

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 1: Financial Year Ending 31 December 2021

The Directors are pleased to release the quarterly financial report for the three-months ended 31 March 2021, being the first quarter for the financial year ending 31 December 2021.


The contents of the financial report comprise of the following attached condensed financial statements, explanatory notes, and additional disclosures. These must be read in conjunction with the Group’s financial statements for the year ended 31st December 2020:

Schedule I	: Condensed Consolidated Statement of Comprehensive Income
Schedule II	: Condensed Consolidated Statement of Financial Position
Schedule III	: Condensed Consolidated Statement of Cash Flow
Schedule IV	: Condensed Consolidated Statement of Changes in Equity
Schedule V	: Selected Explanatory Notes Pursuant to MFRS 134
Schedule VI	: Additional Disclosures in Compliance with Main Market Listing Requirements

This quarterly financial report has been prepared in accordance with the accounting standards on interim financial reporting issued by the Malaysian Accounting Standards Board and contains additional disclosures prescribed by the Main Market Listing Requirements of Bursa Malaysia. Unless specified otherwise, the same accounting policies and methods of computation applied to the Group’s financial statements for the previous year had been followed throughout this quarterly financial report.

By Order of the Board

Eric Toh Chee Seong (MAICSA 7016178)
Company Secretary
28 May 2021



Schedule I: Condensed Consolidated Statement of Comprehensive Income
For the 1st quarter ended 31 March 2021

	Individual 1 st Quarter			Cumulative 1 st Quarter		
	31/03/2021 RM'000	31/03/2020 RM'000	% chg	31/03/21 RM'000	31/03/20 RM'000	% chg
Revenue	1,146	4,245	(73.0%)	1,146	4,245	(73.0%)
Other direct costs	(1,071)	(3,366)	68.2%	(1,071)	(3,366)	68.2%
Employment expenses	(573)	(1,044)	43.9%	(573)	(1,044)	43.9%
Premises and infrastructure expenses	(29)	(120)	75.8%	(29)	(120)	75.8%
Administrative expenses	(498)	(253)	(7.1%)	(498)	(253)	(7.1%)
Other income/(expenses)	(10)	3,078	(>100%)	(10)	3,078	(>100%)
Adjusted EBITDA	(1,035)	2,540	(>100%)	(1,035)	2,540	(>100%)
Foreign exchange gains/(losses)	(3)	-		(3)	-	
Fair value gains/(losses) on equity instruments through profit or loss	(3,425)	-		(3,425)	-	
Bargain purchase	4,680	-		4,680	-	
Gain/(loss) on disposal of investments	(28)	279		(28)	279	
Depreciation and amortisation	(98)	(60)		(98)	(60)	
Interest income	53	4		53	4	
Interest expense	(22)	(32)		(22)	(32)	
Interest expense – lease liabilities	(4)	-		(4)	-	
Profit/(loss) before tax	118	2,731	(95.7%)	118	2,731	(95.7%)
Taxation	14	(771)		14	(771)	
Net profit/(loss) after tax	132	1,960	(93.3%)	132	1,960	(93.3%)
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	7	-		7	-	
Other comprehensive income for the period, net of tax	7	1,960		7	1,960	
Total comprehensive income for the financial period	139	1,960	(92.9%)	139	1,960	(92.9%)
Profit/(Loss) for the financial period attributable to:						
Owners of GCAP	270	2,089	(87.1%)	270	2,089	(87.1%)
Non-controlling interests	(138)	(129)		(138)	(129)	
	132	(7,779)		132	(7,779)	
Total comprehensive income/(loss) attributable to:						
Owners of GCAP	277	2,089	(86.7%)	277	2,089	(86.7%)
Non-controlling interests	(138)	(129)		(138)	(129)	
	139	1,960		139	1,960	
Earnings/(Loss) per share (“EPS”):						
Basic EPS (sen)	0.09	0.87		0.09	0.87	
Diluted EPS (sen)	0.08	0.86		0.08	0.86	

This Statement should be read in conjunction with the selected explanatory notes on Schedule V & VI of this Report and the Group’s audited financial statements for the year ended 31 December 2020.

