

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 4: Financial Year Ended 31 December 2022

The Directors are pleased to release the quarterly financial report for the twelve-months ended 31 December 2022, being the fourth quarter for the financial year ended 31 December 2022.

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 December 2021:

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 February 2023

Schedule I: Condensed Consolidated Statement of Comprehensive Income
For the 4th quarter ended 31 December 2022

	Individual 4 th Quarter			Cumulative 4 th Quarter		
	31/12/2022 RM'000	31/12/2021 RM'000	% chg	31/12/2022 RM'000	31/12/2021 RM'000	% chg
Revenue	7,304	3,373	>100%	26,875	7,497	>100%
Other direct costs	(6,310)	(3,068)	(>100%)	(21,903)	(6,907)	(>100%)
Employment expenses	(1,446)	(921)	(57.0%)	(4,686)	(3,402)	(37.7%)
Premises and infrastructure expenses	(56)	(22)	(>100%)	(166)	(107)	(55.1%)
Administrative expenses	536	(1,369)	>100%	(731)	(4,412)	83.4%
(Impairment)/ reversal of impairment on receivables	(48)	1,242	(>100%)	(48)	1,242	(>100%)
Property, plant and equipment written off	(233)	-	(100%)	(233)	-	(100%)
Other income/(expenses)	(63)	(12)	(>100%)	(170)	(34)	(>100%)
Adjusted EBITDA	(316)	(777)	59.3%	(1,062)	(6,123)	82.7%
Foreign exchange gains/(losses)	(4)	-		4	(2)	
Fair value gains/(losses) on equity instruments through profit or loss	(395)	(533)		(11,250)	(5,978)	
Bargain purchase	-	-		58	12,668	
Gain/(loss) on disposal of investments	(3)	855		347	279	
Impairment loss on goodwill	(4,425)	-		(4,425)	-	
Depreciation and amortisation	(898)	504		(3,525)	(236)	
Interest income	52	(163)		62	224	
Interest expense	(476)	174		(1,101)	(92)	
Interest expense – lease liabilities	(5)	(4)		(15)	(16)	
Effect of discounting: other receivables	-	-		219	(109)	
Effect of discounting: other payables	(7)	(28)		(102)	(121)	
Share of loss from a joint venture	(1)	(2)		(3)	(2)	
Profit/(loss) before tax	(6,478)	26	(>100%)	(20,793)	492	(>100%)
Taxation	265	(250)		346	(117)	
Net profit/(loss) after tax	(6,213)	(224)	(>100%)	(20,447)	375	(>100%)
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	5	-		(3)	7	
Items that will not be reclassified subsequently to profit or loss						
Fair value changes on equity investments at FVOCI	(2,215)	(394)		(2,215)	(394)	
Other comprehensive income for the period, net of tax	(2,210)	(394)		(2,218)	(387)	
Total comprehensive income for the financial period	(8,423)	(618)	(>100%)	(22,665)	(12)	(>100%)

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Schedule I: Condensed Consolidated Statement of Comprehensive Income
 For the 4th quarter ended 31 December 2022 (cont'd)

	Individual 4 th Quarter			Cumulative 4 th Quarter		
	31/12/2022 RM'000	31/12/2021 RM'000	% chg	31/12/2022 RM'000	31/12/2021 RM'000	% chg
Profit/(Loss) for the financial period attributable to:						
Owners of GCAP	(5,559)	(90)	(>100%)	(18,676)	1,231	(>100%)
Non-controlling interests	(654)	(134)		(1,771)	(856)	
	<u>(6,213)</u>	<u>(224)</u>		<u>(20,447)</u>	<u>375</u>	
Total comprehensive income/(loss) attributable to:						
Owners of GCAP	(6,883)	(327)	(>100%)	(20,008)	1,001	(>100%)
Non-controlling interests	(1,540)	(291)		(2,657)	(1,013)	
	<u>(8,423)</u>	<u>(618)</u>		<u>(22,665)</u>	<u>(12)</u>	
Earnings/(Loss) per share (“EPS”):						
Basic EPS (sen)	<u>(1.73)</u>	<u>(0.03)</u>		<u>(5.82)</u>	<u>0.39</u>	
Diluted EPS (sen)	<u>(1.73)</u>	<u>(0.03)</u>		<u>(5.82)</u>	<u>0.38</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 2021.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Schedule II: Condensed Consolidated Statement of Financial Position
As at 31 December 2022**

