

For immediate release

## QUARTERLY FINANCIAL REPORT

Quarter 2: Financial Year Ending 31 December 2021

The Directors are pleased to release the quarterly financial report for the six-months ended 30 June 2021, being the second 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 31<sup>st</sup> 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  
26 August 2021

Schedule I: Condensed Consolidated Statement of Comprehensive Income  
For the 2nd quarter ended 30 June 2021

	Individual 2 <sup>nd</sup> Quarter			Cumulative 2 <sup>nd</sup> Quarter		
	30/06/2021 RM'000	30/06/2020 RM'000	% chg	30/06/21 RM'000	30/06/20 RM'000	% chg
<b>Revenue</b>	2,962	-	100%	4,108	4,245	(3.2%)
Other direct costs	(2,767)	-	(>100%)	(3,838)	(3,366)	(14.0%)
Employment expenses	(939)	(548)	(71.4%)	(1,512)	(1,592)	5.0%
Premises and infrastructure expenses	(29)	(88)	67.0%	(58)	(208)	72.1%
Administrative expenses	(925)	(262)	(>100%)	(1,423)	(515)	(>100%)
Other income/(expenses)	(11)	(18)	38.9%	(21)	3,060	(>100%)
<b>Adjusted EBITDA</b>	<b>(1,709)</b>	<b>(916)</b>	<b>(86.6%)</b>	<b>(2,744)</b>	<b>1,624</b>	<b>(&gt;100%)</b>
Foreign exchange gains/(losses)	-	-		(3)	-	
Dividend income	-	24		-	24	
Fair value gains/(losses) on equity instruments through profit or loss	(5,895)	1,089		(9,320)	1,089	
Bargain purchase	7,988	-		12,668	-	
Gain/(loss) on disposal of investments	178	391		150	670	
Government grant	-	16		-	16	
Depreciation and amortisation	(366)	(38)		(464)	(98)	
Interest income	72	6		125	10	
Interest expense	(24)	-		(46)	(32)	
Interest expense – lease liabilities	(4)	-		(8)	-	
<b>Profit/(loss) before tax</b>	<b>240</b>	<b>572</b>	<b>(58.0%)</b>	<b>358</b>	<b>3,303</b>	<b>(89.2%)</b>
Taxation	79	-		93	(771)	
<b>Net profit/(loss) after tax</b>	<b>319</b>	<b>572</b>	<b>(44.2%)</b>	<b>451</b>	<b>2,532</b>	<b>(82.2%)</b>
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>						
Exchange differences on translation of foreign operations	-	-		7	-	
Other comprehensive income for the period, net of tax	-	-		7	-	
<b>Total comprehensive income for the financial period</b>	<b>319</b>	<b>572</b>	<b>(44.2%)</b>	<b>458</b>	<b>2,532</b>	<b>(81.9%)</b>
<b>Profit/(Loss) for the financial period attributable to:</b>						
Owners of GCAP	528	658	(19.8%)	798	2,747	(71.0%)
Non-controlling interests	(209)	(86)		(347)	(215)	
	<b>319</b>	<b>572</b>		<b>451</b>	<b>2,532</b>	
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of GCAP	528	658	(19.8%)	805	2,747	(70.7%)
Non-controlling interests	(209)	(86)		(347)	(215)	
	<b>319</b>	<b>572</b>		<b>458</b>	<b>2,532</b>	
<b>Earnings/(Loss) per share (“EPS”):</b>						
Basic EPS (sen)	0.17	0.27		0.26	1.14	
Diluted EPS (sen)	0.16	0.26		0.25	1.10	