**Schedule II: Condensed Consolidated Statement of Financial Position
As at 31 March 2021**

	31/03/2021 RM'000	Audited 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,257	21,284
Rights-of-use assets	51	72
Other intangible assets	8,731	-
Other investments	5,040	5,040
Other receivables	1,149	1,395
Goodwill on consolidation	15,479	15,479
	<u>56,707</u>	<u>43,270</u>
Current assets		
Other investments	42,464	44,195
Trade receivables	1,141	11
Other receivables	8,974	8,669
Tax recoverable	1,184	1,112
Cash and cash equivalents	23,137	31,533
	<u>79,900</u>	<u>85,520</u>
Total assets	<u>136,607</u>	<u>128,790</u>
EQUITY		
Share capital	125,324	123,914
Reserves	(3,644)	(3,471)
Accumulated losses	(680)	(950)
Equity attributable to owners of GCAP	<u>121,000</u>	<u>119,493</u>
Non-controlling interests	4,950	1,582
Total equity	<u>125,950</u>	<u>121,075</u>
LIABILITIES		
Non-current liabilities		
Borrowings	1,670	1,755
Lease liabilities	130	140
Other payables	1,264	1,264
Deferred tax liabilities	2,057	11
	<u>5,121</u>	<u>3,170</u>
Current liabilities		
Borrowings	329	324
Lease liabilities	75	96
Amount due to corporate shareholders	2,343	2,266
Trade payables	30	24
Other payables	2,759	1,835
Tax payable	-	-
	<u>5,536</u>	<u>4,545</u>
Total liabilities	<u>10,657</u>	<u>7,715</u>
Total equity and liabilities	<u>136,607</u>	<u>128,790</u>
Net assets per share (Sen)	<u>40.8</u>	<u>39.6</u>

This Statement should be read in conjunction with the selected explanatory notes on Schedule V & VI of this Report and the Group's audited financial statements for the year ended 31 December 2020.

Schedule III: Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2021

	Cumulative 1st Quarter	
	31/03/2021 RM'000	31/03/2020 RM'000
Cash flows from operating activities	118	2,731
Profit/(loss) before tax		
Adjustments for:		
Bargain purchase	(4,680)	-
Depreciation and amortisation	98	60
Fair value loss on equity investments	3,425	-
(Gain)/Loss on disposal of:		
- Investments	28	(279)
- Property, plant and equipment	-	(3,125)
Interest income	(53)	(4)
Interest expense on:		
- Borrowing	22	32
- Lease liabilities	4	-
Operating loss before working capital changes	(1,038)	(585)
Changes in working capital:		
Inventories	-	413
Trade and other receivables	351	10
Trade and other payables	916	1,462
Cash generated from operations	229	1,300
Interest paid	(25)	(32)
Interest received	53	4
Tax paid	(72)	(273)
Net cash (used in)/from operating activities	185	999

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Schedule III: Condensed Consolidated Statement of Cash Flows

For the three months ended 31 March 2021

	Cumulative 1st Quarter	
	31/03/2021 RM'000	31/03/2020 RM'000
Cash flows from investing activities		
Acquisitions of:		
- Property, plant and equipment	(4,991)	(630)
- Short-term other investments	(3,808)	(3,220)
Cash acquired on acquisition of subsidiary	3,502	-
Payment for acquisition of subsidiary	(3,500)	-
Proceeds from disposals of:		
- Property, plant and equipment	-	3,183
- Short term other investment	2,086	10,220
Net cash (used in)/from investing activities	(6,711)	9,553
Cash flows from financing activities		
Repayment of borrowings	(80)	(73)
(Repayments to)/advances from a corporate shareholder	7	-
Proceeds from issuance of shares	1,230	1,907
Repayment of lease liabilities	(31)	(9)
Net cash generated from financing activities	1,126	1,825
Net increase/(decrease) in cash and cash equivalents	(5,400)	12,377
Cash and cash equivalents at beginning of period	31,533	23,351
Effects of exchange rate changes on cash and cash equivalents	4	-
Cash and cash equivalents at end of period	26,137	35,728
Comprising of:		
Cash and bank	14,091	45
Fixed deposits with financial institutions	12,046	35,683
Cash & cash equivalents at end of period	26,137	35,728

This Statement should be read in conjunction with the selected explanatory notes on Schedule V & VI of this Report and the Group's audited financial statements for the year ended 31 December 2020.

