



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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

The Board of Directors of Vsolar Group Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 June 2022 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June (“FYE”) 2021 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		Quarter Ended		Changes %	Year Ended		Changes %
	30.06.2022 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	30.06.2022 RM'000 (unaudited)		30.06.2021 RM'000 (audited)		
Revenue	A8	5,566	707	>100	10,258	7,727	33
Cost of sales		(5,619)	(539)	>100	(9,978)	(6,621)	51
Gross profit		(53)	168	->100	280	1,106	-75
Other income		822	284	>100	1,901	415	>100
Administrative expenses		(851)	(11,853)	-93	(28,574)	(35,979)	-21
Loss from operations		(82)	(11,401)	-99	(26,393)	(34,458)	-23
Finance costs		(16)	(54)	-70	(70)	(60)	17
Loss before taxation	B11	(98)	(11,455)	-99	(26,463)	(34,518)	-23
Taxation		(47)	(99)	-53	(75)	(125)	-40
Loss for the financial year		(145)	(11,554)	-99	(26,538)	(34,643)	-23
Loss for the financial year attributable to:							
- Owners of the Company		(143)	(11,517)	-99	(26,534)	(34,644)	-23
- Non-controlling interests		(2)	(37)	-95	(4)	1	->100
		(145)	(11,554)	-99	(26,538)	(34,643)	-23
Total comprehensive income/(loss) attributable to:							
- Owners of the Company		(143)	(11,517)	-99	(26,534)	(34,644)	-23
- Non-controlling interests		(2)	(37)	-95	(4)	1	->100
		(145)	(11,554)	-99	(26,538)	(34,643)	-23
Losses per share attributable to the owner of the company	B12						
Basic (sen)		(0.00)	(0.44)		(0.57)	(1.45)	

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 30.06.2022 RM'000 (unaudited)	As At 30.06.2021 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant & equipment		4,820	5,373
Right-of-use assets		1,643	1,913
Other investment		53,651	42,326
Total non-current assets		60,114	49,612
Current assets			
Trade receivables	B13	3,925	3,373
Other receivables, deposits and prepayments		19,898	3,276
Fixed deposit placed with licensed banks		295	291
Cash and cash equivalents		26,717	48,394
Total current assets		50,835	55,334
Total assets		110,949	104,946
EQUITY AND LIABILITIES			
EQUITY			
Share capital		177,099	147,029
Reserves		(70,917)	(44,560)
Equity attributable to owners of the parent		106,182	102,469
Non-controlling interest		(38)	(34)
Total equity		106,144	102,435
LIABILITIES			
Non-current liability			
Lease liabilities		1,473	1,732
Current liabilities			
Trade payables		2,357	34
Other payables and accruals		658	404
Bank overdraft	B8	10	7
Lease liabilities		259	250
Income tax payable		48	84
Total current liabilities		3,332	779
Total liabilities		4,805	2,511
Total equity and liabilities		110,949	104,946
Net asset per share attributable to the owners of the parent (sen)		2.20	2.79

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	[----- Non-distributable -----]			Distributable Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
	Share capital RM'000	Warrant reserve RM'000	ESOS reserve RM'000				
As at 1 July 2021	147,029	24,644	3,450	(72,654)	102,469	(34)	102,435
Transactions with owners:							
Grant of equity-settled share options (“ESOS”) to employees	-	-	14,897	-	14,897	-	14,897
Ordinary share issued pursuant to:-							
- ESOS	30,070	-	(14,720)	-	15,350	-	15,350
	30,070	-	177	-	30,247	-	30,247
Total comprehensive loss for the financial year	-	-	-	(26,534)	(26,534)	(4)	(26,538)
As at 30 June 2022	177,099	24,644	3,627	(99,188)	106,182	(38)	106,144
As at 1 July 2020	50,759	-	-	(37,070)	13,689	(962)	12,727
Prior year adjustments	-	-	-	(13)	(13)	-	(13)
As at 1 July 2020 (restated)	50,759	-	-	(37,083)	13,676	(962)	12,714
Transactions with owners:							
Grant of ESOS	-	-	27,618	-	27,618	-	27,618
Ordinary share issued pursuant to:-							
- ESOS	53,640	-	(24,168)	-	29,472	-	29,472
- Conversion of warrants	12	(6)	-	-	6	-	6
- Right issues	12,071	24,650	-	-	36,721	-	36,721
- Private placement	30,547	-	-	-	30,547	-	30,547
Changes in ownership interest in subsidiaries	-	-	-	(927)	(927)	927	-
	96,270	24,644	3,450	(927)	123,437	927	124,364
Total comprehensive loss for the financial year	-	-	-	(34,644)	(34,644)	1	(34,643)
As at 30 June 2021	147,029	24,644	3,450	(72,654)	102,469	(34)	102,435