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 30 June 2021

	30/06/2021 RM'000	Audited 31/12/2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,311	21,284
Rights-of-use assets	112	72
Other intangible assets	23,481	-
Other investments	5,040	5,040
Other receivables	1,150	1,395
Goodwill on consolidation	15,479	15,479
	<u>82,573</u>	<u>43,270</u>
<b>Current assets</b>		
Other investments	35,678	44,195
Trade receivables	8	11
Other receivables	7,884	8,669
Tax recoverable	1,184	1,112
Cash and cash equivalents	19,355	31,533
	<u>64,109</u>	<u>85,520</u>
<b>Total assets</b>	<u>146,682</u>	<u>128,790</u>
<b>EQUITY</b>		
Share capital	130,964	123,914
Reserves	(5,981)	(3,471)
Accumulated losses	(152)	(950)
Equity attributable to owners of GCAP	<u>124,831</u>	<u>119,493</u>
Non-controlling interests	8,306	1,582
<b>Total equity</b>	<u>133,137</u>	<u>121,075</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	1,583	1,755
Lease liabilities	108	140
Other payables	1,264	1,264
Deferred tax liabilities	5,647	11
	<u>8,602</u>	<u>3,170</u>
<b>Current liabilities</b>		
Borrowings	334	324
Lease liabilities	149	96
Amount due to corporate shareholders	2,507	2,266
Trade payables	-	24
Other payables	1,953	1,835
Tax payable	-	-
	<u>4,943</u>	<u>4,545</u>
<b>Total liabilities</b>	<u>13,545</u>	<u>7,715</u>
<b>Total equity and liabilities</b>	<u>146,682</u>	<u>128,790</u>
<b>Net assets per share (Sen)</b>	<u>41.5</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 six months ended 30 June 2021**

	Cumulative 2 <sup>nd</sup> Quarter	
	30/06/2021	30/06/2020
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	358	3,303
Adjustments for:		
Bargain purchase	(12,668)	-
Depreciation and amortisation	464	98
Dividend income	-	(24)
Fair value loss/(gain) on equity investments	9,320	(1,089)
Loss/(Gain) on disposal of:		
- Investments	(150)	(670)
- Property, plant and equipment	-	(3,120)
Government grant	-	(16)
Interest income	(125)	(10)
Interest expense on:		
- Borrowing	46	32
- Lease liabilities	8	-
Operating loss before working capital changes	(2,747)	(1,496)
Changes in working capital:		
Inventories	-	413
Trade and other receivables	2,738	3,288
Trade and other payables	82	1,093
Cash generated from operations	73	3,298
Interest paid	(54)	(32)
Interest received	125	10
Tax paid	(72)	(401)
Net cash from operating activities	72	2,875

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**Schedule III: Condensed Consolidated Statement of Cash Flows**

For the six months ended 30 June 2021

	<b>Cumulative 2<sup>nd</sup> Quarter</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Acquisitions of:		
- Property, plant and equipment	(16,060)	(751)
- Short-term other investments	(3,809)	(13,511)
Dividend received	-	24
Cash acquired on acquisition of subsidiary	3,502	-
Payment for acquisition of subsidiary	(3,500)	-
Payment for stepped-acquisition of a subsidiary	(1,500)	-
Proceeds from disposals of:		
- Property, plant and equipment	-	3,178
- Short term other investment	3,154	18,667
Net cash (used in)/from investing activities	(18,213)	7,607
<b>Cash flows from financing activities</b>		
Government grant received	-	16
Repayment of borrowings	(161)	(73)
(Repayments to)/advances from a corporate shareholder	7	-
Proceeds from issuance of shares	6,150	2,317
Repayment of lease liabilities	(62)	(9)
Transactions with other non-controlling interests	25	-
Net cash generated from financing activities	5,959	2,251
<b>Net (decrease)/increase in cash and cash equivalents</b>	(12,182)	12,733
<b>Cash and cash equivalents at beginning of period</b>	31,533	23,352
Effects of exchange rate changes on cash and cash equivalents	4	-
<b>Cash and cash equivalents at end of period</b>	19,355	36,085
<u>Comprising of:</u>		
Cash and bank	10,249	36,040
Fixed deposits with financial institutions	9,106	45
<b>Cash &amp; cash equivalents at end of period</b>	19,355	36,085

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 six months ended 30 June 2021