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Schedule IV: Condensed Consolidated Statement of Changes in Equity
For the three months ended 31 March 2021

	Share capital	Reserves	Retained earnings/ (Accumulated losses)	Subtotal	Non-controlling interest	Total equity
	RM	RM	RM	RM	RM	RM
At 1 January 2020	94,478	(1,966)	(3,654)	88,858	2,082	90,940
Total comprehensive income/(loss)	-	-	2,089	2,089	(129)	1,960
Shares issued	2,251	(344)	-	1,907	-	1,907
At 31 March 2020	96,729	(2,310)	(1,565)	92,854	1,953	94,807
At 1 January 2021	123,914	(3,471)	(950)	119,493	1,582	121,075
Total comprehensive income/(loss)	-	7	270	277	(138)	139
Acquisition of subsidiary	-	-	-	-	3,506	3,506
Shares issued	1,410	(180)	-	1,230	-	1,230
At 31 March 2021	125,324	(3,644)	(680)	121,000	4,950	125,950

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Schedule IV: Selected Explanatory Notes Pursuant to MFRS 134

1. Accounting Policies and method of computation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting Standards, the requirements of Companies Act 2016 and Paragraph 9.22 of the Bursa Malaysia Listing Requirements. The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2020.

The Group has not adopted the following new standards and amendments to standards that have been issued but are not yet effective:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid 19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 1, Amendments to MFRS 9, Amendments to MFRS 16, and Amendments to MFRS 141	Annual Improvements to MFRSs Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3	Reference of the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10, and Amendments to MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt the above new standards and amendments to standards when they become effective. The initial application of the abovementioned standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group.

2. Auditors’ report

The auditors’ report of the preceding annual financial statements of the Company and of the Group was not subject to any qualification.

3. Comment on seasonality or cyclicity of operation

The Group’s performance is normally not affected by seasonal or cyclical events on a year-to-year basis. However, contract revenue from the Ministry of Defence contract to ferry school children is based on students attending school. Thus, school holidays will affect contract revenues. In December of each calendar year there is no revenue from this contract.

4. Unusual items due to their nature, size or incidence

To curb the spread of COVID-19 pandemic, Federal Government of Malaysia enforced a series of Movement Control Orders (“MCO”), Conditional MCO, Enhanced MCO, Semi Enhanced MCO, Recovery MCO starting from 18 March 2020 to-date, which resulted in the disruption to schoolings and hence temporary suspension of the Ministry of Defence service-contract. As of date of this announcement, schooling is allowed by Federal Government and the Group has resumed its operations. Save for abovementioned, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter.

Schedule IV: Selected Explanatory Notes Pursuant to MFRS 134 (Cont’d)

5. Significant estimates and changes in estimates

There were no significant estimates or changes in estimates that have had any material effect on the results of the current quarter.

6. Issuance or repayments of debt/equity securities

During the period under review a total of 3,000,000 ordinary shares had been issued pursuant to the exercised of ESOS, increased the paid-up capital by RM1.41 million.

As at 31 March 2021, at total of 12,000,000 ESOS granted remained unexercised.

7. Dividends paid

No dividends have been paid in the current financial quarter.

8. Segmental Analysis

The Group has four (4) reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services, being transportation division, hydropower division, solarpower division, investment holding and others. Segment performance is evaluated based on adjusted EBITDA. Inter-segment transactions and pricing arrangements where applicable, are determined on a commercial basis. The results by segments for the quarter are as follows:

Segmental Results

	<i>Current v Preceding Quarter</i>			<i>Current v Corresponding Quarter</i>		
	31/03/2021	31/12/2020	% chg	31/03/2021	31/03/2020	% chg
	RM’000	RM’000		RM’000	RM’000	
Revenue						
Transportation	1,146	2,766	(58.6%)	1,146	4,245	(73.0%)
Hydropower	-	-	-	-	-	-
Solarpower	-	-	-	-	-	-
Investment holding and others	7	7	-	7	7	-
	<u>1,153</u>	<u>2,773</u>	<u>(58.4%)</u>	<u>1,153</u>	<u>4,252</u>	<u>(72.9%)</u>
Intersegment adjustment	(7)	(7)	-	(7)	(7)	-
Group revenue	<u>1,146</u>	<u>2,766</u>	<u>(58.6%)</u>	<u>1,146</u>	<u>4,245</u>	<u>(73.0%)</u>
Adjusted EBITDA						
Transportation	(129)	(311)	58.5%	(129)	3,279	(>100%)
Hydropower	(240)	(267)	10.1%	(240)	(228)	(5.3%)
Solarpower	(11)	-	(100%)	(11)	-	(100%)
Investment holding and others	(655)	(2,041)	67.9%	(655)	(511)	(28.2%)
	<u>(1,035)</u>	<u>(2,619)</u>	<u>60.5%</u>	<u>(1,035)</u>	<u>2,540</u>	<u>(>100%)</u>
Intersegment adjustment	-	-	-	-	-	-
Group Adjusted EBITDA	<u>(1,035)</u>	<u>(2,619)</u>	<u>60.5%</u>	<u>(1,035)</u>	<u>2,540</u>	<u>(>100%)</u>