	31/12/2022 RM'000	Audited 31/12/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	95,590	58,595
Rights-of-use assets	72	69
Other intangible assets	22,994	23,822
Investment in a joint venture company	20	23
Other investments	2,431	4,646
Other receivables	977	345
Goodwill on consolidation	11,054	15,479
	<u>133,138</u>	<u>102,979</u>
Current assets		
Other investments	17,840	41,013
Trade receivables	4,855	1,353
Other receivables	6,684	12,734
Amount due from a joint venture company	125	125
Tax recoverable	1,447	1,265
Term deposits	570	5,200
Cash and cash equivalents	15,955	6,403
	<u>47,476</u>	<u>68,093</u>
Total assets	<u>180,614</u>	<u>171,072</u>
EQUITY		
Share capital	130,964	130,964
Reserves	(7,559)	(6,224)
Accumulated losses	(18,396)	280
Equity attributable to owners of GCAP	105,009	125,020
Non-controlling interests	5,701	7,621
Total equity	<u>110,710</u>	<u>132,641</u>
LIABILITIES		
Non-current liabilities		
Borrowings	41,943	16,998
Lease liabilities	186	100
Other payables	917	1,104
Deferred tax liabilities	5,395	5,756
	<u>48,441</u>	<u>23,958</u>
Current liabilities		
Borrowings	3,040	4,132
Lease liabilities	119	97
Amount due to corporate shareholders	2,560	2,266
Trade payables	12,754	3,351
Other payables	2,990	4,627
	<u>21,463</u>	<u>14,473</u>
Total liabilities	<u>69,904</u>	<u>38,431</u>
Total equity and liabilities	<u>180,614</u>	<u>171,072</u>
Net assets per share (Sen)	<u>34.5</u>	<u>41.4</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 2021.

Schedule III: Condensed Consolidated Statement of Cash Flows
For the twelve months ended 31 December 2022

	Cumulative 4 th Quarter	
	31/12/2022	31/12/2021
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/profit before tax	(20,793)	492
Adjustments for:		
Bargain purchase	(58)	(12,668)
Depreciation and amortisation	3,525	236
Effect of discounting on other receivables	(219)	109
Effect of discounting on other payables	102	121
Fair value loss on equity investments	11,250	5,978
Gain on disposal of investments	(347)	(279)
Impairment/ (Reversal of impairment) on:		
- Goodwill	4,425	-
- Trade receivables	3	(1,242)
- Other receivables	45	-
Interest income	(62)	(224)
Interest expense on:		
- Borrowing	1,101	92
- Lease liabilities	15	16
Property, plant & equipment written off	233	-
Share of loss from a joint venture	3	2
Operating loss before working capital changes	(777)	(7,367)
Changes in working capital:		
Inventories	-	-
Trade and other receivables	3,169	(1,681)
Trade and other payables	3,910	3,679
Cash generated from operations	6,302	(5,369)
Interest paid	(1,116)	(108)
Interest received	62	224
Tax paid	(196)	(254)
Net cash from operating activities	5,052	(5,507)

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Schedule III: Condensed Consolidated Statement of Cash Flows
For the twelve months ended 31 December 2022 (cont'd)

	Cumulative 4 th Quarter	
	31/12/2022 RM'000	31/12/2021 RM'000
Cash flows from investing activities		
Acquisitions of:		
- Property, plant and equipment	(35,768)	(35,340)
- Short-term other investments	(1,489)	(11,036)
- Rights-of-use assets	(71)	-
Net investment from/(in) term deposits	4,630	(5,200)
Cash acquired on acquisition of subsidiary	323	3,502
Payment for acquisition of subsidiary	(676)	(3,500)
Payment for stepped-acquisition of a subsidiary	-	(1,500)
Net advance to related parties	-	-
Proceeds from disposals of short-term other investment	13,759	8,518
Net cash used in investing activities	(19,292)	(44,706)
Cash flows from financing activities		
Net proceed from borrowings	23,539	19,051
Advances from a corporate shareholder	293	-
Proceeds from issuance of shares	-	6,150
Repayment of lease liabilities	(122)	(122)
Transactions with other non-controlling interests	28	-
Net cash generated from financing activities	23,738	25,079
Net increase/(decrease) in cash and cash equivalents	9,498	(25,134)
Cash and cash equivalents at beginning of period	6,403	31,533
Effects of exchange rate changes on cash and cash equivalents	54	4
Cash and cash equivalents at end of period	15,955	6,403
<u>Comprising of:</u>		
Cash and bank	15,955	6,403
Fixed deposits with financial institutions	-	-
Cash & cash equivalents at end of period	15,955	6,403

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 2021.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Schedule IV: Condensed Consolidated Statement of Changes in Equity
For the twelve months ended 31 December 2022