	Share capital RM	Reserves RM	Retained earnings/ (Accumulated losses) RM	Subtotal RM	Non-controlling interest RM	Total equity RM
At 1 January 2020	94,478	(1,965)	(3,654)	88,859	2,082	90,941
Total comprehensive income/(loss)	-	-	2,747	2,747	(215)	2,532
Shares issued	2,735	(418)	-	2,317	-	2,317
At 30 June 2020	97,213	(2,383)	(907)	93,923	1,867	95,790
At 1 January 2021	123,914	(3,471)	(950)	119,493	1,582	121,075
Total comprehensive income/(loss)	-	7	798	805	(347)	458
Acquisition of subsidiary	-	-	-	-	6,929	6,929
Shares issued	7,050	(900)	-	6,150	-	6,150
Changes in shareholding in subsidiaries	-	(1,617)	-	(1,617)	142	(1,475)
At 31 March 2021	130,964	(5,981)	(152)	124,831	8,306	133,137

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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 Defense 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 Defense service-contract. As of date of this announcement, schooling is yet 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 15,000,000 ordinary shares had been issued pursuant to the exercised of ESOS, increased the paid-up capital by RM7.05 million.

As at 30 June 2021, all ESOS granted has been exercised.

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>Cummulative Current v Corresponding Quarter</i>		
	<b>30/06/2021</b> RM'000	<b>31/03/2021</b> RM'000	<b>% chg</b>	<b>30/06/2021</b> RM'000	<b>30/06/2020</b> RM'000	<b>% chg</b>
<b>Revenue</b>						
Transportation	2,962	1,146	>100%	4,108	4,245	(3.2%)
Hydropower	-	-	-	-	-	-
Solarpower	-	-	-	-	-	-
Investment holding and others	7	7	-	14	7	100.0%
	<u>2,969</u>	<u>1,153</u>	<u>&gt;100%</u>	<u>4,122</u>	<u>4,252</u>	<u>(3.1%)</u>
Intersegment adjustment	(7)	(7)	-	(14)	(7)	-
Group revenue	<u>2,962</u>	<u>1,146</u>	<u>&gt;100%</u>	<u>4,108</u>	<u>4,245</u>	<u>(3.2%)</u>
<b>Adjusted EBITDA</b>						
Transportation	23	(129)	>100%	(106)	3,239	(>100%)
Hydropower	(269)	(240)	(12.1%)	(509)	(404)	26.0%
Solarpower	(61)	(11)	(>100%)	(72)	-	nm
Investment holding and others	(1,402)	(655)	(>100%)	(2,057)	(1,211)	(69.9%)
	<u>(1,709)</u>	<u>(1,035)</u>	<u>(65.1%)</u>	<u>(2,744)</u>	<u>1,624</u>	<u>(&gt;100%)</u>
Intersegment adjustment	-	-	-	-	-	-
Group Adjusted EBITDA	<u>(1,709)</u>	<u>(1,035)</u>	<u>(65.1%)</u>	<u>(2,744)</u>	<u>1,624</u>	<u>(&gt;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>		
	<b>30/06/2021</b>	<b>31/03/2021</b>	<b>% chg</b>	<b>31/06/2021</b>	<b>31/12/2020</b>	<b>% chg</b>
	<b>RM’000</b>	<b>RM’000</b>		<b>RM’000</b>	<b>RM’000</b>	
<b><u>Total Assets</u></b>						
Transportation	10,431	19,553	(46.7%)	10,431	19,087	(45.4%)
Hydropower	46,846	41,874	11.9%	46,846	41,794	12.1%
Solarpower	38,017	13,763	>100%	38,017	-	100%
Investment holding and others	113,702	113,818	(0.1%)	113,702	117,388	(3.1%)
	208,996	189,008	10.6%	208,996	178,269	17.2%
Intersegment adjustment	(62,314)	(52,401)	(18.9%)	(62,314)	(49,479)	(25.9%)
Group Assets	146,682	136,607	7.4%	146,682	128,790	13.9%
<b><u>Total Liabilities</u></b>						
Transportation	72	1,110	(93.5%)	72	411	(82.5%)
Hydropower	33,603	29,018	15.8%	33,603	28,657	17.3%
Solarpower	15,287	2,132	>100%	15,287	-	nm
Investment holding and others	26,897	30,798	(12.7%)	26,897	28,126	(4.4%)
	75,859	63,058	20.3%	75,859	57,194	32.6%
Intersegment adjustment	(62,314)	(52,401)	(18.9%)	(62,314)	(49,479)	(25.9%)
Group Liabilities	13,545	10,657	27.1%	13,545	7,715	75.6%