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
	(unaudited)	(audited)
Operating activities		
Loss before tax	(26,463)	(34,518)
Adjustments for:-		
Depreciation of property, plant and equipment	622	680
Depreciation of right-of-use assets	270	274
Fair value loss/(gain) on other investment	7,044	(172)
Impairment loss on property, plant and equipment	-	3,500
Impairment loss on goodwill	-	242
Impairment loss on trade receivables	181	80
Loss on lease modification	-	16
Loss on disposal of other investments	1,822	4
Other receivables written off	-	3
Property, plant and equipment written off	430	115
Interest expense	70	60
Interest income	(403)	(8)
Dividend income	(165)	(186)
Bad debts recovered	(36)	-
Share-based payments	14,897	27,618
Unrealised gain on foreign exchange	(1,249)	119
Operating loss before working capital changes	(2,980)	(2,173)
Changes in working capital:-		
Payables	2,578	(2,856)
Receivables	(17,319)	(1,366)
Cash used in operating activities	(17,721)	(6,395)
Tax refund	1	1
Interest paid	(2)	(60)
Tax paid	(111)	(42)
Net cash used in operating activities	(17,833)	(6,496)
Investing activities		
Purchase of property, plant and equipment	(500)	(29)
Net acquisition of other investment	(18,941)	(42,277)
Dividend received	165	186
Interest received	399	-
Net cash used in investing activities	(18,877)	(42,120)
Financing activities		
Proceed from warrants conversion	-	6
Proceed from issuance of ordinary shares pursuant to		
- ESOS	15,350	29,472
- Right Issue	-	36,721
- Private placement	-	30,547
Acquisition of a subsidiary	-	269
Interest paid on lease liabilities	(68)	-
Repayment of lease liabilities	(251)	(224)
Net cash from financing activities	15,031	96,791
Net changes	(21,679)	48,175
Cash and cash equivalents at beginning of year	48,386	212
Cash and cash equivalents at the end of year	26,707	48,387

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Cash and cash equivalents at the end of the financial period comprise the following:

	30.06.2022	Year Ended	30.06.2021
	RM'000		RM'000
	(unaudited)		(audited)
Cash and bank balances	26,717		48,394
Fixed deposits placed with licensed banks	295		291
Bank overdrafts	(10)		(7)
	<hr/> 27,002		<hr/> 48,678
Fixed deposits pledged as securities	(295)		(291)
	<hr/> 26,707		<hr/> 48,387

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in MFRS 134 – Interim Financial Reporting, the International Accounting Standard 34 Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

The interim financial statements should be read in conjunction with the audited financial statements for the FYE 2021 and the accompanying explanatory notes attached to the interim financial statements.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 2021.

The accounting policies and methods of computation used in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the FYE 2020 except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial periods beginning on or after 1 January 2021.

The Group has adopted the following Amendments to Standards during the financial period.

MFRS effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS4 Insurance Contract and MFRS 16 Leases – Interest Rate Benchmark Reform-Phase 2

MFRS effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16 *Leases – Covid-19 Related Rent Concession beyond 30 June 2021*

The adoption of the above pronouncements did not have material impact on the financial statements of the Group and of the Company.

