2017 and 3 November 2017 in relation to the Proposed Rights Issue with Warrants, on behalf of the Board, M&A Securities has announced that Bursa Securities had, vide its letter dated 6 February 2018, resolved to approve the following securities:

- (i) Listing of and quotation of up to 1,426,271,553 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) Admission to the Official List and listing and quotation of up to 950,847,702 Warrants-B to be issued pursuant to the Proposed Rights Issue with Warrants; and
- (iii) The listing of and quotation of up to 950,847,702 new Vsolar Shares to be issued arising from the exercise of the Warrants-B.

On 14 February 2018, the company announced that due to the expiry of Warrants-A on 30 November 2017, the maximum number of Rights Shares with Warrants-B to be issued under the Proposed Rights Issue with Warrants is reduced to 1,221,372,489 Rights Shares together with up to 814,248,326 Warrants-B.

(b) Business Agreement

On 11th April 2017, Vsolar announced that the company had entered into a Joint Venture Agreement (“JVA”) with Universiti Teknologi Malaysia (“UTM”) to form a special purpose vehicle which will be jointly owned by the Vsolar and UTM to develop Solar Energy Generation Facilities with a capacity of up to thirty (30) megawatts and to conduct research and development on “Solar Energy Generation Technology and Solar Plant Installation and Construction Design”. On 23 February 2018 Vsolar announced the mutually termination of the JVA which was entered into on 11 April 2017. Both Parties agreed to and accepted the mutual termination and shall fully and forever release and discharge both Parties and their respective successors, assigns, directors, officers, employees and agents, from any and all claims, including the endowment fund and demands of whatsoever kind of nature, in law and/or equity or otherwise whether arising from or in connection with the JVA. On 01 March 2018, Vsolar further announce that the JVA with UTM was mutually terminated via a Deed of Mutual Termination after due consideration was made by both Parties on the financial viability of the proposed project. Our financial assessment of the proposed tariffs potentially to be awarded by the regulators indicated poor rates of return on our potential investment.

On 2 May 2017 Vsolar announced that the company had entered into a Collaboration Agreement with Trive Property Sdn Bhd to market and perform certain complementary business activities, particularly the solar farm project with Universiti Teknologi Malaysia.

On 08 Aug 2017, Vsolar announced that the Company had entered into a Investment and Shareholders' Agreement with KRU Energy Asia Pte Ltd, Rangkaian Iltizam Sdn Bhd, Kenneth Lee Wai Tong and Vsolar Engineering Sdn Bhd for joint development up to 10 Megawatts BioMass/BioGas Energy Generation Plant.

B8. Status of corporate proposals – cont'd

(c) Warrants 2012/2017

On 26 Oct 2017, Vsolar announced that pursuant to the terms and conditions of the Deed Poll dated 16 October 2012 constituting the Warrants 2012/2017 ("**Warrants A**"), the subscription rights of the Warrants A will expire at 5.00 p.m. on Thursday, 30 November 2017 ("**Expiry Date**"). Warrant holders should note that all outstanding Warrants A which are not exercised by 5.00 p.m. on the Expiry Date will lapse and become null and void and cease to be exercisable thereafter.

On 06 Nov 2017, Vsolar announced that Exercise of Warrants 2014/2019. No of shares issued under this exercise is 20,000 @ RM0.12 per share. Listing dated 07 Nov 2017.

On 15 Nov 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 1,000 @ RM0.12 per share. Listing dated 16 Nov 2017.

On 16 Nov 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 450,000 @ RM0.12 per share. Listing dated 17 Nov 2017.

On 20 Nov 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 2,000,000 @ RM0.12 per share. Listing dated 21 Nov 2017.

On 21 Nov 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 1,781,600 @ RM0.12 per share. Listing dated 22 Nov 2017.

On 22 Nov 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 130,000 @ RM0.12 per share. Listing dated 23 Nov 2017.

On 23 Nov 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 2,530,000 @ RM0.12 per share. Listing dated 24 Nov 2017.

On 28 Nov 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 756,600 @ RM0.12 per share. Listing dated 29 Nov 2017.

On 29 Nov 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 1,678,100 @ RM0.12 per share. Listing dated 30 Nov 2017.

On 05 Dec 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 345,000 @ RM0.12 per share. Listing dated 06 Dec 2017.

On 07 Dec 2017, Vsolar announced that Exercise of Warrants 2012/2017. No of shares issued under this exercise is 2,854,000 @ RM0.12 per share. Listing dated 08 Dec 2017.

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 30 June 2018 are as follows:

	Secured	Unsecured	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Short term loans			
Term loans	-	-	-
Revolving credits	-	-	-
Finance lease	-	-	-
Overdraft	-	-	-
<hr/> <hr/>			
Long term loans			
Term loans	-	-	-
Revolving credits	-	-	-
Finance lease	214	-	214
Overdraft	-	-	-
<hr/> <hr/>			

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 30 June 2018.

B14. Loss before tax

	Individual Quarter		Cumulative Year to Date	
	3 months ended		12 months ended	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM'000	RM'000	RM'000	RM'000
<u>Loss before tax is stated after crediting:-</u>				
Interest income	22	20	68	20
Other income (including investment income)	10	750	740	750
<u>Loss before tax is stated after charging:-</u>				
Interest expense	2	4	11	18
Depreciation and amortisation	216	194	844	798
Impairment of assets	N/A	N/A	N/A	N/A
Provision for and write off of trade receivables	N/A	N/A	N/A	N/A
Provision for and write off of other receivables	N/A	244	N/A	244
Deposit written off	N/A	66	N/A	66

B15. Earnings/(Loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to owners of parent for the period by the number of ordinary shares in issue during the period.

	Quarter Ended		Year Ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Net loss attributable to owners of the parent (RM'000)	(480)	(1,602)	(1,621)	(3,701)
Weighted average number of ordinary shares in issue ('000)	380,935	333,850	380,935	333,850
Basic loss per share attributable to owners of the parent (sen)	(0.13)	(0.48)	(0.43)	(1.11)

The diluted earnings/(loss) per share for the financial period is based on the net profit/(loss) attributable to the owners of parent divided by number of ordinary shares in issue during the period.

	Quarter Ended		Year Ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Net loss attributable to owners of the parent (RM'000)	(480)	(1,602)	(1,621)	(3,701)
Weighted average number of ordinary shares in issue ('000)	380,935	333,850	380,935	333,850
Effect of dilution of ESOS option ('000)	21,056	21,056	21,056	21,056
Effect of dilution of warrants ('000)	-	80,846	-	80,846
Adjusted weighted average number of ordinary shares in issue ('000)	401,991	435,752	401,991	435,752
Diluted loss per share attributable to owners of the parent (sen)	(0.12)	(0.37)	(0.40)	(0.85)