	Share capital RM	Reserves RM	Retained earnings/ (Accumulated losses) RM	Subtotal RM	Non-controlling interest RM	Total equity RM
At 1 January 2021	123,914	(3,471)	(951)	119,492	1,582	121,074
Profit for the year	-	-	1,231	1,231	(856)	375
Fair value changes on equity investments at FVOCI	-	(237)	-	(237)	(157)	(394)
Foreign currency translation differences	-	7	-	7	-	7
Total comprehensive income/(loss)	-	(230)	1,231	1,001	(1,013)	(12)
Acquisition of subsidiary	-	-	-	-	6,929	6,929
Shares issued	7,050	(900)	-	6,150	-	6,150
Changes in shareholding in subsidiaries	-	(1,623)	-	(1,623)	123	(1,500)
At 31 December 2021	130,964	(6,224)	280	125,020	7,621	132,641
At 1 January 2022	130,964	(6,224)	280	125,020	7,621	132,641
Profit for the year	-	-	(18,676)	(18,676)	(1,771)	(20,447)
Fair value changes on equity investments at FVOCI	-	(1,329)	-	(1,329)	(886)	(2,215)
Foreign currency translation differences	-	(3)	-	(3)	-	(3)
Total comprehensive income/(loss)	-	(1,332)	(18,676)	(20,008)	(2,657)	(22,665)
Acquisition of subsidiary	-	-	-	-	705	705
Changes in shareholding in subsidiaries	-	(3)	-	(3)	3	-
Capital enlargement in a subsidiary	-	-	-	-	29	29
At 31 December 2022	130,964	(7,559)	(18,396)	105,009	5,701	110,710

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Schedule V: 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 2021.

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
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
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 Group and of the Company were 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.

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 MCOs, Conditional MCO, Enhanced MCO, Semi Enhanced MCO, Recovery MCO starting from 18 March 2020 to October 2021, which resulted in the disruption to schoolings and hence temporary suspension of the Ministry of Defense service-contract and lower profit or loss reported from the transportation segment in the corresponding period.

As of date of this announcement, the Group has resumed servicing the contract when schooling is allowed by Federal Government. Save for abovementioned, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter.

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.

Schedule V: Selected Explanatory Notes Pursuant to MFRS 134 (Cont'd)
6. Issuance or repayments of debt/equity securities

During the period under review no ordinary shares had been issued.

As at 31 December 2022, no new ESOS or share rights has been granted.

7. Dividends paid

No dividends have been paid in the current financial quarter.

8. Segmental Analysis

The Group has five (5) 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, water 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>Cumulative Current v Corresponding Quarter</i>		
	31/12/2022	30/09/2022	% chg	31/12/2022	31/12/2021	% chg
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Transportation	4,180	4,158	0.5%	16,233	7,388	>100%
Hydropower	-	-	-	-	-	-
Solarpower	881	912	(3.4%)	2,652	109	>100%
Water	2,243	2,676	(16.2%)	7,990	-	100%
Investment holding and others	7	7	-	29	28	3.6%
	7,311	7,753	(5.7%)	26,904	7,525	>100%
Intersegment adjustment	(7)	(7)	-	(29)	(28)	(3.6%)
Group revenue	7,304	7,746	(5.7%)	26,875	7,497	>100%
Adjusted EBITDA						
Transportation	(18)	45	(>100%)	331	580	(42.9%)
Hydropower	(252)	(263)	4.2%	(975)	(984)	0.9%
Solarpower	1,073	542	98.0%	2,379	(442)	>100%
Water	(552)	117	(>100%)	202	-	100%
Investment holding and others	(567)	(674)	15.9%	(2,999)	(5,277)	43.2%
	(316)	(233)	(35.6%)	(1,062)	(6,123)	82.7%
Intersegment adjustment	-	-	-	-	-	-
Group Adjusted EBITDA	(316)	(233)	(35.6%)	(1,062)	(6,123)	82.7%

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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>		
	31/12/2022	30/09/2022	% chg	31/12/2022	31/12/2021	% chg
	RM'000	RM'000		RM'000	RM'000	
<u>Total Assets</u>						
Transportation	7,851	12,732	(38.3%)	7,851	12,599	(37.7%)
Hydropower	49,688	48,764	52.8%	49,688	47,868	55.6%
Solarpower	98,383	88,286	11.4%	98,383	66,282	48.4%
Water	5,487	4,887	12.3%	5,487	-	100%
Investment holding and others	92,974	94,614	(1.7%)	92,974	114,779	(19.0%)
	254,383	249,283	12.0%	254,383	241,528	15.6%
Intersegment adjustment	(73,769)	(74,948)	1.6%	(73,769)	(70,456)	(4.7%)
Group Assets	180,614	174,335	17.8%	180,614	171,072	20.1%
<u>Total Liabilities</u>						
Transportation	2,090	2,316	(9.8%)	2,090	1,900	10.0%
Hydropower	40,795	37,748	8.1%	40,795	36,315	12.3%
Solarpower	78,298	67,957	15.2%	78,298	44,237	77.0%
Water	5,438	4,061	33.9%	5,438	-	100%
Investment holding and others	17,052	18,069	(5.6%)	17,052	26,435	(35.5%)
	143,673	130,151	10.4%	143,673	108,887	31.9%
Intersegment adjustment	(73,769)	(74,948)	1.6%	(73,769)	(70,456)	(4.7%)
Group Liabilities	69,904	55,203	26.6%	69,904	38,431	81.9%