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Schedule V: Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

8. Segmental Analysis (Cont'd)

	<i>Current v Preceding Quarter</i>			<i>Current v Preceding Year</i>		
	31/03/2021 RM'000	31/12/2020 RM'000	% chg	31/03/2021 RM'000	31/12/2020 RM'000	% chg
<u>Total Assets</u>						
Transportation	19,553	19,087	2.4%	19,553	19,087	2.4%
Hydropower	41,874	41,794	0.2%	41,874	41,794	0.2%
Solarpower	13,763	-	-	13,763	-	-
Investment holding and others	113,818	117,388	(3.0%)	113,818	117,388	(3.0%)
	189,008	178,269	6.0%	189,008	178,269	6.0%
Intersegment adjustment	(52,401)	(49,479)	5.9%	(52,401)	(49,479)	5.9%
Group Assets	136,607	128,790	6.1%	136,607	128,790	6.1%
<u>Total Liabilities</u>						
Transportation	1,110	411	>100%	1,110	411	>100%
Hydropower	29,018	28,657	1.3%	29,018	28,657	1.3%
Solarpower	2,132	-	-	2,132	-	-
Investment holding and others	30,798	28,126	9.5%	30,798	28,126	9.5%
	63,058	57,194	10.3%	63,058	57,194	10.3%
Intersegment adjustment	(52,401)	(49,479)	5.9%	(52,401)	(49,479)	5.9%
Group Liabilities	10,657	7,715	38.1%	10,657	7,715	38.1%

Current Quarter vs Previous Quarter

Contract from Ministry of Defence resumed in March 2021 after another suspensions in January and February 2021 for MCO. For 1Q2021 the Group's revenue is derived solely from the transportation segment, as the majority of the Group's small hydropower portfolio is at the development and construction phase, with no dividend income received from two sites commissioned so far in FY2021.

Similar with previous quarter, group registered Adjusted EBITDA loss in the hydropower division, mainly cost of our in-house engineers, administration expenses, and costs of procuring the necessary approvals from the relevant State Government authorities. This will continue as we develop the mini hydro division further.

It is worth noting that upon commissioning of each mini-hydro site, and as energy is sold to the national grid, the contribution to Group earnings will depend on the shareholding structure of each mini-hydro site. Those joint venture companies where the Group has a 30% (or less) equity stake, earnings will be at the associate level, and via single tier dividends. For sites under 95.1%-owned subsidiary Gunung Hydropower Sdn Bhd, earnings will contribute directly to the Group via the consolidation of earnings.

Total assets of mini-hydro development continued to increase in connection with the progress of construction of the hydro sites under Gunung Hydropower Sdn Bhd.

Liabilities continue to be well managed, and relatively low at only 7.8% and 6.0% of total assets in 1Q2021 and 4Q2020 respectively.

Equity Capital increased from exercised of ESOS, resulted increase in cash reserve.