**Current Quarter vs Previous Quarter**

For 2Q2021 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 all the divisions, except for transportation, mainly attributable to the costs of in-house engineers, administration expenses, and costs of procuring necessary approvals from the relevant State Government authorities. This will continue as we develop the mini hydro division further. In addition, 2Q2021 with wider Adjusted EBITDA loss when GCAP group incurred higher legal and professional fee due to corporate proposals for diversification of core business to include provision of energy solution, long-term incentive plan and recurring related party transactions

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. On the other hand, the Group will be consolidating revenue and earnings for completed sites owned by subsidiary companies, including Gunung Hydropower Sdn Bhd,

Total assets of mini-hydro development increased in connection with the capitalisation of preliminary cost for new river schemes. The Group participated in June for year 2021 Sustainable Energy Development Authority (“SEDA”) e-bidding for small hydro quota (“e-Bidding”); of which the result of e-bidding is expected to be released by 4Q2021.

As the Solar PV projects progressing near completion, higher capital expenditures are recorded in Solarpower division.

Liabilities continue to be well managed, and relatively low at only 9.2% and 7.8% of total assets in 2Q2021 and 1Q2021 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  
Acquisition of Solarcity Malaysia Sdn. Bhd. (“Solarcity”) occurred in 1Q2021 as disclosed in Note 16 to Schedule V.

On 15 April 2021, the Group has assumed full ownership of Pusaka Hijau Sdn Bhd from 85% after cash payment of RM1.50 million. Consequently, there are some changes to effective interest to subsidiary companies as detailed below, in addition to increase to equity interest in associated companies.

	Effective interest Post-change %
Pusaka Hijau Sdn Bhd	100.00%
Perak Hydro Renewable Energy Corporation Sdn Bhd	60.00%
Gunung Hydropower Sdn Bhd	96.00%
Conso Hydro R E Sdn Bhd	51.00%
Kundur Hydro R E Sdn. Bhd.	74.64%

On 23 June 2021, the Group entered into a 50:50 joint venture and shareholders agreement with Worldwide Energy Development Sdn. Bhd. in respect of joint participation in the e-bidding via Cekap Hydropower Sdn Bhd.

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

	30/06/2021 RM'000
<b>Capital Expenditure Commitments (mini-hydro)</b>	
Contracted but not provided for	13,580

15. Significant related party transactions

	30/06/2021 RM'000	30/06/2020 RM'000
Company connected to a director of a subsidiary		
- Transportation service	3,838	2,934

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

16. Business Combination

On 5 February 2021, GCAP subscribed 3,500,000 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.

A bargain purchase of RM12.67 million has been recognized (RM4.68 million in 1Q2021 and RM7.99 million in 2Q2021) when purchase consideration is less than the fair value of net assets acquired. The effects of the acquisition of Solarcity as at the date of acquisition is as follows:

	<b>Solarcity RM'000</b>
<b>Fair value of net assets acquired</b>	
Cash and cash equivalents	3,502
Intangible assets acquired – Contract assets	23,869
Deferred tax liabilities on fair value of intangible assets acquired	(5,729)
Trade and other receivables	1,540
Trade and other payables	(85)
	23,097
Less: Non-controlling interest’s share of net assets	(6,929)
	16,168
<b>Less: Fair value of consideration transferred</b>	<b>(3,500)</b>
Bargain purchase	12,668

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:

	<b>Solarcity RM'000</b>
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 period of:

	<b>Solarcity RM'000</b>
Revenue	-
Net profit after tax	(72)
Other comprehensive income	-

If the acquisition had occurred on 1 January 2021, the consolidated results for the period would have been as follows:

	<b>Solarcity RM'000</b>
Revenue	-
Net profit after tax	(74)
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		
	30/06/2021 RM’000	31/03/2021 RM’000	% chg
Revenue	2,962	1,146	>100%
Adjusted EBITDA	(1,709)	(1,035)	(65.1%)
Profit/(Loss) before tax	240	118	>100%
Profit/(Loss) after tax	319	132	>100%
Profit/(Loss) attributable to ordinary equity holders of GCAP	528	270	95.6%

The Group is reporting a higher Adjusted EBITDA loss of RM1.71 million in 2Q2021 as compared to an Adjusted EBITDA loss of RM1.03 million in 1Q2021 due to higher legal and professional fee for corporate proposals to diversification of core business to include provision of energy solution, long-term incentive plan and recurring related party transactions.