8.1 Current Quarter vs Previous Quarter
8.1.1 Revenue and Adjusted EBITDA
(i) Transportation division

Revenue slightly increased RM22K (0.5%) in 4Q2022 from 3Q2022, when more children back to physical schooling with improved COVID-19 vaccinations. Despite the growing top line, inclined supplier cost (drivers' minimum wages revised upwards to RM1,500 from RM1,200 with effective 1 May 2022) and increased of administrative costs i.e., legal & professional fees had caused deterioration in Adjusted EBITDA compared to 3Q2022.

(ii) Hydropower division

While waiting for completion and commissioning of mini-hydropower projects to be revenue generating, the Adjusted EBITDA loss in the hydropower division mainly attributed cost of our in-house engineers, administration expenses, and costs of procuring the necessary approvals from the relevant State Government authorities.

(iii) Solarpower division

Revenue decreased slightly by RM31K (3.4%) to RM881K in 4Q2022 (3Q2022: RM912K). The decrease in revenue was attributed to lower energy generation in 4Q2022, partly caused by monsoon season and lower sun irradiance.

Schedule V: Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)8. Segmental Analysis (Cont'd)8.1 Current Quarter vs Previous Quarter (Cont'd)8.1.1 Revenue and Adjusted EBITDA (Cont'd)(iii) Solarpower division (Cont'd)

As at the date of announcement, a total of 18.5 MWp Solar Photovoltaics (“PV”) System installed for six (6) corporate clients are up and running. Of which, 17.4MWp are powered up in year 2022; being: -

- (i) 1.2MWp on 19 January 2022 for Muda Pasifik Sdn Bhd in Penang;
- (ii) 3.0MWp on 16 February 2022 and 0.57MWp extension on 15 September 2022 for Muda Paper Mills Sdn Bhd in Penang;
- (iii) 3.0MWp on 26 March 2022 and 0.39MWp on 19 August 2022 for Muda Paper Converting Sdn Bhd in Penang;
- (iv) 7.0MWp on 1 July 2022 for Evergreen Fibreboard Berhad in Johor; and
- (v) 2.4MWp on 15 November 2022 for Chin Well Fasteners Co Sdn Bhd in Penang.

To recap, the first Solar PV System was powered up on 5 September 2021 for De-Luxe Food Services Sdn Bhd in Selangor (1.1MWp).

The Adjusted EBITDA had risen from RM542K in 3Q2022 to RM1.1 million in 4Q2022 with the capitalisation of transaction costs directly attributable to borrowings which were expensed off in prior period.

(iv) Water division

Revenue from Water division decreased 16.2% from 3Q2022, being reduction from RM2.7 million to RM2.2 million in 4Q2022.

The division's Adjusted EBITDA had a dip in 4Q2022, from RM117K in 3Q2022 to a loss of RM552K in 4Q2022. These are mainly attributable to projects progressed satisfying different performance obligations and hence varies project profit margin yield between 4Q2022 and 3Q2022.

(v) Investment holding and other division

The Group's Adjusted EBITDA loss in 4Q2022 had improved from a loss of RM674K in 3Q2022 to a loss of RM567K, as the costs were well managed.

8.1.2 Assets and Liabilities

Total assets of the Group increased compared to previous quarter, mainly attributed to the increase in assets from Hydropower and Solarpower division. The former with increased in fair value of unquoted equity held whilst the latter increased with the progress of installation of Solar PV Systems.

Although with increased in Solarpower segment's borrowings to finance Solar PV projects, liabilities continue to be well managed, at 38.7% and 31.7% of total assets in 4Q2022 and 3Q2022 respectively.

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.