Schedule V: Selected Explanatory Notes Pursuant to MFRS 134 (cont’d)

9. Valuation of property, plant and equipment
 There were no changes in the valuation on property, plant and equipment since the last annual financial statements.
10. Significant & subsequent events
 There is no significant event subsequent to the end of the quarter that have not been reflected in the current financial quarter under review.
11. Changes in the composition of the Group
 Saved as acquisition of Solarcity Malaysia Sdn. Bhd. (“Solarcity”) as disclosed in Note 16 to Schedule V, there were no material changes in the composition of the Group during the financial quarter.
12. Contingent liabilities
 There were no contingent liabilities of a material nature since the last audited consolidated statement of financial position (FY2020).
13. Contingent assets
 There were no contingent assets of a material nature since the last audited consolidated statement of financial position (FY2020).
14. Capital commitments

		31/03/2021 RM'000
Capital Expenditure Commitments (mini-hydro)		
Contracted but not provided for		13,580

		31/03/2021 RM'000	31/03/2020 RM'000
<u>Significant related party transactions</u>			
Company connected to a director of a subsidiary - Transportation service		1,071	1,345

16. Business Combination
 On 5 February 2021, GCAP subscribed 3,5000,000 new ordinary shares in Solarcity, representing 70% of the enlarged share capital of Solarcity for cash consideration of RM3.5 million.

As a result, the Group consolidated its results from the date of acquisition.

Schedule V: Selected Explanatory Notes Pursuant to MFRS 134 (cont’d)

16. Business Combination (Cont’d)

A bargain purchase of RM4.68 million is recognised when purchase consideration is less than the fair value of net assets acquired. The effect of the acquisition of Solarcity as at the date of acquisitions is as follows:

	Solarcity RM’000
Fair value of net assets acquired	
Cash and cash equivalents	3,502
Intangible assets acquired – Contract assets	8,790
Deferred tax liabilities on fair value of intangible assets acquired	(2,060)
Trade and other receivables	1,540
Trade and other payables	(86)
	11,686
Less: Non-controlling interest’s share of net assets	(3,506)
	8,180
Less: Fair value of consideration transferred	(3,500)
Bargain purchase	4,680

The Group has up to twelve months from the date of acquisition to complete its initial acquisition accounting. Any adjustment to the fair values based on circumstances existing at acquisition date, including associated tax adjustments, within this twelve-month period will have an equal and opposite impact on the provisional intangible asset recorded on acquisition.

The effect of the acquisitions on cash flows of the Group is as follows:

	Solarcity RM’000
Fair value of consideration transferred	3,500
Less: Cash and cash equivalents acquired	(3,502)
	(2)

From the date of acquisition, the subsidiary contributed revenue and net losses during the year of:

	Solarcity RM’000
Revenue	-
Net profit after tax	(55)
Other comprehensive income	-

If the acquisition had occurred on 1 January 2021, the consolidated results for the year ended 31 December 2021 would have been as follows:

	Solarcity RM’000
Revenue	-
Net profit after tax	(55)
Other comprehensive income	-

Schedule VI: Additional Disclosures in Compliance with Main Market Listing Requirements

1. Operations review

Explanatory comments on the performance of each of the Group’s segments is provided in Note 8. of Schedule V.

2. Comment on material change in profit before taxation vs preceding quarter

	Current v Preceding Quarter		
	31/03/2021 RM’000	31/12/2020 RM’000	% chg
Revenue	1,146	2,766	(58.6%)
Adjusted EBITDA	(1,035)	(2,619)	60.5%
Profit/(Loss) before tax	118	(1,143)	>100%
Profit/(Loss) after tax	132	(356)	>100%
Profit/(Loss) attributable to ordinary equity holders of GCAP	270	(218)	>100%

Although lower revenue reported, the Group is pleased to report 1Q2021 with improved Adjusted EBITDA as compared to a loss of RM2.61 million in 4Q2020 resulted from effectiveness of cost cutting measures undertaken.

Loss before tax for 1Q2021 is RM118k (4Q2020: loss of RM1.14 million), mainly due to fair value loss on revaluation of investment held of RM3.43 million (4Q2020: gain of RM6.29 million). Whilst no impairment loss on goodwill and no ESOS expenses in Q1 2021, compared to RM5.54 million and RM1.05 million incurred in 4Q 2020 respectively.

3. Prospects for the financial year 2021 –

Federal Government of Malaysia exhausts all means in its continuous effort to strike a balance between Malaysia economies and curb the spread of COVID-19 pandemic with a series of Movement Control Order starting from 18 March 2020 to-date. While COVID-19 transmission is still to be managed, public awareness grows stronger and vaccines become available, we look forward for better prospects for 2021 compared to 2020 in term of business viability.