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

MFRS effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	<i>First time Adoption of Malaysian Financial Reporting Standards -Annual Improvements to MFRS Standards 2018-2020</i>
Amendments to MFRS 3	<i>Business Combinations- Reference to the Conceptual Framework</i>
Amendments to MFRS 9	<i>Financial Instruments - Annual Improvements to MFRS Standards 2018-2020</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assts – Onerous Contract – Cost of Fulfilling a Contract</i>
Amendments to MFRS 141	<i>Agriculture (Annual Improvements to MFRSs 2018 – 2020 Cycle)</i>

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

A1. Basis of Preparation (cont'd)

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board (cont'd):

MFRS effective for financial periods beginning on or after 1 January 2023

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements - Classification of liabilities as current or non-current</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to MFRS 10 and MFRS 128	<i>Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

A2. Qualification of financial statements

The audit report of the Group's financial statements for the FYE 2021 was not subject to any audit qualification.

A3. Seasonal or cyclical factors

The results for the current financial 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 financial quarter.

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 financial quarter.

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022**

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 financial quarter and period except for :-

The Company issued new ordinary shares pursuant to ESOS exercise as below:

Corporate Exercise	Listing Date	No. of Shares '000	Share Price RM	Proceeds RM'000
ESOS	6 July 2021	300,000	0.0150	4,500
ESOS	21 July 2021	300,000	0.0125	3,750
ESOS	20 August 2021	300,000	0.0125	3,750
ESOS	2 December 2021	100,000	0.0125	1,250
ESOS	12 January 2022	100,000	0.0125	1,250
ESOS	19 January 2022	48,000	0.0125	600
ESOS	20 January 2022	20,000	0.0125	250
TOTAL				15,350

A7. Dividend paid

There were no dividends paid during the current financial quarter.

A8. Segmental information

The reportable business segment of the Group comprise the following:

- Engineering : Business of engineering solutions provider in connection with renewal energy works business and other related engineering works.
- Trading : Trading of computer hardware.
- Solar Energy : Supply of solar energy.
- Others : Other segments comprise investment holding, trading and distribution of software, providing information technology services and dormant companies.

Year Ended 30.06.2022	Engineering	Trading	Solar Energy	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,392	5,980	2,072	-	(186)	10,258
Result:						
Segment result	(113)	131	(10,346)	(45,161)	27,195	(28,294)
Other Income	36	-	-	1,865	-	1,901
Finance costs	-	-	(54)	(16)	-	(70)
(Loss)/Profit before taxation	(77)	131	(10,400)	(43,312)	27,195	(26,463)
Taxation	(17)	(32)	(23)	(3)	-	(75)
(Loss)/Profit after taxation	(94)	99	(10,423)	(43,315)	27,195	(26,538)
Segment assets	11,060	2,156	23,961	164,595	(90,823)	110,949
Segment liabilities	23,315	1,747	44,029	91,486	(155,772)	4,805

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

A8. Segmental information (cont'd)

Year Ended 30.06.2021	Engineering	Trading	Solar Energy	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,082	4,909	812	-	(76)	7,727
Result:						
Segment result	34	333	(16,574)	(51,213)	32,547	(34,873)
Other Income	-	-	-	415	-	415
Finance costs	-	-	(56)	(4)	-	(60)
Profit/(Loss) before taxation	34	333	(16,630)	(50,802)	32,547	(34,518)
Taxation	(20)	(100)	-	(5)	-	(125)
Profit/(Loss) after taxation	14	233	(16,630)	(50,807)	32,547	(34,643)
Segment assets	2,604	6,487	12,539	149,449	(66,133)	104,946
Segment liabilities	38	70	1,953	617	(167)	2,511

A9. Valuation of property, plant and equipment

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

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

There were no other material event subsequent at the end of the current quarter.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter and period.

A12. Contingent liabilities

The Company has given corporate guarantee of RM800,000 to Fast Track Solution Sdn Bhd, a subsidiary company 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 2022.