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

16. Business Combination (Cont’d)

A bargain purchase of RM58K is recognised when purchase consideration is less than the fair value of net assets acquired. The effect of the acquisition of GCAP Water Solutions as at the date of acquisitions is as follows:

	GCAP Water Solutions RM’000
Fair value of net assets acquired	
Cash and cash equivalents	323
Intangible assets acquired – Contract assets	933
Trade and other receivables	1,296
Trade and other payables	(1,113)
	1,439
Less: Non-controlling interest’s share of net assets	(705)
	734
Less: Fair value of consideration transferred	(676)
Bargain purchase	58

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:

	GCAP Water Solutions RM’000
Fair value of consideration transferred	676
Less: Cash and cash equivalents acquired	(323)
	353

The consolidated results since the date of acquisition are as follows:

	GCAP Water Solutions RM’000
Revenue	7,990
Net loss after tax*	(1,332)
Other comprehensive income	-

If the acquisition had occurred on 1 January 2022, the consolidated results for the period ended 31 December 2022 would have been as follows:

	GCAP Water Solutions RM’000
Revenue	8,149
Net loss after tax*	(1,320)
Other comprehensive income	-

* Included bargain purchase of RM58K.

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		
	31/12/2022 RM'000	30/09/2022 RM'000	% chg
Revenue	7,304	7,746	(5.7%)
Adjusted EBITDA loss	(316)	(233)	(35.6%)
Loss before tax	(6,478)	(5,183)	(25.0%)
Loss after tax	(6,213)	(5,129)	(21.1%)
Loss attributable to ordinary equity holders of GCAP	(5,559)	(4,601)	(20.8%)

The Group is reporting a higher Adjusted EBITDA loss of RM316K in 4Q2022 as compared to an Adjusted EBITDA loss of RM233K in 3Q2022 partly due to write-off of equipment amounting to RM233K on top of variation to profit margin yield from different performance obligations satisfied between 4Q2022 and 3Q2022 as disclosed in Note 8.1 to Schedule V.

Higher loss before tax for 4Q2022 was RM6.5 million (3Q2022: RM5.2 million), mainly due to an impairment loss on goodwill of RM4.4 million (3Q2022: RM Nil) and fair value loss on revaluation of quoted investment held of RM395K (3Q2022: loss of RM3.7 million).

3. Future prospects

Earlier, the Group welcomed 8 March 2022 announcement by the ninth (9th) Prime Minister Ismail Sabri Yaakob that Malaysia would enter the endemic phase of Covid-19 from 1 April 2022. Normalisation post more than two years of battling the Covid-19 pandemic has become lifesaving to our business activities.

Now, the Group cheered to receive the Budget 2023 announced by the tenth(10th) Prime Minister Datuk Seri Anwar Ibrahim on 24 February 2023, amongst other:-

- (i) Bank Pembangunan Malaysia Berhad Strategic Financing will be subsidizing 1.5% of finance cost payable to include maritime & logistic scheme and allocating up to RM1,500 million for sustainable development financing scheme;
- (ii) Extension of Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE) to 31 December 2025; and
- (iii) Green Technology Financing Scheme increased to RM 3 billion until 2025.

We see these measurements indicating the newly formed government continue to support the development of renewable energy industry and we envisaged these shall spur in our business’s viability in terms of financing cost saving and improvement to the business prospects.

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

3. Future prospects (Cont’d)

3.1 *Transportation division*

On 30 December 2022, the Group signed a supplemental agreement with Ministry of Defence Malaysia (“Mindef”). Under the Supplemental Agreement, the contract tenure has been extended for another one (1) year to end at 31 December 2023 with additional contract value awarded of RM8.409 million; making it a total contract value of RM52,639,560 from 1 January 2020 to 31 December 2023.

Earlier, the Group has been awarded agreement to chartering of school buses for the children of nationwide Malaysian Armed Forces, including the southern, eastern, northern, Sabah and Sarawak zones of Malaysia from 1 January 2020 to 31 December 2022 for a contract value of RM44,230,560.

3.2 *Mini hydropower division*

The Group remains committed to completing the construction of the mini hydropower projects-

Earlier, on 15 December 2020, our 96.0%-owned by subsidiary, Gunung Hydropower Sdn Bhd (“**Gunung Hydropower**”), won on SEDA e-bidding for 10MW low-head small hydropower project in Sungai Perak, Salu (“**Project Salu – A**”). With a higher tariff of RM0.2898/kwh, we signed the 21 years’ Renewable Energy Power Purchase Agreement (“**REPPA**”) with TNB on 12 August 2021.

Subsequently, on 10 May 2022, Gunung Hydropower bid and won at RM0.2460 per kilowatt-hour (“**KWh**”) for 8.0 MW high-head small hydropower plant at Sg. Temelong and Sg. Ibul of Perak (“**Project Temelong_Ibul**”). We successfully inked REPPA with TNB for Project Temelong_Ibul on 9 December 2022.