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Schedule VI: Additional Disclosures in Compliance with Main Market Listing Requirements (cont’d)

3.1 *Transportation division*

The Group welcomed announcement of Education Minister Mohd Radzi Md Jidin on 19 February 2021 that schools would be reopened in stages starting 1 March 2021. Resumption of suspended services shall contribute yearly revenue of approximately RM14.75 million.

To recap, the Group was awarded a new contract in January 2020 by the Ministry of Defence for a tenure of three (3) years ending 2022. We continued to expect the transportation division to play a smaller role in contributing to earnings growth in the future.

With recent surged of new cases of COVID-19 in Malaysia, Ministry of Education had announced the suspension of schooling from 6 May 2021 to 12 May 2021. We grief for the uprising COVID-19 cases and playing our parts to follow directives from the federal government.

3.2 *Mini hydropower division*

The Group remains committed to completing the construction of the mini hydropower projects in medium term, looking forward to commissioning more mini-hydro projects.

We remained thrilled with recent won on 14 December 2020 on SEDA bidding of our majority-owned by subsidiary, Gunung Hydropower Sdn Bhd, over 10MW low-head small hydropower project in Sungai Perak, Salu. With a higher tariff of RM0.2898/kwh, this 21-years contract worth RM413 million in total and will bring potential revenue of RM19.7 million a year.

This will contribute directly to the Group’s long term consolidated revenue, earnings, and enhance the Group’s earnings growth potential when it is successfully commission. A long-term stable income stream will also reduce the Group’s dependency on incomes solely from chartering land-based transportation assets. Under *51%-owned Perak Hydro Renewable Energy Corporation Sdn Bhd (“PHREC”), our small hydro portfolio includes 4 sites with an installed capacity of 32.25MW, at various stages of construction.

** On 15 April 2021, GCAP acquired remaining 15% of Pusaka Hijau Sdn. Bhd., the holding company of PHREC, consequently, the effective interest in PHREC became 60%.*

3.3 *Solarpower division*

On 5 February 2021, GCAP entered into a share subscription and joint venture arrangement with existing shareholders of Solarcity to subscribe 3,5000,000 new ordinary shares in Solarcity, representing 70% of the enlarged share capital of Solarcity for cash consideration of RM3.5 million. Through this subscription, the Group has strategically position itself to participate in solar energy projects.

As of date of this announcement, Solarcity has secured five (5) 25-years power purchase agreement (“PPA”) of 9.6 MW and in the midst of finalising PPA on letter of award bagged of at least 15 MW.

Management is confident that commissioning will be completing by 3Q2021 and start revenue recognition accordingly.

In addition to this division, management is continually formulating strategies and longer terms plans to maximize value to shareholders. This includes evaluating equity investment proposals, partnerships & joint venture proposals, generating earnings growth through acquisitions and earnings growth organically via unlocking the value of our existing assets, know-how and expertise.

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Schedule VI: Additional Disclosures in Compliance with Main Market Listing Requirements (cont’d)

4. Tax expense

The details of the tax expense (*) are as follows: -

	<i>Individual 1st Quarter</i>		<i>Cumulative 1st Quarter</i>	
	<i>31/03/2021</i>	<i>31/03/2020</i>	<i>31/03/2021</i>	<i>31/03/2020</i>
	<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>
Current	-	(771)	-	(771)
Deferred tax	14	-	14	-
	<u>14</u>	<u>(771)</u>	<u>14</u>	<u>(771)</u>

5. Status of corporate proposals

On 11 May 2021, GCAP announced proposals to undertake the following: -

- (i) proposed diversification of the existing core business of GCAP and its Subsidiaries (“GCAP Group” or the “Group”) to include the provision of energy solution (“Energy Solution Provider”) (“Proposed Diversification”);
- (ii) proposed establishment of a long-term incentive plan of up to 15.0% of the issued share capital of GCAP (excluding treasury shares, if any) at any point in time during the duration of the long-term incentive plan, for the eligible employees and directors of GCAP Group (excluding its dormant subsidiaries) who fulfil the eligibility criteria as set out in the by-laws of the long-term incentive plan (“Eligible Persons”) (“LTIP By-Laws”) (“Proposed LTIP”). The Proposed LTIP comprises the following: -
 - (a) proposed issuance of employees’ shares option to the Eligible Persons to subscribe for new ordinary shares in GCAP (“GCAP Share(s) or Share(s)”) at a pre-determined subscription price (“Proposed New ESOS”); and
 - (b) proposed executive share grant which would enable GCAP to award GCAP Shares to the Eligible Persons without any cash consideration payable (“Proposed ESGS”); and
- (iii) Proposed shareholders’ mandate for recurrent related party transactions of a revenue and/or trading nature (“RRPT”) (Proposed Shareholders’ Mandate”).