Despite with higher fair value loss on revaluation of investment held of RM5.90 million, 2Q2021 able to achieve profit before tax of RM240K (1Q2021: profit of RM118K), mainly attributed to the adjustment to bargain purchase from acquisition of Solarcity amounting to RM7.99 million and gain on disposal of investment of RM178K.

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.

On 15 June 2021, the Government addressed the completion of nationwide lockdown from 1 June 2021 to 14 June 2021 and announced Malaysia will be implementing a National Recovery Plan (“NRP”) that will be divided into 4 phases. A state will enter Phase 2 of the NRP when the average daily cases fall below 4000 and 10% of the population has received two COVID-19 vaccination doses. The Government is predicting that Phase 4 of the NRP (whereby all economic sectors will be allowed to reopen) will be able to be implemented in November and December 2021.

As of date of announcement, more and more economy sectors are allowed to operate under the NRP. As of 15 August 2021, 5 states and 2 federal territories are in Phase 1 of NRP, being, Selangor, Kedah, Negeri Sembilan, Melaka, Johor, Kuala Lumpur and Putrajaya. On the same day, Klang Valley, the epicentre of the Covid-19 outbreak in Malaysia, has seen its first-dose vaccinations against the coronavirus exceed the 100 per cent mark. The vaccination rate for the first dose had reached 104.2 per cent, while 64.7 per cent of Klang Valley’s adult population have received their second dose.

While COVID-19 transmission is still to be managed, growing public awareness and improving vaccination rates show the silver lining in the cloud. We remained optimistic 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*

On 15 August 2021, Education Minister Mohd Radzi Md Jidin announced that reopening of schools postponed to 3 October 2021 for states that are in phase 2, 3 and 4 of NRP, a revision from 1 September 2021 originally set. Deferment was done to make way for vaccination to school children.

This was after a record high of 21,468 new confirmed cases of COVID-19 taken place on 13 August 2021. We grieve for the uprising COVID-19 cases and playing our parts to follow directives from the federal government.

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. Resumption of suspended services shall contribute yearly revenue of approximately RM14.75 million.

### 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 15 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. Subsequently on 12 August 2021, we signed the REPPA (“Renewable Energy Power Purchase Agreement”) with TNB.

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 60%-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.

The Group has participated in June for year 2021 SEDA e-Bidding for small hydro quota and remain optimistic towards receiving the e-bidding result by 4Q2021.

### 3.3 *Solarpower division*

As of date of this announcement, Solarcity has secured six (6) 25-years power purchase agreement (“PPA”) of 16.6 MW and in the midst of finalising PPA on letter of award bagged of at least 14 MW.

Nationwide lockdown from 1 June 2021 to 14 June 2021 has caught everyone, including GCAP, by surprise and, disrupted progresses to projects. Nonetheless, the Group has made necessary resources allocation to mitigate the time lost. Management is confident that commissioning of the first Solar PV plant will be completing by early 4Q2021 and start contribute to revenue 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: -

	Individual 1st Quarter		Cumulative 1st Quarter	
	31/03/2021 RM’000	31/03/2020 RM’000	31/03/2021 RM’000	31/03/2020 RM’000
Current	-	-	-	(771)
Deferred tax	79	-	93	-
	<u>79</u>	<u>-</u>	<u>93</u>	<u>(771)</u>

5. Status of corporate proposals

5.1 *Proposals on business diversification, long-term incentive plan*

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”).

GCAP’s shareholders have provided their mandates to the Proposals via extraordinary general meeting was held on 30 June 2021. The Proposals have been completed with GCAP effectively implement the LTIP on 23 July 2021.