For clarity, Project Salu – A and Project Temelong_Ibul (collectively referred to as scheme Salu_Temelong_Ibul) are designed to be developed together and share inter-connection facilities costs. Its total capacity of 18MW is now ready for next phase of development.

The same e-Bidding on 10 May 2022, the Group is showered by blessing with yet another winning when 74.64%-owned Kundur Hydro R E Sdn Bhd (“**Kundur Hydro**”) bid and won at RM0.2461/KWh for 2.0 MW high-head small hydropower plant at Sg. Geroh of Perak (“**Project Geroh**”). Kundur Hydro successfully inked REPPA with TNB for Project Geroh on 7 November 2022.

The successful future commissioning of Project Salu – A, Project Temelong_Ibul and Project Geroh in the near future will contribute directly to the Group’s long term consolidated revenue, earnings, and enhance the Group’s earnings growth potential. Under 60%-owned Perak Hydro Renewable Energy Corporation Sdn Bhd (“**PHREC**”), our mini hydro portfolio includes 10 sites with an installed capacity of 84.05MW, at various stages of construction.

On 18 October 2022, the Group had entered into a Joint Venture and Shareholders’ Agreement (“**JVSHA**”) with Yayasan Sabah via its subsidiary company, Innoprise Synergy Sdn Bhd (“**Innoprise**”) and Kerap Hijau Sdn Bhd (“**Kerap Hijau**”), with regards to a proposed joint venture to develop mini-hydropower projects in Sabah. The parties have agreed to collectively pooling their resources, leading to fund raisings of not less than RM3 billion in developing the first 200 MW projects, which may be financed via a combination of fund-raising exercises and bank borrowings.

On 17 November 2022, Northern Star Hydropower Sdn Bhd, a wholly-owned subsidiary bid and won at RM0.2298 per KWh for 26.0 MW high-head small hydropower plants at Sg. Dong, Sg. Lipis, Sg. Kenur and Sg. Kelang of Pahang Darul Makmur (“**Project Pahang Tengah Scheme**”). Successful commissioning of this scheme will also contribute directly to the Group’s long term consolidated revenue and earnings.

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

3. Future prospects (Cont’d)

3.3 *Solarpower division*

The Group is pleased with a total of 18.5 MWp Solar PV System from 6 notable clients as Note 8.1.1(iii) of Schedule V that’s income producing.

Future prospects remain exciting when the Group envisaged powering up more Solar PV System after securing more Power Purchase Agreements (“PPA”). In 2022, the Group bagged 11.16 MWp of PPA:-

- (i) On 9 May 2022, 2,380.32 KWp for Chin Well Fasteners Co Sdn Bhd in Penang and 3,000.24 KWp for Chin Herr Industries (M) Sdn Bhd in Penang. The latter was revised to 2,470.60 KWp on 27 July 2022;
- (ii) On 27 May 2022, 507.28 KWp for Muda Paper Mills Sdn Bhd in Penang and 309.28 KWp for Muda Paper Converting Sdn Bhd in Penang; and
- (iii) On 27 July 2022, 5,500KWp for Federal Packages Sdn Bhd in Penang.

The management remained optimistic to secure and commission no less than 20 MWp Solar PV projects in financial year 2023 and contribute to the Group’s revenue and earnings accordingly.

3.4 *Water division*

On 28 February 2022, the Company paid RM302,435 cash for 9,000 ordinary shares, representing 30% equity interest in GCAP Water Solutions. On the same date, GCAP Water Solutions underwent a capital enlargement whereby the Company subscribed to 373,500 new ordinary shares for RM373,500 and resulting in ownership of 51.00% equity interest in GCAP Water Solutions. Through this arrangement, the Group has venturing into providing water solutions (including but not limited to water engineering, information technology services and wholesale of goods).

On 8 July 2022, the Group has been awarded a Letter of Award (“LOA”) worth RM7.05 mil from Non-Revenue Water (“NRW”) specialist to cure NRW issues in Pulau Langkawi. The project is ~~will~~ contribute positively to the earnings and ~~as~~ the project progressing to completion in year 2023.

On 11 October 2022, the Group has been awarded a LOA from Exxor Technologies Sdn Bhd (“Exxor Technologies”) to be the NRW specialist for a 70KM leak detection and pipe inspection for Jabatan Bekalan Air Luar Bandar (“JBALB”) Sarawak – Kota Samarahan. The full contract value will ~~would~~ be reflected in 2023 when the project completes.

The Group is in various stages of negotiation with various parties for NRW projects .

In addition to abovementioned divisions, 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.