(Collectively referred to as the “Proposals”).

On 17 May 2021, GCAP has submitted the listing application in relation to the Proposals to the Bursa Malaysia Securities Berhad.

Save as disclosed above, there is no material development on the status of the Proposals as at the date of this announcement.

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Schedule VI: Additional Disclosures in Compliance with Main Market Listing Requirements (cont’d)

6. Group borrowings and debt securities

The details of the Group’s borrowings as at 31 March 2021 are as follows: -

As at 31 March 2021	Currency	Current	Non-Current	Total
Lease liabilities [^]	RM	75	130	205
Project financing term loan [#]	RM	329	1,670	1,999
		404	1,800	2,204

As at 31 December 2020	Currency	Current	Non-Current	Total
Lease liabilities [^]	RM	96	140	236
Project financing term loan [#]	RM	324	1,755	2,079
		420	1,895	2,315

[^]No material changes in borrowings year-on-year. Borrowing consists of hire purchase facilities for vehicles under the Group. Borrowing costs of hire purchase obligations range from 2.47%-2.89%.

[#] Financing of the development of a mini-hydro site. Borrowing cost from the financial institution is 7.85% pa. less a 2% interest subsidy from Green Technology Financing Scheme Fund (net 5.85%).

7. Material litigation, claims or arbitration

GCAP Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and the Board does not have any knowledge of any proceedings pending or threatened against GCAP Group, or of any fact likely to give rise to any proceedings, which might materially affect the Group’s business or financial results or position, save and except the following: -

- (a) On 9 March 2021, GPB Corporation Sdn. Bhd (“GPB”), a subsidiary company of GCAP, had filed a suit against Markas Logistik Tentera Darat (“First Defendant”), Markas Angkatan Tentera Malaysia (“Second Defendant”), Kementerian Pertahanan Malaysia (“Third Defendant”), Kementerian Kewangan Malaysia (“Fourth Defendant”) and Kerajaan Malaysia (“Fifth Defendant”) (collectively, the “Defendants”) at the High Court of Kuala Lumpur (“KL High Court”) to claim for, inter alia, the principal amount of RM1,242,000.00 owing by the Defendants to GPB. The said matter was scheduled for a case management on 25 May 2021 to be held by means of e-review.
- (b) On 9 March 2021, GPB had filed a suit against Jabatan Latihan Khidmat Negara (“First Defendant”), Kementerian Pertahanan Malaysia (“Second Defendant”), Kementerian Belia dan Sukan Malaysia (“Third Defendant”), Kementerian Kewangan Malaysia (“Fourth Defendant”) and Kerajaan Malaysia (“Fifth Defendant”) (collectively, the “Defendants”) at the High Court of Kuala Lumpur (“KL High Court”) to claim for, inter alia, the principal amount of RM4,979,003.10. The matter was scheduled for a case management on 10 June 2021 to be held by means of e-review.

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Schedule VI : Additional Disclosures in Compliance with Main Market Listing Requirements (cont’d)

7. Material litigation, claims or arbitration (Cont’d)

- (c) On 25 April 2018, Wak Ngah Pili A/P Bah Adim and 35 other individuals (collectively, the “Plaintiffs”) had filed a suit against PHREC (“First Defendant”), Conso Hydro R E Sdn Bhd (“CHRE”) (“Second Defendant”), Kerajaan Negeri Perak, Ketua Pengarah Jabatan Kemajuan Orang Asli, Pengarah Tanah dan Galian Perak and Kerajaan Malaysia (collectively, the “Defendants”) at the High Court of Ipoh, Perak (“Ipoh High Court”), to seek for, inter alia, a declaration that the Plaintiffs are the proprietors of native customary titles over the land identified as ‘Ulu Geruntum’ (“Customary Land”).

Both PHREC and CHRE are subsidiary companies of GCAP.

While trial on the case to be continued on 28 June 2021, on 28 April 2021, an interim injunction order was granted in favour of the Plaintiffs whereby the First Defendant and Second Defendant and/or their agents shall be restrained from carrying on any works (including but not limited to construction works and land reclamation works) over the Customary Land.