A14. Significant related party transactions

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

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

A15. Financial Instruments

a) Categories of Financial Instruments

The table below provides an analysis of financial instrument as at 30 June 2022 categorised as follows:

	As At 30.06.2022 Unaudited RM'000	As At 30.06.2021 Audited RM'000
Financial assets		
<u>At amortised cost</u>		
Trade receivables	3,925	3,373
Other receivables and deposits	19,842	3,254
Fixed deposit with licensed banks	295	291
Cash and cash equivalents	26,717	48,394
	50,779	55,312
<u>At fair value through profit or loss</u>		
Other investment	53,651	42,326
	53,651	42,326
	104,430	97,638
Financial liabilities		
Trade payables	2,357	34
Other payables and accruals	658	202
Lease liabilities	1,732	1,982
Bank overdrafts	10	7
	4,757	2,225

b) Fair Value Information

The carrying amount of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

A16. Fair Value Measurement

The financial assets maturing within the next 12 months reasonably approximate their fair values due to the relatively short-term maturity of the financial instruments.

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	As At 30.06.2022 Unaudited RM'000	As At 30.06.2021 Audited RM'000
Level 1: Other investment	<u>53,651</u>	<u>42,326</u>

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES FOR THE ACE MARKET

B1. Review Of Performance

Statement of Profit & Loss and Other Comprehensive Income

Group Results	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Quarter Ended		Changes		Year Ended		Changes	
	30.06.2022 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	RM'000	%	30.06.2022 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	RM'000	%
Revenue	5,566	707	4,859	>100	10,258	7,727	2,531	33
Gross (loss)/profit	(53)	168	(221)	->100	280	1,106	(826)	-75
Loss before tax	(98)	(11,455)	11,357	99	(26,463)	(34,518)	8,055	23
Loss after tax	(145)	(11,554)	11,409	99	(26,538)	(34,643)	8,105	23

Revenue

The Group's registered revenue of RM5.57 million for three (3) months ended 30 June 2022, representing an increase of RM4.86 million compared to the preceding corresponding financial quarter of RM0.71 million. The increase in revenue were contributed by the commencement of both roof top solar photovoltaic ("PV") project and the railway project with RA Integration Links Sdn Bhd.

Gross profit and gross profit margin

The Group's gross loss of RM0.01 million for the three (3) months ended 30 June 2022 is lower compared to the preceding corresponding financial quarter gross profit of RM0.17 million. The current financial quarter gross loss was mainly impacted by the higher cost incurred in the repair and maintenance of solar farm.

Loss after tax

The Group recorded a loss after tax of RM0.15 million for the three (3) months ended 30 June 2022 as compared to loss after tax of RM11.55 million for the preceding corresponding financial quarter. The higher loss after tax in preceding corresponding financial quarter are mainly attributable to share-based payment of RM7.63 million and impairment of property, plant and equipment of RM3.50 million.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

B2. Material Changes In Financial Performance For the Quarter Compared with Immediate Preceding Quarter

Group Results	Quarter Ended		Changes (%)	
	30.06.2022 RM'000 (unaudited)	31.03.2022 RM'000 (unaudited)	RM'000	%
Revenue	5,566	53	5,513	>100
Gross (loss)/profit	(53)	12	(65)	->100
Loss before tax	(98)	(910)	812	89
Loss after tax	(145)	(911)	766	84

Revenue

The Group recorded an increase of RM5.51 million revenue to RM5.56 million in the current financial quarter as compared to RM0.05 million in the immediate preceding financial quarter. The increase was contributed by the commencement of projects as explained in B1.

Loss after tax

The Group recorded a loss after tax of RM0.15 million in the current financial quarter as compared to loss after tax of RM0.91 million in the immediate preceding financial quarter. The lower loss after tax for current quarter was contributed by unrealised foreign exchange gain of RM0.99 million.

B3. Current year prospects

The Group foresees that the solar PV industry to remain positive with the ongoing initiatives by the Ministry of Energy and Natural Resources and support from various Government-led tariff selling programmes. Further to that, Malaysia is committed to promote solar energy slated to become the dominant renewable energy in the system.