4. Tax expense

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

	Individual 4 th Quarter		Cumulative 4 th Quarter	
	3/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM’000	RM’000	RM’000	RM’000
Current	(15)	(85)	(15)	(101)
Deferred tax	280	(165)	361	(16)
	265	(250)	346	(117)

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

5. Status of corporate proposals

5.1 *Proposed Rights Issue*

On 13 July 2021, KAF Investment Bank Berhad (“KAF IB” or “principal advisor”) had announced on behalf of GCAP that GCAP 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.

On 8 November 2021, GCAP has announced revision to the utilisation of proceeds to be raised. New application was submitted to Securities Commission on 18 November 2021 and Securities Commission has approved the proposed issuance of RCULS on 14 December 2021.

On 6 January 2022, Bursa Malaysia Securities Berhad (“Bursa Securities”) has approved the Proposed Rights Issue subject to following conditions:-

- (i) GCAP and KAF IB must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Rights Issue;
- (ii) GCAP and KAF IB are required to inform Bursa Securities upon completion of the Proposed Rights Issue;
- (iii) GCAP and KAF IB are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Rights Issue is completed; and
- (iv) GCAP is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of RCULS as at the end of each quarter together with a detailed computation of listing fees payable.

The Board of Directors of GCAP is pleased with results of EGM held on 27 April 2022 with the shareholders supporting the Proposed Rights Issue.

On 27 June 2022, Bursa Securities had decided to grant an extension of time until 6 December 2022 for GCAP to complete the implementation of the Proposed Rights Issue.

On 6 December 2022, the Board of Directors of GCAP had resolved not to proceed with the Proposed Rights Issue and is reviewing other alternative forms of fundraising to satisfy the Group’s funding requirement for its Project Costs and will make the necessary announcement(s) should the Group undertake any other alternative fundraising proposal(s). The aborting of the Proposed Rights Issue is not expected to have any material effect on the earnings and NA of the Group.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

5. Group borrowings and debt securities

The details of the Group's borrowings as at 31 December 2022 are as follows: -

As at 31 December 2022	Currency	Current	Non-Current	Total
Lease liabilities^	RM	119	186	305
Project financing term loan#@	RM	3,040	41,943	44,983
		<u>3,159</u>	<u>42,129</u>	<u>45,288</u>

As at 31 December 2021	Currency	Current	Non-Current	Total
Lease liabilities^	RM	97	100	197
Project financing term loan#@	RM	4,132	16,998	21,130
		<u>4,229</u>	<u>17,098</u>	<u>21,327</u>

^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%-3.81%.

Financing of the development of a mini-hydro site bearing floating rate interest of 1.00% above the financial institution's base lending rate.

@ Financing of Solar PV Projects, bearing floating rate interest of 1.25% - 2.00% above the financial institution's cost of fund.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

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 (“**Principal Outstanding Sum 1**”) 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.

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

- (a) for GPB 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 GPB 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 December 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.

On 31 December 2021, the parties have reached a consensus for out-of-court for the full RM1,242,000 and the Court has sealed consent judgement on 9 February 2022. **The Group has collected the RM1,242,000 in March 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 (“**Principal Outstanding Sum 2**”). The matter was scheduled for a case management on 10 June 2021 to be held by means of e-review.

The Defendant is an agency/department under the Second Defendant and/or Third Defendant whereas the Second Defendant, Third Defendant and Fourth Defendant are ministries under the Fifth Defendant.

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

7. Material litigation, claims or arbitration (con’td)

(b) (cont’d)

The suit was filed by GPB against the Defendants to recover the Principal Outstanding Sum 2 and such other costs arising therefrom as aforementioned. The First Defendant, with the approval given by the Second Defendant and/or the Third Defendant, had entered into a contract to engage GPB for the provision of bus rental services and food provided for/to the trainees under Program Latihan Khidmat Negara for the period commencing from 26 December 2014 to 25 December 2017. The said contract was further extended for 2 years commencing from 26 December 2017 and expired on 25 December 2019.

As at the announcement, the GPB only received a sum of RM4,952,983.90 and Principal Outstanding Sum 2 remained uncollected, despite several reminders had been sent to the Defendants. During the case management on 14 March 2022, the KL High Court has fixed the trials on 23 August 2022 to 25 August 2022.

On 17 August 2022, the KL High Court has vacated the trial scheduled on 23 August 2022 to 25 August 2022 and fixed case management by way of e-review on 23 August 2022 to fix a 27 May 2024 to 30 May 2024 to be new trial dates.

The solicitors-in-charge for the above suit, Messrs Goik Ramesh & Loo, is of the view that there are high chances of GPB in succeeding in the matter.