On 6 May 2021, the First Defendant had filed a notice of appeal at the Court of Appeal, Kuala Lumpur (“Court of Appeal”) appealing against the said interim injunction. As at the date of announcement, no case management date had been fixed for the appeal.

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Schedule VI: Additional Disclosures in Compliance with Main Market Listing Requirements (cont’d)

8. Proposed Dividend

No dividend has been proposed by the Board of Directors for the current financial period under review.

9. Basis of calculation of earnings/loss per share (“EPS”)

- (a) The basic EPS for the current quarter was computed by dividing the Group profit attributable to shareholders of GCAP by the weighted average number of ordinary shares in issue (net of treasury shares).

	Current Quarter	Current YTD
Group attributable profit/(loss) to shareholders of GCAP (RM’000)	270	270
Weighted average issued capital net of treasury shares (‘000)	307,851	307,851
Earnings per share (Sen)	0.09	0.09

- (b) The diluted EPS for the current quarter was computed by dividing the Group profit attributable to shareholders, adjusted for the dilutive effects of the conversion of all the outstanding ESOS of GCAP into ordinary shares.

	Current Quarter	Current YTD
Group attributable profit/(loss) to shareholders of GCAP (RM’000)	270	270
Weighted average issued capital net of treasury shares (‘000)	307,851	307,851
Adjustment for ESOS conversion into ordinary shares (‘000)	12,840	12,840
Adjusted weighted average issued capital net of treasury shares (‘000)	320,691	320,691
Earnings/(Loss) per share (Sen)	0.08	0.08

10. Notes to the Condensed Consolidated Statement of Comprehensive Income

PBT is arrived at after charging/(crediting) the following items:

RM’000	<i>Individual 1st Quarter</i>		<i>Cumulative 1stth Quarter</i>	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
(i) Interest Income	(53)	(4)	(53)	(4)
(ii) Interest expense	22	32	22	32
(iii) Interest expense – lease liabilities	4	-	4	-
(iv) Depreciation and amortisation	98	60	98	60
(v) Fair value gains/(losses) on equity instruments through profit or loss	3,425	-	3,425	-
(vi) Bargain purchase	(4,680)	-	(4,680)	-
(vii) Gain/(loss) on disposal of investments	28	(279)	28	(279)
(viii) Impairment of trade receivables	1	-	1	-

Schedule VI: Additional Disclosures in Compliance with Main Market Listing Requirements (cont’d)

11. Additional Disclosure Information

Trade Receivables

The credit terms of trade receivables granted to related parties are no different from those granted to non-related parties which are between 45-60 days. There were no overdue trade receivables of the Group as at 31 March 2021 arising from our Government customer. A trade receivable is deemed past due when the counter party has failed to make payment when the outstanding amount are contractually due.

Aged analysis of trade receivables past due but not impaired:

RM'000	<30 days	31-60 days	61-90 days	91-180 days	>180 days	Total
31/03/2021	-	-	-	-	11	11
31/12/2020	-	-	-	-	11	11

The past due trade receivables above 90 days are collectable. The Movement Control implemented by the Federal Government of Malaysia in response to the COVID-19 pandemic on 18 March 2020, hampered efforts to collect trade receivables.

A full impairment of RM6.2 million was recognised in FY2019 on overdue trade receivables from the Ministry of Defense (“Mindef”). Management is attempting for debts recovery via legal recourse as highlighted in Note 7 (a) and Note 7 (b) of Schedule VI. Upon successful debts recovery, management will reverse out the impairment provided.

Other receivables

Of the RM9.0 million current assets - other receivables, RM2.91 mil are receivable from the sale of fully-depreciated buses (assets) to a third party in prior year.

Foreign exchange exposure/ hedging policy

The company does not have any hedging policy or long-term foreign exchange exposure. The Company has minimal one-off foreign exchange exposure to USD when purchasing spare parts for its fleet of transportation assets, and purchases of mechanical and electrical equipment for selected small hydropower projects (EUR and USD). As at 31 March 2021, there is no contingent liability exposure to foreign exchange movements.

Material impairment of assets

Save for as disclosed in Note 10 of Schedule VI, there is no other material impairment on assets was made during the financial period under review.