In view of the above, the Group intends to strengthen its existing and develop any future solar PV projects. At this juncture, the Group had secured a Solar PV Project with an installed capacity of 2.15MW for a manufacturing plant located at Meru, Klang, Selangor for a lease tenure of 10 years. Apart from the Meru Project, the Group is in the midst of procuring potential solar leasing contracts with owners of buildings at various locations.

The Group's trading business is the main revenue contributor which accounts for over 58% of total revenue. This business mainly focuses on value-added reselling and provisioning of computer products and related accessories on project basis. The business has been providing stable and continuous revenue to the Group.

Other than the above business, the Group intends to diversify into supply of railway vehicle spare parts. At this juncture, Vsolar Engineering Sdn Bhd had managed to secure a contract with RA Integration Links Sdn Bhd to be a Sub-Contractor for the procurement and supply of spare parts to perform the intermediate overhaul of fifty (50) sets Ampang 6-Car Light Rail Vehicle for Rapid Rail Sdn. Bhd. The Group anticipates that this will be the main revenue contributor in the future.

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.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

B5. Taxation

Tax charges comprises:-

	Current Quarter Ended 30.06.2022 RM'000	Cumulative Year Ended 30.06.2022 RM'000
Current quarter/year to date	47	73
Overprovision in prior quarter/year	-	2
Tax expense	47	75

The effective tax rate of the Group for the current financial quarter and financial year ended 30 June 2022 is higher than the statutory tax rate of 24% due to tax charges on profit making subsidiaries which cannot offset against losses of other subsidiaries.

B6. Status of corporate proposals

On 8 April 2022, the Company had announced to undertake the following proposals and had submitted to Bursa Securities on 8 June 2022:

- a. Proposed diversification of the business of Vsolar and its subsidiaries (“Vsolar Group” or the “Group”) to include the sales and trading of spare parts for railway vehicles (“Proposed Diversification”);
- b. Proposed consolidation of every 30 existing ordinary shares in Vsolar (“Vsolar Shares(s) into 1 consolidated shares. The effective application date was 7 June 2022.
- c. Proposed renounceable rights issue of up to 791,850,045 new right shares together with up to 395,925,022 free detachable warrants on the basis of 4 rights shares together with 2 Warrants C for every 1 consolidated share held by the entitled shareholders of the Company on an entitlement date to be determined.

Saved for the above, there were no corporate proposals announced but not completed as at the date of this report.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

B7. Status of utilisation of proceeds

The Company has on 13 July 2020 completed a Renounceable Rights Issue of 1,232,492,289 Rights Shares and 821,661,526 Warrants on the ACE Market of Bursa Securities. The Renounceable Rights Issue with Warrants has raised a gross proceeds of RM36,974,769. Status of utilisation of proceeds derived from the corporate proposal by the company as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Intended Timeframe for Utilisation	Deviation Amount	Explanation (if the deviation >5%)
Capital expenditure for development and construction of biomass/biogas plants	34,085	-	34,085	Between 12 to 36 months	-	N/A
Working Capital	2,040	-	2,040	Within 36 months from the completion of the construction of biomass/biogas plants	-	N/A
Estimated expenses for the Right Issue with Warrants	850	(850)	-	Within 1 month	-	N/A
	<u>36,975</u>	<u>(850)</u>	<u>36,125</u>		<u>-</u>	

The Company has on 18 November 2020 completed a private placement of 210,163,000 new shares. The private placement raised a gross proceeds of RM7,187,574. Status of utilisation of proceeds derived from the corporate proposal by the company as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Reallocation RM'000	Unutilised proceeds RM'000	Intended Timeframe for Utilisation	Deviation Amount	Explanation (if the deviation >5%)
Working capital for Solar PV Projects	6,885	(2,403)	175	4,657	Within 24 months	-	N/A
Estimated expenses	303	(128)	(175)	-	Immediate	-	N/A
	<u>7,188</u>	<u>(2,531)</u>	<u>-</u>	<u>4,657</u>		<u>-</u>	