(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, which intended to construct a 2.0MW mini-hydropower plant project. As at the announcement, the cost incurred for this project is approximately RM14.10 million.

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.

The First Defendant had in response, filed a notice of appeal at the Court of Appeal, Kuala Lumpur (“Court of Appeal”) against the said interim injunction on 6 May 2021 vide a notice of appeal with the Appeal No. A-01[IM][NCVC]-258-05/2120. The solicitors-in-charge has filed all of the necessary documents relevant to the appeal and the grounds of judgement for the original interim injunction was received on 1 September 2021. The appeal on interim injunction was fixed for mention on 6 October 2021 and thereafter, the hearing application to set aside the injunction is set on 1 April 2022. The Court of Appeal has on 1 April 2022 ruled to set aside the injunction.

The case is fixed for continued trials on 23 to 25 March 2022, 12 to 13 April 2022, 20 to 21 April 2022, 25 to 28 April 2022, 23 to 27 May 2022, 15 to 18 August 2022, 23 to 26 August 2022, 19 to 23 September 2022, 29 November 2022 to 1 December 2022 for witnesses to testify before the Ipoh High Court.

On 1 December 2022, the Ipoh High Court has fixed extra dates for the trial, being 30 to 31 January 2023, 1 to 2 March 2023 and 20 March to 22 March 2023 for the witness to testify.

The solicitors-in-charge for the above suit, Messrs Goik Ramesh & Loo, is of the view that there are high chances of successful to the trial.

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 (loss)/profit to shareholders of GCAP (RM’000)	(5,559)	(18,676)
Weighted average issued capital net of treasury shares (‘000)	320,691	320,691
(Loss)/Earnings per share (Sen)	(1.73)	(5.82)

- (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 (loss)/profit to shareholders of GCAP (RM’000)	(5,559)	(18,676)
Weighted average issued capital net of treasury shares (‘000)	320,691	320,691
(Loss)/Earnings per share (Sen)	(1.73)	(5.82)

10. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

RM’000	Individual 4 th Quarter		Cumulative 4 th Quarter	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
(i) Interest Income	(52)	163	(62)	(224)
(ii) Interest expense	476	(174)	1,101	92
(iii) Interest expense – lease liabilities	5	4	15	16
(iv) Effect of discounting on other receivables	-	-	(219)	109
(v) Effect of discounting on other payables	7	28	102	121
(vi) Depreciation and amortisation	898	(504)	3,525	236
(vii) Fair value losses on equity instruments through profit or loss	395	533	11,250	5,978
(viii) Bargain purchase	-	-	(58)	(12,668)
(ix) Gain/(loss) on disposal of investments	3	(855)	(347)	(279)
(x) Impairment/ (Reversal of impairment) on:				
- Goodwill	4,425	-	4,425	-
- Trade receivables	3	-	3	(1,242)
- Other receivables	45	-	45	-
(x) Expenses related to short term leases	97	10	233	35
(xi) Share of loss from a joint venture	1	2	3	2
(xii) Property, plant and equipment written off	233	-	233	-

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

11. Additional Disclosure Information

Trade Receivables

There are no favourable credit terms of trade receivables granted to related parties than those granted to non-related parties. Each credit terms are granted after being considered the credit risk exposure and risk management mechanism in place. 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	>60 days	Total
31/12/2022	1,059	127	976	2,162
31/12/2021	1,242*	-	3	1,245

The past due trade receivables are collectable. Of the RM2.16 million trade receivable past due but not impaired, RM867K relates to trade receivables purchased as disclosed in Note 16 of Schedule V, RM105K pertaining to outstanding receivable from a customer towards sale of solar energy, whilst another RM1,189K pertaining to outstanding receivable from customers towards water works. Management is in active discussion with the debtors for debts recovery and remain optimistic towards the recoverability of such receivables.

To recap, an 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 7(b).

** On 31 December 2021, a settlement of RM1.24 million has been agreed between the Group with Markas Logistik Tentera. As such, the management has reversed out the a RM1.24 million impairment in 4Q2021 and collected in March 2022. Management is continuing effort to recover the balance of debts impaired.*

Other receivables

Of the RM7.02 million current assets - other receivables, RM 3.07 million (31/12/2021: RM3.75 million) deposit to SEDA and to Pahang Water and Energy Resources for feed-in-tariff scheme e-bidding and mini-hydropower projects.

Foreign exchange exposure/ hedging policy

The Group does not have any hedging policy or long-term foreign exchange exposure. The Group has minimal one-off foreign exchange exposure to USD and EUR for purchases of mechanical and electrical equipment for small hydropower projects and Non-revenue projects. As at 31 December 2022, 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.