5.2 *Proposed Rights Issue*

On 13 July 2021, GCAP announced that the Company is proposing to undertake a proposed renounceable rights issue of up to RM102,621,111 nominal value of 1,282,763,884 five (5)-year, 5.0%, redeemable convertible unsecured loan stocks (“RCULS”) at 100% of its nominal value of RM0.08 each, on the basis of four (4) RCULS for every one (1) existing ordinary share in GCAP held on an entitlement date to be determined later.

As at the date of this announcement, GCAP is in the midst of applying necessary approval from Bursa Malaysia Securities Berhad and Securities Commission Malaysia to proceed with issuance circular to shareholders and setting extraordinary general meeting to procure shareholders’ mandate.

Save as disclosed above, there is no material development on the status of the corporate proposals.



**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 30 June 2021 are as follows: -

As at 30 June 2021	Currency	Current	Non-Current	Total
Lease liabilities <sup>^</sup>	RM	149	108	257
Project financing term loan <sup>#</sup>	RM	334	1,583	1,917
		<u>483</u>	<u>1,691</u>	<u>2,174</u>

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

<sup>^</sup>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%.

<sup>#</sup> 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 court via e-review held on 17 June 2021 indicated to give further directions on trial dates and pre-trial case management compliance on 13 July 2021.

The First Defendant and the Second Defendant are the agencies and/or departments formed by the Third Defendant whereas the Third Defendant and the Fourth Defendant are ministries under the Fifth Defendant.

The above suit was filed by GPB against the Defendants to recover the Principal Outstanding Sum 1 and such other costs arising therefrom as aforementioned. The First Defendant had agreed to engage GPB in relation to the provision of bus rental service for the voters the Second Defendant for the period commencing from 4 May 2018 until 6 September 2018.

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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)

(a) (Cont'd)

Following the Court's direction as given during the case management held on 14 July 2021, the following instructions have been given: -

- (a) for GBP and the Defendants (collectively known as "Parties") to file a summary case on 13 December 2021 and for a case management to be held before the Learned Judge;
- (b) for GBP to file their Bundle of Pleadings, common bundle of documents and list of witnesses on or before 11 May 2022;
- (c) for the Parties to file the issues to be tried and statement of agreed facts on or before 11 July 2021; and
- (d) for the Parties to file the witness statements on or before 29 August 2022.

The Court has fixed the next e-review to be on 13 October 2021 for the Parties to update the Court on the case progress and the trial dates has been fixed to be 6 to 9 September 2022.

- (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 11 October 2021 to be held by means of e-review. Trials are fixed on 22 August 2022 to 24 August 2022.
- (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)	528	798
Weighted average issued capital net of treasury shares ('000)	309,798	309,798
Earnings per share (Sen)	0.17	0.26

- (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)	528	798
Weighted average issued capital net of treasury shares ('000)	309,798	309,798
Adjustment for ESOS conversion into ordinary shares ('000)	10,893	10,893
Adjusted weighted average issued capital net of treasury shares ('000)	320,691	320,691
Earnings/(Loss) per share (Sen)	0.16	0.25

10. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

RM'000	<i>Individual 2<sup>nd</sup> Quarter</i>		<i>Cumulative 2<sup>nd</sup> Quarter</i>	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
(i) Interest Income	(72)	(6)	(125)	(10)
(ii) Interest expense	24	-	46	32
(iii) Interest expense – lease liabilities	4	-	8	-
(iv) Depreciation and amortisation	366	38	464	98
(v) Fair value gains/(losses) on equity instruments through profit or loss	5,895	(1,089)	9,320	(1,089)
(vi) Bargain purchase	(7,988)	-	(12,668)	-
(vii) Gain/(loss) on disposal of investments	(178)	(391)	(150)	(670)
(viii) Impairment of trade receivables	1	-	1	-
(ix) Government grant	-	(16)	-	(16)

**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 30 June 2021 arising from our 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
30/06/2021	3	-	-	-	5	8
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 RM7.4 million current assets - other receivables, RM2.52 mil is 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 30 June 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.