The Company has on 11 January 2021 completed a private placement of 245,193,000 new shares. The private placement raised a gross proceeds of RM9,268,295. Status of utilisation of proceeds derived from the corporate proposal by the company as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Reallocation RM'000	Unutilised proceeds RM'000	Intended Timeframe for Utilisation	Deviation Amount	Explanation (if the deviation >5%)
Working capital for Solar PV Projects	8,823	(867)	307	8,263	Within 24 months	-	N/A
Estimated expenses	445	(138)	(307)	-	Immediate	-	N/A
	<u>9,268</u>	<u>(1,005)</u>	<u>-</u>	<u>8,263</u>		<u>-</u>	

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

B7. Status of utilisation of proceeds (cont'd)

The Company has on 17 June 2021 completed a private placement of three tranches amounted to 846,215,000 new shares. The private placement raised a gross proceeds of RM14,712,061. Status of utilisation of proceeds derived from the corporate proposal by the company as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Reallocation RM'000	Unutilised proceeds RM'000	Intended Timeframe for Utilisation	Deviation Amount	Explanation (if the deviation >5%)
Working capital for Solar PV Projects	13,642	-	715	14,357	Within 24 months	-	N/A
Estimated expenses	1,070	(355)	(715)	-	Immediate	-	N/A
	<u>14,712</u>	<u>(355)</u>	<u>-</u>	<u>14,357</u>		<u>-</u>	

B8. Borrowings and debt securities

The Group did not issue any debt securities or long term borrowings during the current financial quarter. The Group's borrowings which are denominated in Ringgit Malaysia as at 30 June 2022 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term loans			
Overdraft	10	-	10

B9. Material litigation

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

B10. Dividend

The Board of Directors did not recommend any dividend for the current financial quarter.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

B11. Loss before tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended		Year Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Loss before tax is stated after crediting:-				
Dividend income	-	186	165	186
Interest income	-	(123)	403	8
Reversal of impairment loss on trade receivables	-	-	36	-
Unrealised gain/(loss) on foreign exchange	990	(119)	1,249	(119)
Loss before tax is stated after charging:-				
Depreciation of property, plant and equipment	152	170	622	680
Depreciation of right-of-use assets	68	96	270	274
Fair value (gain)/loss on other investments	(2,462)	(172)	7,044	(172)
Interest expense	16	54	70	60
Impairment loss on goodwill on consolidation	-	242	-	242
Impairment loss on trade receivables	181	80	181	80
Impairment loss on other receivables	-	3	-	3
Impairment loss on property, plant and equipment	-	3,500	-	3,500
Loss on disposal of other investment	2,004	4	1,822	4
Property, plant and equipment written off	430	115	430	115
Share-based payments	-	7,625	14,897	27,618

B12. Loss per share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended		Year Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Net loss attributable to owners of the parent (RM'000)	(143)	(11,517)	(26,534)	(34,644)
Weighted average number of ordinary shares in issue ('000)	4,838,934	2,630,143	4,639,986	2,386,475
Basic & diluted loss per share attributable to owners of the parent (sen)*	(0.00)	(0.44)	(0.57)	(1.45)

*The diluted loss per share for the financial period is equal to the basic loss per share as the conversion of potential ordinary share would decrease loss per share from continuing operation. Thus, the potential effect of the conversion of warrants would be anti-dilutive.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

B13. Trade Receivables

	As at 30.06.2022 RM'000 (unaudited)	As at 30.06.2021 RM'000 (audited)
Trade receivables	4,106	3,453
Less: Impairment losses	(181)	(80)
	3,925	3,373

The aging analysis of the Group's trade receivables as at 30 June 2022 is as follows:

	As at 30.06.2022 RM'000 (unaudited)	As at 30.06.2021 RM'000 (audited)
Neither past due nor impaired	2,581	595
Past due but not impaired:		
1 – 30 days	725	-
31 – 60 days	800	-
More than 61 days past due	-	2,858
Gross trade receivables	4,106	3,453
Less: Allowance for impairment loss	(181)	(80)
	3,925	3,373

B14. Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Board of Directors.

By order of the board

Wong Yuet Chyn
MAICSA 7047163
Company secretary
30 August 2022
Kuala Lumpur